Evaluation of the Regional Growth Programme implementation and ways of working

2017
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Tuku mihi ki a koutou katoa.

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Executive summary

Background

1. The Regional Growth Programme (RGP) was designed to support regions with persistent economic underperformance to identify opportunities and leverage them to increase jobs, income and investment, for the ultimate benefit of all New Zealanders. The RGP aims to help key regional stakeholders to work together – integrating local perspectives – to ensure that economic progress is made. The RGP draws support from different Government agencies, and also works between Government agencies and the regional stakeholders with the aim of accelerating progress in areas of economic need identified by the regions.

2. The RGP is still in the early phases of implementation and continues to evolve. Its origins go back to 2014 when the Ministry of Business, Innovation and Employment (MBIE) and the Ministry for Primary Industries (MPI) started working together to help regions address some of the more systemic and intractable economic growth challenges. Northland, Bay of Plenty (BOP), East Coast/Gisborne, Hawkes Bay, Manawatū/Whanganui and the West Coast were regions that were identified as having a strong primary resource sector base to build from but not achieving their full economic potential. This presented as low economic growth or low household incomes, with pockets of high deprivation and unemployment in some sub regions.

3. By 2016 the RGP had attracted interest from stakeholders in further regions who had specific regional economic issues they wanted to address, including Waikato, Taranaki, Canterbury, and Southland. More recently all remaining regions (outside of Auckland) have expressed an interest in being part of the programme.

4. MBIE and MPI commissioned this evaluation of the RGP to: assess the extent to which the programme is working as intended with regards to its implementation, systems and processes; assess the value of the outcomes achieved to date; and capture lessons learned at central, regional and project levels to inform the RGP going forward.

5. This evaluation focuses on the way the government agencies are working with each other and with the regional stakeholders and Māori in the regions. It is not an evaluation of regional economic progress. Where the evaluators discuss such progress, this is provided as an exemplar of the way support from government agencies helps or hinders regional progress.

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1 Government agencies refers to the lead agencies, Ministry of Business, Innovation and Employment (MBIE), Ministry for Primary Industries (MPI), with support from Treasury (TSY), Te Puni Kōkiri (TPK), Ministry of Education (MoE), Ministry for Social Development (MSD), Ministry of Health (MoH), Ministry for the Environment (MFE), New Zealand Transport Agency (NZTA), Department of Conservation (DoC), New Zealand Trade and Enterprise (NZTE), Tertiary Education Commission (TEC), Ministry of Transport (MoT), via SRO, State Services Commission (SSC) via SRO, Department of Internal Affairs (DIA) via SRO, Ministry of Justice (MoJ) via SRO, Statistics NZ via inclusion in Regional Economic Action Plans, Ministry of Foreign Affairs and Trade (MFAT) via inclusion in Regional Economic Action Plans, Ministry for Culture and Heritage (MCH) via inclusion in Regional Economic Action Plans.

2 Regional stakeholders refer to Regional and District Councils, Economic Development Agencies in the regions, industry sectors and businesses

3 Māori refers to iwi, hapū and Māori landowners

4 The Auckland region, containing New Zealand’s largest city and urban area, and one-third of the New Zealand population, already has many specifically focused Government programmes and efforts dedicated to assisting that particular region with its economic – and social – dynamics.
Findings

6. The evaluation found that, overall, parties from both government agencies and regional agencies, believe the RGP makes a **worthwhile and valuable contribution** to addressing regional economic challenges and opportunities. The RGP has evolved, scaled out and shown resilience as people adapted it strategically and responsively – even during the initial implementation. The following figure highlights and summarises some of the key activities of the RGP since 2015. What becomes apparent is that a number of new emergent strategies have taken place along with the planned activity, and there do not appear to have been any activities that were planned that have not been realised.

