



ECONOMIC DEVELOPMENT
NEW ZEALAND



**PROVINCIAL
GROWTH FUND**

Application for Funding (up to \$1m)

This application form will help the officials administering the Fund to make a decision on your proposal, so please provide as much detail as you are able to, as appropriate to the size and complexity of your proposal. If information required in this form is missing, officials will contact you to ask for that, which will add time to your application process.

Proposal Name "Building capability in the Provinces"

Applicants and contact details Economic Development NZ
Privacy of natural persons

- Summary of project**
Include an overview of:
- *The proposal for which funding is sought*
 - *The amount of funding being sought*
 - *Details of all contributors to the proposal and engaged stakeholders*
 - *What the proposal is seeking to achieve*
 - *A summary of other sections of the business case*

The Objective: To create a gassed up, powerful and skilled sub-national economic development ecosystem (EDE) that can ably support and partner government in delivery of the PGF and other central government policy/funding initiatives.

That objective will in part be realised through the:

- 1) Development and delivery of a quality professional development programme specifically designed for economic development practitioners and elected representatives within the sub-national EDE.
- 2) Establishment of an online repository for best practice economic development resources that speaks to the entire range of economic development activities (similar in concept to the Quality Planning portal which is a product of a partnership between the Ministry for Environment and New Zealand Planning Institute.

Amount of funding being sought:

This application is for a total of \$985,000 over three years. EDNZ will contribute a further Commercial Information over the same period.

Details of contributors and engaged stakeholders:

About EDNZ - Economic Development NZ is a unique not for profit organisation representing economic development practitioners,

associates and corporates from across the national/regional and local EDE.

Membership of EDNZ is the hallmark of Professional Expertise and Integrity within the economic development profession and is open to any individual or organisation working in, or associated with, Economic Development.

Members include MBIE, NZTE, all fourteen regional development agencies, consultants and many individual practitioners and associates.

A renaissance - In the past year EDNZ has undergone a renaissance, rewriting its constitution to enable broader membership, developing a new strategy, reinstating the annual conference, rebranding, completely revamping its online presence, increasing its profile via numerous media releases, updating its systems and adding new services. It has also initiated engagement with central government in the spirit of collaboration and partnership

EDNZ now enables and empowers its members through a number of professional services including:

- An economic development jobs board
- The latest domestic and international ED news
- Policy and research
- A Best Practice monitoring and evaluation resource
- Tools and Tips
- An annual conference
- Networking opportunities at a regional and national level
- Weekly e.newsletter on hot topics in ED
- Annual Awards that celebrate excellence
- Advocacy
- A code of ethics which sets members apart

Governance - EDNZ is governed by the CEO's of all fourteen RDA's. The executive of the Board is Dr David Wilson, Chair and CEO of Northland Inc and Mr Paul Casson, Deputy Chair and CEO of Venture Southland.

Engaged stakeholders:

On 23rd February, Economic Development NZ hosted a Strategic Summit that included senior representatives from key national, regional and local agencies within the EDE.

The purpose of the summit was to forge greater alignment between central and sub-national efforts through agreement on a shared vision and goals.

Summit delegates identified capability building as imperative for the sub-national EDE, and as a consequence inserted it into the primary

shared goal:

“To achieve sustainable, powerful, gassed up and skilled local economic development agencies that grow NZ for all”

Delegates at the summit included:

- CEO's of all regional economic development agencies
- CEO of NZTE
- Callaghan Innovation
- MBIE
- Te Puni Kokiri
- Regional Tourism Organisation NZ
- Ministry of Social Development
- Education NZ
- Some local EDA's such as Aoraki Development

Attached is a pictogram that reflects the aspirations of the Summit.

EDNZ Board Support:

At its Board meeting on the 25th May, the Board of EDNZ documented its unanimous support for the capability project.

