

## 2.27 Grey District Regional Digital Hub and the Outreach Hub

### Evaluation, Cover Sheet and Decision Form

<b>Project:</b>	<b>Grey District Regional Digital Hub and the Outreach Hub</b>	<b>FOR:</b>	<b>Approve</b>
<b>Applicant:</b>	Development West Coast	<b>PDU ID:</b>	Commercial
<b>Application type:</b>	Main PGF	<b>(A) Total Project Value:</b>	\$ Commercial Information
<b>Funding type:</b>	Grant	<b>(B) PGF Funding Sought:</b>	\$800,000
<b>Entity Type:</b>	<b>Local Authority</b>	<b>(C) PGF Funding Recommended:</b>	\$800,000
<b>Region:</b>	<b>Bay of Plenty</b>	<b>(D) Applicant Contribution:</b>	\$ Commercial Information
<b>Tier:</b>	<b>1 - Regional</b>	<b>(D/A) Co-contribution Rate:</b>	Commercial %
<b>Sector:</b>	<b>Digital Connectivity</b>		
<b>Application Summary</b>	<p>Development West Coast is seeking \$800,000 from the regional digital hub allocation to establish two regional digital hubs, one located in Greymouth and the other located in the southern West Coast. Funding has already been allocated for a Regional Digital Hub (RDH) to be established in Westport.</p> <p>Greymouth is the commercial centre of the West Coast and is the entry point for most visitors to the region. Greymouth is also the largest population centre on the West Coast, hence a RDH located here would likely provide benefit to the most people.</p> <p>The Outreach Hub proposal differs from the majority of the regional digital hubs in that it will not be set up in one specific location. With RDHs in Westport and Greymouth to serve the Buller and Grey Districts respectively, the final RDH for the West Coast should serve the Westland district. Locating the Westland regional digital hub in a modified shipping container that is mobile will help address some of the geographical challenges faced by the Westland district.</p>		

#### It is recommended that SROs:

Support the PDU recommendation to support a \$800,000 grant towards Development West Coast to establish two Regional Digital Hubs in Greymouth and Westland, because:

- Greymouth is a key service town in a rural area
- The Outreach Hub is designed in a way that overcomes a number of challenges posed by the unique geography of the Westland district to satisfy the needs of the local community. Westland is one of New Zealand's most isolated districts with a low population that is not densely populated.
- Both hubs will provide digital connectivity and create a place for business and community activity.

- The hubs will enable access to technology and uplift of digital capability in one of the most isolated and under resourced regions in New Zealand. The West Coast along with Milford Sound has been identified by the government as regions that have been under resourced as described by the PGF position paper on digital connectivity.
- The internet access rate in the West Coast is below the national average and the proposed project directly addresses this problem through the provision of free WiFi at the Greymouth Regional Digital Hub and the Outreach Hub.

Funding conditions:

- Confirmation of co-funding
- 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 [redacted]
- 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>A RDH to serve the Grey District should be located in Greymouth as it is the commercial centre of the district and the wider West Coast. Being a commercial centre, a RDH located in Greymouth is likely to have the most significant impact on digital capability of businesses in the district.</p> <p>The mobile Outreach Hub is expected to be relocated roughly 5 times a year to different towns in Westland from Haast to Hokitika. This is to ensure that the Outreach Hub services as much of the Westland population as possible. Likely locations are Hokitika, Fox, Franz Josef and Haast.</p> <p>As the economic development agency for the West Coast, Development West Coast is best positioned to understand the specific needs of the local people and design a solution that will deliver digital capability uplift. Development West Coast also plans to share staffing costs across the two hubs to ensure that the quality of training services being provided via the regional digital hubs is the same across the Grey and Westland districts.</p>
<p>➤ <b>Criticality:</b> 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 project was included in the Tai Poutini Digital Enablement Strategy that has been presented to members of the 'Regional Stakeholder Group' and was signed off on [redacted]. The Regional Stakeholder Group consists of:</p> <ul style="list-style-type: none"> <li>• Development West Coast trustees</li> <li>• Te Runanga o Ngatiwaewae, Te Runanga o Makaawhio and Ngai Tahu representatives</li> <li>• The Mayors, chairs, and councillors of the three</li> </ul>

	<p>district councils.</p> <ul style="list-style-type: none"> <li>The chair and councillors of West Coast Regional Council.</li> </ul>
<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>Development West Coast has secured \$ <sup>Commercial Information</sup> of co-funding for each of the regional digital hubs (\$ <sup>Commercial Information</sup> in total).</p> <p>An indicative budget for both hubs along with a project plan for implementation has also been provided. The project plan includes a review after the first year of the regional digital hub operation to assess whether the hubs have been successful in achieving their objectives. The review will also help identify what changes can be made to ensure the hubs are sustainable long term and continue to address the specific needs of the Grey and Westland districts.</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>A key outcome sought by Development West Coast that aligns with the outcomes sought by the wider Regional Digital Hub initiative is to improve GDP by creating more employment and business opportunities. The Greymouth RDH and the Outreach Hub are set to achieve this by offering training to businesses to upskill their existing digital capability, provide access to technology and resources to those who would otherwise not have access and by creating a network across the West Coast focused on uplifting the region's digital capability.</p>

PROACTIVELY RELEASED

### Funding arrangements

Suggest a grant of up to \$800,000 from the PGF fund towards a Regional Digital Hub in Greymouth and an 'Outreach Hub' to serve as a Regional Digital Hub for the Westland district.

Confirmation of expected deliverables is to be confirmed at the contracting stage. Equal amount of funding must be available to the Greymouth RDH and the Outreach Hub (i.e. \$400,000).

### Conflicts of interest and T&Cs

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

### Due Diligence

Due diligence is subject to the appointment of a new CEO of West Coast Development Holdings Ltd (Trustee of Development West Coast).

### Supporting proposal:

Yes

### Appendices:

Yes -- Application

### Author of paper:

MN, Investment Analyst, PDU Investment Team  
AM, Investment Director, PDU Investment Team