*Figure 1: Snapshot of Regional Growth Programme Implementation*

7. **Key benefits** of the RGP that were identified by both government agencies and regional stakeholders are its **positive contribution** to:

- More joined-up governance between ministers, senior officials within government agencies and regional stakeholders to set clear priorities and direction
- Better understanding, co-ordination and cohesion which has enhanced relationships and networks between different government agencies and also between government and the regional stakeholders – and better leveraging of these relationships
- Implementation that extends beyond the original intent and has evolved to meet different regional needs and opportunities
- A genuine intent and open spirit of government agencies to support and partner with the regional agencies
- Helping broker relationships, support individual project and organisational change, and provide project management and workstream support within the regions.

8. In addition to progressing in line with its aims the RGP has contributed unanticipated benefits which include:

- Attracting additional regions to take part in the programme
- Being useful and helpful in regions after adverse events.
9. All parties acknowledge this programme will take time to increase jobs, income and investment in the regions to the extent that they can be measured by regional statistics – they are not visible yet. Furthermore, given the interconnected nature of many initiatives, it will be difficult to isolate the contribution of the RGP to regional economic outcomes.

Iwi/Māori engagement and experience of the RGP

10. Iwi/Māori make up a significant proportion of the population in the evaluated regions; and socioeconomic circumstances for Māori in terms of household income and other measures are disproportionately poor. A frequently expressed view from government agency personnel was that people development, and development of the land, water and other resources in a sustainable way in the regions is essential for progress.

11. Māori who took part in the evaluation were limited to those who had come in direct contact with the RGP process at a management or governance level in two regions (Northland and Bay of Plenty) or at a government agency level.

12. Government agency personnel and regional stakeholders believed Iwi/Māori can make a worthwhile and valuable contribution to the RGP and are doing so on a number of projects. Māori participants also saw value in more joined-up governance between ministers, senior officials within government agencies and regional stakeholders to set clear priorities and direction. They believed there was a genuine intent and open spirit of government agencies to support and partner with Iwi/Māori. However, feedback from some government agency personnel and some regional stakeholders in the evaluation also indicated that:

- There should be better links between the regional development programme and the Crown – Māori Economic Development Strategy
- Where a Māori strategy is developed, how that interacts with regional action plans (or similar activities) is made clearer or strengthened
- There are opportunities to improve the way Government (including local government) engages with Māori
- There are opportunities to strengthen the capacity of Māori to engage in regional development, by enabling equitable resources.

Lessons to guide future RGP programme development

13. Lessons identified to guide future programme development include suggestions for government agencies to:

Embed a firm foundation for the programme going forward

- Restate and update the purpose of the RGP and its intended strategy to accommodate the changes that have occurred – make some strategic decisions about what the RGP is and is not for
- Align and support Māori economic development plans and the RGP.

Ensure clarity with regards to RGP systems and processes

- Reframe the eligibility criteria for the Regional Growth Investment fund (RGI) and make this clear to all regions so there is a consistent application of the fund across regions, and consider whether it might be possible and desirable to operationalise the fund
- Develop a communications strategy to clarify some of the aspects of the programme that are currently unclear.
Provide further support to strengthen implementation of the programme

- Provide additional administrative support as “backbone” support both for government agencies and regional stakeholders to match the growth of the programme. These might include people with skills in writing business cases or administering the RGI fund, or secretariat support for the Senior Regional Officials (SROs) and for regional and Māori economic development advisory groups.
- Invest in strengthening Māori capacity regionally and RGP engagement with Māori stakeholders.

Leverage opportunities for innovation and change

- Consider a differential service model for regions of need and regions of opportunity and how that might be articulated and implemented.

14. Lessons identified to guide future programme development include some suggestions for regional stakeholders in the RGP, such as local government, business groups, and Māori as follows:

- **Governance**: Take the time to ensure the right people are at the table and that processes and structures are established to enable genuine participation that is meaningful, relevant and useful for a range of stakeholders including Māori.
- **Implementation**: Identify champions and lead Action Plan activities early and support their progress
- **Capacity**: Build additional capacity, where there is a need, in writing business cases, project management and liaising with government agencies to progress actions on the Action Plans.