Use of funding:

The funding will be used by EDNZ to:

- 1) Develop relevant and quality content for the professional development courses
- 2) Deliver the programme to the sub-national EDE
- 3) Support a CPD Advisory Panel that will include a representative from MBIE
- 4) Develop and maintain the online portal that will contain best practice and a guide to the NZ economic development ecosystem
- 5) Establish a quality control advisory panel that will include MBIE to ensure the portal is only populated with robust/quality information

Outcomes:

The project will deliver the following outcomes:

- A powerful, skilled up sub-national EDE that can deliver job creation, sustainable inclusive growth and effective deployment of the PGF in partnership with central and local government.
- Instant reach for the Ministry of Economic Development into all the regions
- Greater prosperity in the regions.
- Greater alignment of national and regional efforts for RED.
- Greater capability in the regions.

Address inequity within and between regions.

Need for the project:

Building sustainable, inclusive growth requires a multi-government approach that has a provincial delivery focus. (Bruce Katz – “The New Localism” - the Brookings Institute)

Central government efforts to deliver inclusive growth across provincial NZ will flounder without a gassed up, powerful and skilled local and regional economic development ecosystem that it can effectively partner.

Summary of business case:

This application includes detail of how the project will be managed, the benefits that will accrue to both the regions and the PGF, why a skilled up local/regional EDE is crucial to effective delivery of the PGF and the support that the project has already attracted.

Costs and Benefits of the Project

What is the total cost of the project

Commercial Information over three years

What is your (the applicant's) financial contribution?

over three years – this sum will be made up of Event, Membership subscriptions and Jobs Board revenue Commercial Information

What Government funding is being sought

\$985,000 in total over the three years

Breakdown of other funders
Specify contributor and contribution (including central government, regional, private trust etc)

Contributor

Amount (\$)

Benefits of the project

Identify and, if possible, quantify the economic benefits from the project. In particular, highlight public benefits (i.e. benefits other than increase profitability of the applicant)

This application will be a-typical from others received since it seeks to address institutional ‘infrastructure’ issues that in our view pose a threat to the successful delivery of the PGF.

It is therefore difficult to quantify the economic benefits from the project. What we can say however, is that without a project such as this, there is the possibility of serious dis-benefits that could result in an insurmountable challenge to the fund. Thereby undermining its objectives.

Why?

The sub-national EDE will in many instances be the organisations responsible for delivery of the PGF.

It currently suffers from decades of fragmentation, a lack of funding, especially so at an operational level which gives rise to issues of both capacity and capability.

This poses a significant threat to the successful delivery of the PGF since it is relying on 'infrastructure' that is already under significant pressure, especially so in the 'surge' regions.

Building capability is one of the three fundamental solutions proposed by EDNZ to ensure that central government can tap into and partner with a powerful and skilled up sub-national EDE.

The other two solutions: building **capacity and cohesion** within the sub-national EDE are the subject of a separate application for funding that has been prepared by EDNZ on behalf of the regional development agencies.

The benefits of the **capacity** project are then as follows:

- a) Managers of the PGF can have confidence that:
 - a. all projects have undergone due diligence before application
 - b. that the projects advanced are best value use of the fund i.e. maximum output for minimum input
 - c. that the business case advanced in support of the project is thorough and accurate
 - d. that the projects will be delivered within time, budget and according to agreed KPI's
 - e. all projects truly reflect the needs identified by both the local and regional interests
 - f. that the fund is less likely to experience further controversy
 - g. that disruptions will be minimum thereby ensuring that the fund will be fully expended within the delegated timeframe

Contribution of the Capability project to the Fund's Objectives/Additionality

What are the key objectives of the proposal?
Include information about how the proposal will meet these objectives

The key objective is to build **capability** within the local and regional EDE by:

- 1) Developing a quality professional development programme
- 2) Establishing an online repository for best practice

Delivery of the above will build much needed capability at a sub-national level by ensuring that all economic development practitioners have:

- a) Relevant tools, templates and tips at their fingertips

- b) A robust knowledge of local and regional issues and the solutions available
- c) Awareness and use of best practice across the broad range of economic development activities that sub-national EDE is engaged in.

What is the existing situation?

In relation to each of the objectives

Objective:

- 1) Developing and delivering a quality professional development programme to economic development practitioners and elected representatives within the local/regional EDE.

Currently:

There is currently no holistic economic development related professional training programme in existence within NZ.