Limitations of the evaluation

15. This evaluation was tightly focused and constrained by a tight timeframe. This project is not intended to be an evaluation of the regions participating in the RGP, but focusses on the relationships between:

- Government and those they engage with in the regions
- Government agencies (both Wellington and regionally based agencies).

16. Therefore, information in this report is largely representative of feedback from government agency personnel and regional stakeholders who are responsible for administering the RGP in their region through governance, management or advisory roles (as opposed to a regional community perspective).

17. As previously mentioned, this evaluation only lightly touched on Iwi/Māori engagement and outcomes for Iwi/Māori. Therefore, the range of Iwi/Māori stakeholders in the wider community engaged with was limited. For example, the evaluation team did not interview iwi, or a range of Māori business or land owners (that were either participating in or not participating in the RGP) in the sample regions.

18. The data collection for the evaluation was undertaken between 13 June and 10 July for the scoping stage, and between 14 August and 7 September 2017 for the main data collection.

19. Finally, in the sense-making phase of the evaluation feedback was not sought from regional representatives who had participated. The evaluation team would recommend that in any future evaluation activity budget provision be made for this aspect.

20. However, with these caveats noted, based on the evidence gathered the evaluators found consistent themes emerged across the interviews, administrative data and survey data.
Background

Introduction

21. The Regional Growth Programme (RGP) was designed to support regions with persistent economic underperformance to identify opportunities and leverage them to increase jobs, income and investment, for the ultimate benefit of all New Zealanders. The RGP aims to help key regional stakeholders to work together – integrating local perspectives – to ensure that economic progress is made. The RGP draws support from different Government agencies, and also works between Government agencies and the regional stakeholders and Māori with the aim of accelerating progress in areas of economic need identified by the regions.

22. The RGP is still in the early phases of implementation and continues to evolve. Its origins go back to 2014 when the Ministry of Business, Innovation and Employment (MBIE) and the Ministry for Primary Industries (MPI) started working together to help regions address some of the more systemic and intractable economic growth challenges. Northland, Bay of Plenty (BOP), East Coast/Gisborne, Hawkes Bay, Manawatū/Whanganui and the West Coast were regions that were identified as having a strong primary resource sector base to build from but not achieving their full economic potential. This presented as low economic growth or low household incomes, with pockets of high deprivation and unemployment in some sub regions.

23. By 2016 the RGP had attracted interest from stakeholders in further regions who had specific regional economic issues they wanted to address, including Waikato, Taranaki, Canterbury, and Southland. More recently all remaining regions (outside of Auckland)\(^5\) have expressed an interest in being part of the programme.

24. MBIE and MPI commissioned this evaluation of the RGP to: assess the extent to which the programme is working as intended with regards to its implementation, systems and processes; assess the value of the outcomes achieved to date; and capture lessons learned at central, regional and project levels to inform the RGP going forward.

25. This section provides contextual information about regional economic development in general and the way the RGP is intended to work. It also identifies how progress might be assessed for a programme such as the RGP – which is seeking to accelerate regional economic development through effective collaboration in a complex adaptive system (Kania & Kramer, 2013).

26. This section then goes on to provide background information about the evaluation process. It articulates the evaluation purpose and outlines the evaluation methodology – including the key evaluation questions (KEQs), evaluation criteria and the performance framework used to make the evaluation judgements.

27. Regional economic development is important to New Zealand because a large proportion of New Zealanders (49%) live outside of the main urban centres of Auckland, Wellington and Christchurch, and the significant contribution the regions make to New Zealand’s economic performance (40% of GDP).