Objective:

- 2) Establishing an online repository for best practice, tips and tools (similar to Quality Planning portal)

Currently:

A number of regional and national agencies currently offer tips, tools and best practice to the sub-national EDE in a small way. The online portal will gather all of those resources in one place and become the portal of choice for users.

What is the business need of the project?

The gap between the current and future state

Successful delivery of the PGF requires a capable sub-national EDE.

Whilst the component parts of the EDE have a unique understanding of their respective provinces, their networks and their needs, and are therefore the natural delivery partner, the eco-system has suffered for decades from fragmentation, underfunding and the inevitable associated issues of capacity and capability. Please find attached a number of graphs which reinforce the issue of underfunding.

Fragmentation

There are currently 14 regional development agencies, 30 regional tourism organisations (some of which are integrated with the RDA, but not all) and circa 50 local EDA's/EDU's located across regional NZ. In short, the EDE is fragmented, resembling a patchwork quilt of capacity, complexity and idiosyncrasy with little collaboration at an inter or intra-regional jurisdiction.

Underfunding

To date, with the exception of a brief focus on the provinces in the first decade of the 21st Century, New Zealand's (NZ) sub national EDE has been funded predominantly by local government. That investment represents just 0.9% of NZ's national GDP. (OECD

2017). That investment is markedly different across the 14 regions, with some RDA's receiving as little as ^{Commercial} per annum.

Issues of capacity and capability

This lack of investment at the sub-national level has a long history and has given rise to a lack of capacity and capability within the EDE.

In short, whilst the regional/local EDE represents the best infrastructure available for central government to partner with in its delivery of the PGF, it is a system that has long been under pressure and in need of support if it is to be sustainable.

The solution

The PGF presents a rare opportunity to address the issues of capability and capacity, fragmentation and underfunding that besets the sub-national EDE and introduce a fresh approach to regional development.

This project seeks to address the issue of **capability**. A second project that will be advanced by EDNZ in the near future will speak to the issues of **capacity, underfunding and fragmentation**.

How does the project contribute to the Fund's outcomes?

i.e. Maori development, environmental sustainability, employment outcomes, increased productivity

The objectives of the PGF are supported by EDNZ and its members. Our members will be expected to deliver many of the outcomes identified within the fund.

Whilst parts of the sub-national EDE will be able to step up and meet those expectations, still others will not and both the fund and the would be local/regional beneficiaries will feel the pain of that failure.

Raising capability across the ecosystem is vital if the outcomes of the fund are to be achieved effectively, efficiently and without controversy.

Does your proposal support any other proposals, including any that have recently been funded, are being considered for funding, or may soon apply for funding?

Explain the relationship between this and other proposals

A second EDNZ proposal will be submitted via an EOI imminently. That proposal picks up on the lack of capacity within the Regional Economic Development Agencies and speaks to the same goal that underpins this application.

“Building sustainable, powerful, gassed up and skilled local economic development agencies that grow NZ for all”

Regional Connections

What regions are covered by your proposal?

Identify what region/s the proposal will benefit and how it will do this

Economic Development NZ represents all of the regional economic development agencies, many of which have merged with the regional tourism organisation; we also represent an increasing number of local economic development units/agencies.

The continuing professional development programme will be available to both our members and non-members. A specific component of the programme will also be built for local elected representatives.

Following a training needs analysis undertaken late in 2017 the continuing professional development programme will build capability across all RDA functions including but not limited to: the attraction and retention of investment, growing the local innovation ecosystem, small business support, events, destination management, tourism product development, skills attraction and retention, good governance models, the theory and practice of economic development, building a strong business case and project management.

All regions will have access to the online portal and all practitioners will be able to attend the national annual conference.

An MBIE representative will be invited to participate both as a member of the CPD Advisory Panel and the Best Practice Advisory Panel.

What local support does your proposal have?

Have you discussed your proposal with local stakeholders (e.g. council, iwi/Māori groups, regional governance groups)?

Did they support it? If not, why not?