\(^{5}\) The Auckland region, containing New Zealand’s largest city and urban area, and one-third of the New Zealand population, already has many specifically focused Government programmes and efforts dedicated to assisting that particular region with its economic and social dynamics.
Regional economic development – learning from good practice

28. The MBIE publication, *Business Growth Agenda, (2017)* identified that a key goal for central government is inclusive economic growth where the benefits are shared by all New Zealanders and regions. A recent OECD publication reflected that while it is not easy to boost regional productivity or to overcome “inclusion challenges” (OECD, 2016, p. 20), there is now evidence of the good practices that governments might adopt to effectively support regional economic development. In summary, these were to:

- Establish suitable governance arrangements, as they are critical to facilitate implementation of place-based policies
- Incorporate place-based policy with any structural labour, market or product reforms (for instance, improve transport links to improve market access as well as building workforce capability – rather than just doing one or the other)
- Make strategic investments for growth and productivity rather than using subsidies
- Harness the diversity of regions beyond “farm supports” and encourage “local participation and bottom-up development”
- Consider how cities link as a system within the country (OECD, 2016, pp. 20–21).

29. The OECD observed: *Countries continue to experiment with better ways to manage regional development policy and public investments at all levels of government to join up public action across policy fields so as to leverage complementarities and address trade-offs (OECD, 2016, p. 21).*

Regional economic development in New Zealand

30. How do we in New Zealand make these linkages to “join up public action across policy fields” (OECD, 2016, p. 21)? This section outlines the New Zealand approach to regional economic development at the government level, the programmes that operate and the linkages they have with the Regional Growth Programme.

31. Government agencies have a role in promoting economic growth, which is viewed as critical to improving the wellbeing and living standards of all New Zealanders. MBIE’s mission is to “grow New Zealand for all” and MPI’s mission is “growing and protecting New Zealand”. These goals drive agencies’ economic strategy and are a core reason the Government prioritises regional economic development.

32. The Government recognises that the New Zealand regions make an important contribution to the national economy. For instance, the primary sectors contribute more than half of New Zealand’s export revenue (MBIE & MPI, 2017). The Government believes there is further untapped potential to harness the diversity of the regions for the benefit of the country as a whole. The Government therefore seeks to support regions to be as “productive and innovative” (MBIE & MPI, 2017, p. 2) as possible in order to improve regional living standards and contribute to lifting incomes nationwide. One of the programmes that supports this intention is the Regional Growth Programme (RGP).

What is the RGP?

33. The RGP has evolved as a partnership between central government, regional and district councils, economic development organisations, Iwi, Māori, businesses and sector groups in the regions, working together to identify, prioritise and champion regional initiatives. It aims to support the regions not only to identify their areas of interest and opportunity but also to navigate government processes more effectively to realise their regional economic aspirations.
34. The following vignette outlines how the RGP works, as documented recently by MBIE and MPI in *the Regional Growth Programme: working in partnership with regional New Zealand to increase jobs, income and investment.* (2017).

### Table 1: Vignette of how the RGP works

<table>
<thead>
<tr>
<th>How the RGP works, in MBIE and MPI’s words</th>
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<tbody>
<tr>
<td>Each region initially identifies their key economic opportunities. For Northland, Bay of Plenty, Manawatū/Whanganui and West Coast, central government assisted the process by initiating and funding independent growth studies. These studies identify key regional sector and investment opportunities, and cross-cutting growth enablers, for example, improved transport links, ICT and skills. The Waikato, Taranaki, Southland and Canterbury regions have identified their strategic economic priorities and opportunities.</td>
</tr>
</tbody>
</table>

Next, an economic action plan is developed by regional leaders. Action plans are economic blueprints for each region and identify specific activities that will help increase employment opportunities, household income and investment. Central government agencies support regions to develop their plans and implement them.

A key aspect of the government’s support for the regions is the appointment of a Senior Regional Official (SRO) as a single representative for government at the regional governance level. The Senior Regional Official is a deputy chief executive from a government agency who advocates for the region and coordinates government support. (MBIE & MPI, 2017. p.2.)

### RGP links with other programmes

35. Since September 2015, regional economic development has been a cross-cutting theme of the Government’s Business Growth Agenda. The Business Growth Agenda is a microeconomic reform programme launched in 2012 to support and enable businesses throughout New Zealand to flourish in the aftermath of the Global Financial Crisis. It aims to take an enabling role investing for a growing economy, diversify New Zealand’s economy with an export focus, and be inclusive and sustainable.