The proposal to develop a best practice online portal, and provide a comprehensive programme of professional development for practitioners, elected representatives and associates has the support of the following:

- CEO's of all regional economic development agencies
- CEO of tNZTE
- Callaghan Innovation
- MBIE
- Te Puni Kokiri
- Regional Tourism Organisation NZ
- Ministry of Social Development
- Education NZ
- Some local EDA's such as Aoraki Development

Are you using local governance processes?

i.e. existing local, regional and/or iwi/Māori governance processes

The fourteen regional economic development agencies are integral to support and promotion of this initiative. They have indicated their support for the project and will be responsible for its governance as Board members of Economic Development NZ.

Governance and Management

What are the key milestones and outputs for the project?

Expected timeframes for the project:

Year 1

- Delivery of 30 relevant and high quality professional development courses for elected officials and practitioners
- Organisation of any courses suggested by MBIE/NZTE
- Establishment of a best practice online portal
- Collation of existing resources and publication onto the portal
- Call for best practice guidance material on a range of topics
- Development of criteria for submissions of best practice guidance
- Establishment of an advisory panel to monitor quality of portal content

Year 2 -

- Delivery of 40 relevant and high quality professional development courses for elected officials and practitioners
- Organisation of any courses suggested by MBIE/NZTE
- Maintenance of a best practice online portal
- Call for best practice guidance material on a range of topics
- Support of an advisory panel to monitor quality of portal content

Year 3 -

- Delivery of 50 relevant and high quality professional development courses for elected officials and practitioners
- Maintenance of a best practice online portal
- Organisation of any courses suggested by MBIE/NZTE
- Call for best practice guidance material on a range of topics
- Support of an advisory panel to monitor quality of portal content

How will the project be managed and governed?

The Board of EDNZ will govern the project. The EDNZ Board consists of CEO's from the 14 regional development agencies.

The Board will receive monthly reports on progress against the above outputs, along with a financial report. Those reports will also be made available to the funds administrators.

The Audit and Risk Committee, led by Paul Casson, will also monitor the financial management of the project.

Management

The project will be managed by our Executive officer who has many years of experience in a) developing and implementing a continuing professional development programme and b) developing and populating an online best practice resource. This is an example of a programme she designed in 2015, it is almost unchanged from that time.

She will be supported in that work by a new staff member responsible for logistics such as booking venues, catering, flights and accommodation for

CPD providers, general administration and publishing onto the best practice portal.

Process underpinning the CPD programme

All individual members were offered the opportunity to participate in a training needs analysis in late 2017. Prepared by EDNZ the analysis sought to capture the areas of training that individuals identified as gaps or opportunities for professional development in their day to day work. [Please click here](#) to access the training needs analysis.

The results of the survey are attached for your information. The RDA's have responded to the survey, which in itself is a demonstration of their commitment to the programme.

In 2017 the Board resolved on the following. Each course that EDANZ chooses to offer would be based on best practice within and beyond NZ and be delivered by an expert in that field. That expert might be an individual or a corporate.

The courses would typically be a day long, a little longer for some of the more senior classes. Most courses would initially be offered as face to face event in the main centres of population but increasingly the courses would be filmed and offered online in later years.

An evaluation survey for each course will be shared with attendees within a week of the event. That evaluation programme will be critical in determining whether our SLA's with each of the presenters continues or ends.

Outline the risks of this project (Including mitigations)

It has been posited that the CPD programme may not attract the revenue or student numbers we planned for.

However, the EDNZ Board is made up of the CEO's of the 14 RDA's. The CPD programme has been established at the Board's bidding so there is a significant commitment to the service. This includes active promotion of the events at a regional level by the RDA's.

We have also budgeted conservatively for each CPD event with the expectation that there would be a small surplus from each course, approximately Commercial Information. This is proving a realistic expectation with the two CPD courses we have already run. Any surplus from CPD will be ringfenced and reinvested in the programme.

Each course will have a minimum of six students (or it will be deferred three weeks from its planned delivery, until the numbers for the course increases) in short EDNZ won't run the course at a loss). Our current programme can be seen [here](#) Both the CPD and 2017 EDNZ Conference have operated at a small surplus to date, with no sunk costs in need of recovery under this project.

Outline the procurement process

Commercial Information



If your proposal is funded, what happens once the funding is spent?

It is anticipated that EDNZ will be in a sufficiently strong enough position to continue all initiatives in 2021 without financial support from the PGF.

Is your proposal sustainable once funding from the Provincial Growth Fund ends?

Headlines of Operating Budget for Capability Project

	Year 1	Year2	Year 3	...	Total
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Expenditure

	Commercial Information				
Online Portal					
Continuing Professional Development Programme					
<u>Capital expenditure</u>					
TOTAL					

Co-funding secured, source - EDNZ

Commercial Information

Commer

TOTAL required from PGF

\$985,000

Capital funding required

Operating funding required

Funding shortfall (if any)

Breakdown of capability budget:

A breakdown of revenue and expenditure projections are provided below. The revenue relates to the monies and activities that EDNZ will utilise to contribute to the capability project. That contribution will total Commer over four years. This has changed since lodgement of the original application since a request for support of EDNZ's annual conference is no longer included in the application. The conference is therefore a cost that EDNZ will continue to bear predominantly alone. The

The expenditure/revenue totals are Commer.

**Capability Budget
Projections 2018-2021**

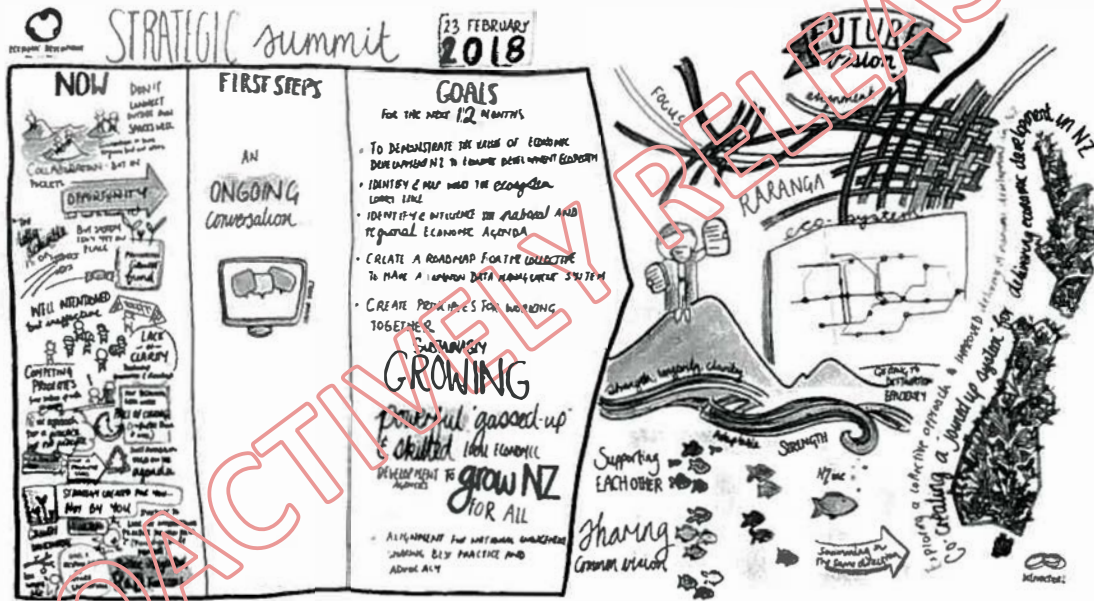
	Revenue	2018/2019	2019/2020	2020/2021
CPD	Events	Commercial Information		
	Membership and jobs board			
	Capability Provincial Growth Funding			
	Total:			

CPD	Expenditure
	Presentation of courses
	Venues for courses
	Catering
	Travel and Accom Costs for Presenters
	Administration of CPD *

Attachment 1:

The results of the Strategic Summit initiated by EDNZ to grow alignment and collaboration between the national and sub-national EDE.