36. A recent refresh of the Business Growth Agenda in 2017 observed:

*Regions face a variety of challenges and are at different stages in their development – some face persistent economic challenges but have strong growth potential, while others have a stronger base but want to ensure that they can retain growth and further diversify their economies.* (MBIE, 2017, p. 39)

37. Government has for some time recognised that Māori economic development is an important aspect of regional development. The RGP is therefore also designed to work in partnership with the work of the Crown–Māori Economic Growth Partnership.

38. This was initiated in 2011 when an independent panel was set up, and as a result a strategic document *He kai kei aku ringa* (HKKAR) which means “providing the food you need with your own hands”, was published in 2012. In 2017, *E RERE!* was released as the refresh of HKRAR, as the next phase of the Māori economic development strategy. While “e rere” means “to leap, run, fly and take action”, it is also an acronym representing the five goal areas of HKRAR – employment, rangatahi (youth), enterprise, regions and education. The goals all align strongly with regional economic development goals, including the overarching HKRAR goal of increasing Māori median income by 20% between 2017 and 2021.

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6 Note this is not an overarching Māori economic development programme – it is the Crown-Māori programme (that is, it doesn’t claim to be mandated by all Māori).
In addition, seven Māori economic development plans have been developed across the regions to localise directions provided by HKKAR. Some of these were developed prior to the RGP, some were developed concurrently and others after. Aligning regional economic interests with the diverse aspirations, investment and resources offered by Māori in a coordinated grassroots approach is therefore important to regional development and growth (HKKAR, 2016).

The RGP is also cognisant of the Living Standards Framework published by The Treasury, which seeks to provide people with “greater opportunities, capabilities and incentives to live a life that they value, and that they face fewer obstacles to achieving their goals” (The Treasury, 2015, p. 2). The Framework suggests that policy-makers assess policy in terms not only of economic growth but also sustainability for the future, equity, social cohesion and managing risks.

**The Māori economy**

The Māori economy and asset base have grown significantly over the past ten years across a range of sectors including primary sector, natural resources, small- and medium-sized enterprises, and tourism. The Māori economy has grown from $36.9 million to $42.5 million in 2013. The largest portion of the Māori contribution to GDP comes from the primary sector, which generated $1.8 billion (just over 16%) of Māori GDP in 2013. The value of assets (including land) are organised in the following three groups:

- $12.5 billion for Māori trusts, incorporations, and other entities. These include rūnanga and other iwi and hapū authorities.
- $23.4 billion for Māori employers including major companies and also many smaller companies owned by Māori.
- $6.6 billion for Māori self-employed. (TPK, 2015)

As such Māori and iwi increasingly contribute and play a key role in New Zealand’s economy, including regional economies, but also assets held in whānau/hapū and iwi ownership have a role in building the social, cultural and economic collective well-being of their people.

**Implementation of the RGP is occurring in a complex environment**

The RGP is a complex programme being implemented in a complex, multi-stakeholder environment. This affects the way it should be evaluated. For example, Kania and Kramer (2013) observe:

*The solutions we have come to expect... often involve discrete programs that address a social problem through a carefully worked-out theory of change, relying on incremental resources from funders, and ideally supported by an evaluation that attributes to the program the impact achieved. Once proven, these solutions can scale up by spreading to other organizations.*

*The problem is that such predetermined solutions rarely work under conditions of complexity—conditions that apply to most major social problems—when the unpredictable interactions of multiple players determine the outcomes. And even when successful interventions are found, adoption spreads very gradually, if it spreads at all.* (Kania & Kramer, 2013, p. 1)

In the RGP context both the process and way the results will be achieved are emergent rather than predetermined, as the RGP operates as an accelerator for regional economic development through effective collaboration. However, both regional stakeholders and government agencies remain clear about the outcomes being sought – which are to help increase jobs, income and investment in the regions (to the benefit of all New Zealanders).
The success of the RGP rests on better relationships, better information being shared across parties, and co-ordination for aligning regional priorities with Government priorities...