FUNOGOFI Process



Attachment 2:

Service Level Agreement with CPD Providers:

<p>Service Level Agreement (SLA) for <i>Customer</i> by Economic Development New Zealand</p> <p>Effective Date: 23.01.2018</p>
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Document Owner:	Privacy of Economic Development New Zealand
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Version

Version	Date	Description	Author
1	23.01.2018	Service Level Agreement	Privacy of

Approval

(By signing below, all Approvers agree to all terms and conditions outlined in this Agreement.)

Approvers	Role	Signed	Approval Date
Company name	Service Provider		
Customer	Customer		

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1. Agreement Overview

This Agreement represents a Service Level Agreement (“SLA” or “Agreement”) between (the service provider XXXXXX and Economic Development NZ (EDNZ) for the provisioning of Continuing Professional Development (CPD) services required to support and sustain the EDNZ CPD services.

This Agreement remains valid until superseded by a revised agreement mutually endorsed by the stakeholders.

This Agreement outlines the parameters of all services covered as they are mutually understood by the primary stakeholders.

2. Goals & Objectives

The **purpose** of this Agreement is to ensure that the proper elements and commitments are in place to provide consistent CPD services and delivery to EDNZ by the Service Provider.

The **goal** of this Agreement is to obtain mutual agreement for service provision between the Service Provider and Customer (EDNZ).

The **objectives** of this Agreement are to:

- Provide clear reference to service ownership, accountability, roles and/or responsibilities.
- Present a clear, concise and measurable description of service provision to the customer.

3. Stakeholders

The following Service Provider and Customer will be used as the basis of the Agreement and represent the **primary stakeholders** associated with this SLA:

Service Provider(s): Company name. (“Provider”)

Customer(s): EDNZ (“Customer”)

4. Periodic Review

This Agreement is valid from the XXXXXX date outlined herein and is valid until further notice. This Agreement should be reviewed following the delivery of each course. Should the post-course evaluation suggest a dearth of quality in terms of presentation and/ content the customer reserves the right to cease delivery of the course without penalty; however, in lieu of a review during any period specified, the current Agreement will remain in effect.

The **Business Relationship Manager** (“Document Owner”) is responsible for facilitating regular reviews of this document. Contents of this document may be amended as required, provided mutual agreement is obtained from the primary stakeholders and communicated to all affected parties. The Document Owner will incorporate all subsequent revisions and obtain mutual agreements / approvals as required.

Business Relationship Manager: EDNZ

Review Period: Bi-Yearly (6 months)

Previous Review Date:

Next Review Date:

5. Service Agreement

The following detailed service parameters are the responsibility of the Service Provider in the ongoing support of this Agreement.

5.1. Service Scope

The following Services are covered by this Agreement;

- The preparation of all course outline, content and materials
- The presentation of the agreed CPD course at set dates/locations

5.2. Customer Requirements

Customer responsibilities in support of this Agreement include:

- Promotion of the event to members and non-members
- Management of the booking system
- Booking the venue and catering
- Reimbursement of a return ticket to venue
- Reimbursement of one night's accommodation
- Setting of student fees
- Payment of presentation fee - \$

5.3. Service Provider Requirements

Service Provider responsibilities in support of this Agreement include:

- Booking of any travel and accommodation required
- Completion and return of attached Service Provider Profile
- Advice on available dates for agreed locations
- Preparation of course outline
- Presentation of course
- Preparation of handouts
- Responding constructively to results of student satisfaction survey
- Presentation of invoice within two weeks of event's conclusion

5.4. Service Assumptions

Assumptions related to in-scope services and/or components include:

- Changes to services will be communicated and documented to all stakeholders.

6. In event of cancellation

6.1 EDNZ reserves the right to cancel or defer the event up to two weeks prior to the scheduled training under the following circumstances:

- The student numbers fall below those required to cover the collective costs of the service provider and venue/catering costs.

In the event of a cancellation or deferral any additional travel / accommodation costs will be borne by the Service Provider.

6.2 Should the service provider be unable to fulfil his/her responsibilities as articulated within this agreement any costs associated with that circumstance will be the responsibility of the service provider.

7. Dispute

The primary stakeholders agree to work together in good faith to resolve any matter requiring their direction or resolution. The resolution of any dispute or non-performance will be dealt with by escalation to the Chair of Economic Development NZ. The decision by the Chair will be final and not subject to appeal.