Government funding is used to support robust proposals. (Government agency personnel)

45. What supports effective collaboration? Kania & Kramer (2013) indicate five conditions that support effective collaboration in a complex situation. These are:
   - Having a common agenda
   - Using a shared approach to measurement
   - Undertaking mutually reinforcing activities
   - Communicating with each other continuously
   - Having backbone support.

46. Another vital aspect of working together collaboratively is to build trusted relationships. Maister, Green, & Galford, (2000) describe the stages for building trusted relationships include:
   - Engaging and establishing relationships
   - Listening, expressing views and being heard
   - Developing an understanding of the issues and framing the issue
   - Envisioning or conceptualising solutions
   - Making commitments.

47. In previous evaluations this trusted relationship framing has been useful for better understanding the progress made by diverse stakeholder groups working together effectively (Oakden & Wehipeihana, 2014).

Terms of reference for the evaluation

48. This evaluation focuses on the way the government agencies are working with each other and with the regional stakeholders and Māori to support improving outcomes in the regions. It is not an evaluation of regional progress or how regional stakeholders are performing. Where the evaluators discuss regional economic progress, this is provided as an exemplar of the way support from government agencies helps or hinders regional progress.

49. The evaluation looks across the work of the RGP and explores how the government agencies are working together and supporting the regions. Feedback was also sought from stakeholders in Northland and the BOP to give a regional perspective. These regions were selected by MBIE and MPI for inclusion in the evaluation (prior to selecting evaluators to undertake the project) as they have been engaged in the RGP process for the longest period of time. While at the central government level the evaluators have been able to look across the programme, at the regional level the evaluators have only obtained feedback from regional stakeholders who interact with government agencies in the two regions. Two case studies were also developed in the regions to allow us to see more deeply into the programme to understand how the RGP might support economic development from grass-roots up to ministerial level.

Figure 2: Different levels of RGP implementation examined for this evaluation

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7 Backbone support is “staff with a specific set of skills to serve as the backbone for the entire initiative and coordinate participating organisations and agencies” (Kania & Kramer, 2013, p. 1).
50. To ensure the evaluation provides robust, credible findings of practical value to stakeholders, an evaluation-specific methodology has been used – that is, this report goes beyond descriptive analysis and provides transparent judgements about the quality and value of the RGP. This included the use of Key Evaluation Questions and Evaluation Criteria to provide an explicit basis for making overall judgements of quality and value.

**Key Evaluation Questions**

51. The following three Key Evaluation Questions (KEQs) were identified in consultation with MBIE and MPI\(^8\). These KEQs were designed to look at both processes and outcomes for a complex programme that spans across regions and is influenced by multiple external factors. They are:

- KEQ 1: To what extent and in what ways is the RGP working as intended with regard to its implementation, systems and processes?
- KEQ 2: How valuable are the outcomes achieved to date by the RGP?
- KEQ 3: What has been learned at the central, regional and project levels that can inform the RGP going forward?

**Evaluation Criteria**

52. Evaluation Criteria are the agreed aspects of performance that were the focus of this evaluation. The criteria were developed to reflect the intent of the RGP, as documented in key background papers and validated by national and regional stakeholders. The Criteria provided the aspects of performance and enabled systematic examination of each KEQ. They are outlined in Appendix 3, along with the rubric for evaluative judgements about quality and value of the RGP.

**Data collection methods**

53. This evaluation used a mixed-methods approach to assess the extent to which the RGP is being implemented as intended. A multi-pronged approach to data collection was applied as follows:

- Qualitative interviews were conducted with a total of 46 government agency staff and regional stakeholders, both face to face or by phone for Northland, BOP and in Wellington. Within each

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\(^{8}\) The original evaluation framework developed by MPI and MBIE referred to nine KEQs that the evaluation would answer. Subsequent collaboration between the evaluation team and agencies distilled the nine questions into the three overarching questions used to complete the evaluation.
region a select number of purposive interviews were conducted with those stakeholders directly involved with two specific projects: Kawerau Container Terminal in BOP (three interviews) and Extension 350 in Northland (three interviews). In addition, a number of government agency staff and regional stakeholders who had knowledge of these projects gave their observations of these projects, and this information was also used in the case studies.