Signed:

Customer:

Date:

Signed:

Service Provider:

Date:

Service Provider's Profile

About You:

Full Name _____

Address _____

Email _____

Mobile Phone Number _____

Your account number for reimbursement and payment

Dietary requirements- Please identify any dietary requirements you may have here

Please provide a short bio (no more than 150 words)

When returning the form please attach a high-resolution Jpeg head and shoulders image of yourself.

About the course you are presenting:

Title of Course _____

A short outline of course for promotional purposes (no more than 200 words)

When returning the form please attach a high-resolution image that you would like EDNZ to use when promoting the event.

Please identify the dates you are available to present at any or all of the following locations:

Dunedin _____

Wellington _____

Christchurch _____

Auckland _____

PS If there is another area that you believe there will be a particular appetite for your course then please do list and identify dates appropriately.

Attachment 3:

Graphs which support the statement that the sub-national system is dramatically underfunded.

Table 1: A 2017 report by the OECD shows that New Zealand is the eighth lowest of all the OECD countries in terms of the sub-national expenditure on economic development as a percentage of the national GDP. NZ's sub-national ED spend is just 0.9%, whilst the average is 4.4 percent.



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Table 2:

The predominant source of funding for the sub-national EDE is local government which expends around 2% of its total budget on economic development. Whilst RDA's have a collective budget of Commercial Infor, that funding could be as low as Commercia per annum for some agencies. The following table shows the budgets per capita for each of the RDA's. Please note that the Waikato Region has yet to consolidate the various local interests into an RDA. This task will be completed mid- 2018.

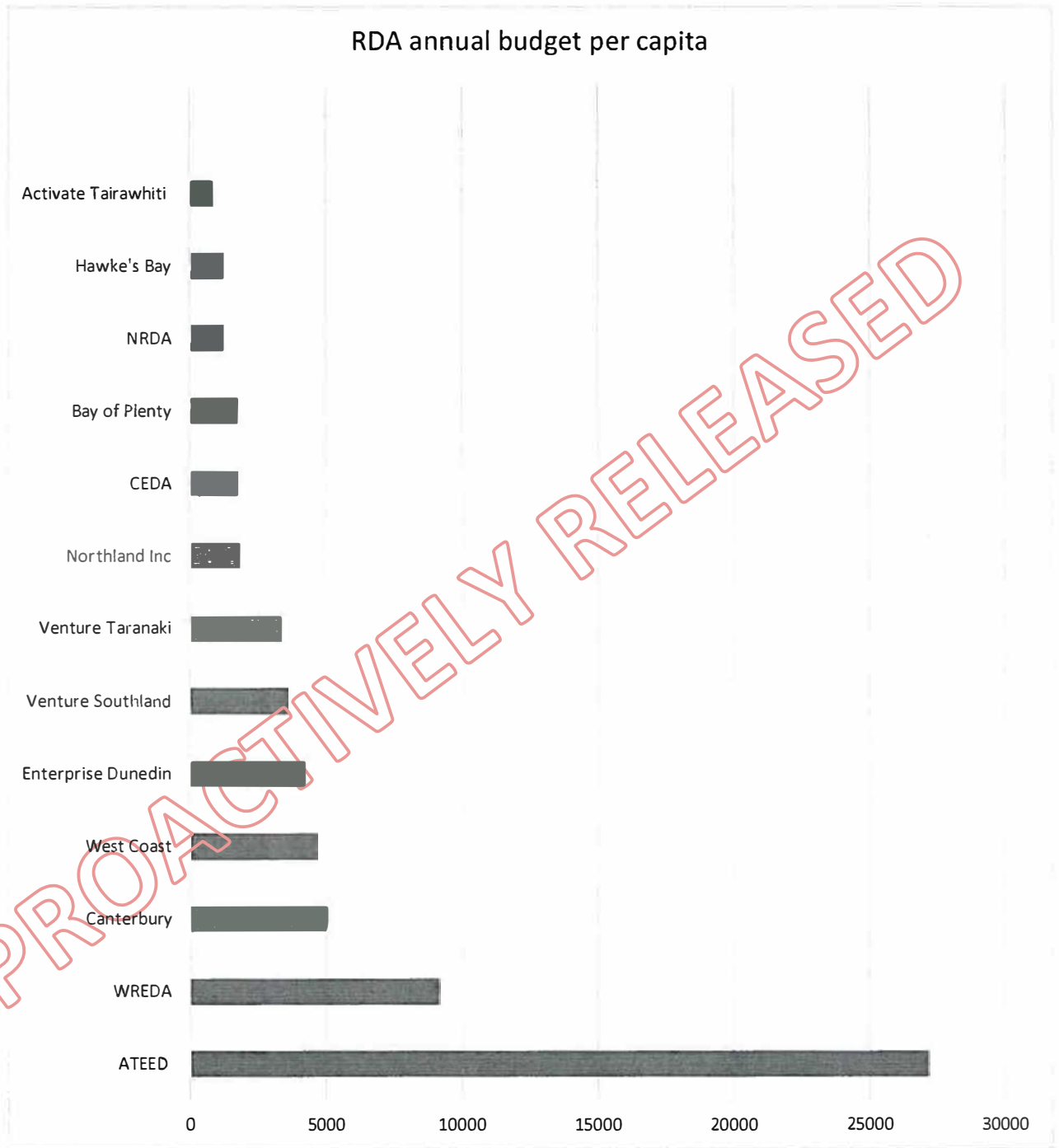
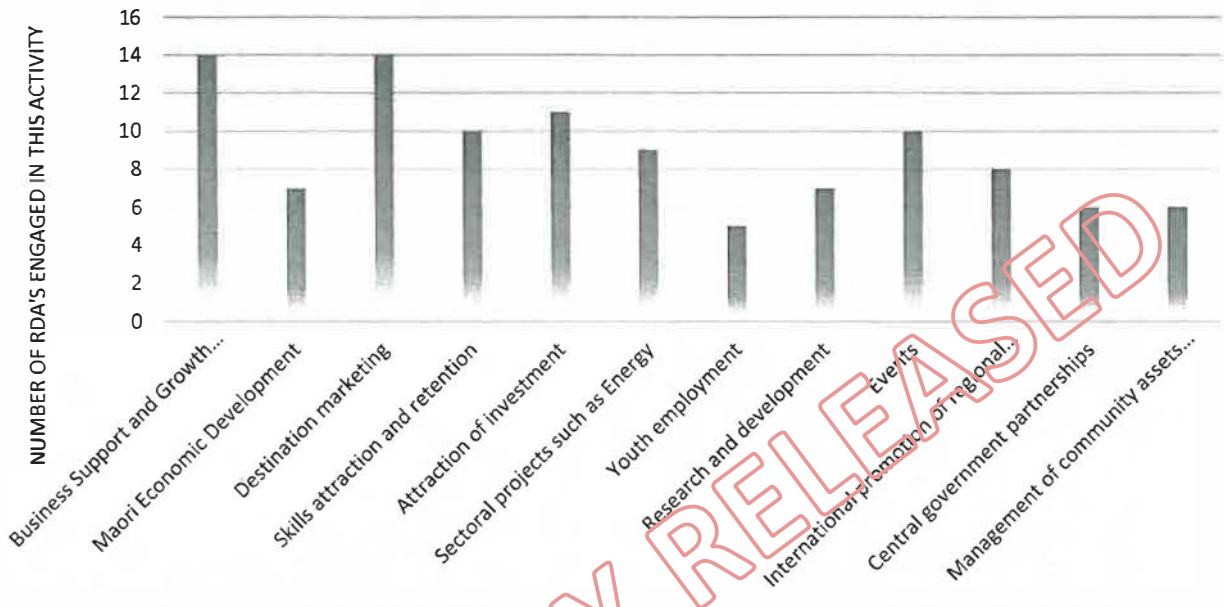


Table 3:

Despite the lack of funding for many of the RDA's they are still expected to engage in a broad range of ED activities. The following table represents the breadth of those ED activities.

RDA ACTIVITIES



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Responses to training needs analysis