- An online survey was undertaken, with 54 key stakeholders responding – a 63% response rate. Respondents were regional stakeholders from Northland and BOP (n=19) and with government agency personnel (n=35) who worked in Wellington, BOP and Northland. For further information on the sample composition please refer Appendix V (page 92).
- Evaluators attended three key stakeholder meetings in BOP, Northland and Wellington
- A focus group was conducted with three TPK staff in Wellington
- A rich picture workshop was held in Wellington with 18 MIBE and MPI staff
- A review was undertaken of administrative information, research reports, policy documents and literature related to regional economic development.

54. All fieldwork was undertaken between 14 August and 7 September 2017.

55. Each of the individual data sources outlined above was analysed separately and then considered collectively by the full evaluation team at an internal synthesis workshop. A sense-making workshop was then convened with MIBE, MPI, Treasury and TPK representatives to discuss the findings, and validate and contextualise the conclusions reached. This approach ensured any recommendations offered are strategically aligned to policy directions and practical to implement. A more detailed methods section is included in the Appendix IV (pages 84).

Limitations of the evaluation

56. There are a number of limitations that are generally related to timeframe and budget constraints of the evaluation. This project is not intended to be an evaluation of regional performance of the regions participating in the RGP, that has been covered on other projects. The focus of this evaluation is on the relationships between:

- Government agencies and those they engage with in the regions
- Government agencies (both based in Wellington and based in the regions).

57. Therefore, information in this report is largely representative of government agency personnel and regional stakeholders who are responsible for administering the RGP in their region through governance, management or advisory roles (as opposed to a regional community perspective).

58. Whilst there was some engagement with Māori, this was not systematic across iwi, hapū, Māori landowners and Māori businesses, nor were those spoken with necessarily people who had the mandate to speak on behalf of Māori.

59. Finally, in the sense-making phase of the evaluation feedback was not sought from representatives in the regions who had participated. The evaluation team would recommend that for any future evaluation activity budget provision be made for this aspect.
**KEQ 1. The RGP works as intended**

60. The RGP is a relatively young programme and continues to evolve. To answer the question, “To what extent and in what ways is the RGP working as intended with regard to its implementation, systems and processes”, it is necessary to first understand what has been implemented, as this programme has emerged over time (rather than beginning as a fully shaped programme).

61. Appendix 1 charts in detail the genesis of the RGP project, which includes identifying the first six regions of interest, the development of the first Regional Growth Study reports during 2014–15; the formation of a Regional Economic Development (RED) Ministers Group and Senior Regional Officials Group in 2015; and the ongoing development of a dedicated central government team to oversee the programme. It also covers the launch (and subsequent revisions) of the Regional Action Plans since early 2016, and inclusion of the RGP as a cross-cutting theme of the Business Growth Agenda. It then covers emerging aspects of the RGP: the RGP being useful or helping with five adverse events responses during 2016–2017; the establishment of the Regional Growth Initiative Multi-Year Appropriation in June 2016; and the expansion of the RGP into four additional regions in July 2016. New leadership of the RED Ministers Group from December 2016 is observed, as well as the spinoff of the Youth Employment Pathways programme in July 2017. By September 2017, all regions outside of Auckland indicated interest in participating in the RGP.

**Overall implementation is viewed positively**

62. This section of the report examines the extent to which the RGP is working as intended overall and in the key areas of focus: delivery, governance, collaboration, partnership, Māori engagement and contribution. Māori engagement was added as a separate criterion during the evaluation, drawing on a range of criteria already embedded in the evaluation, because Māori engagement stood out as having lower levels of performance and the evaluators decided this aspect warranted further discussion.

63. In general, the RGP appears to work as intended at implementation, and the evaluators have rated it as “consolidating” overall. This means there is evidence of fair performance, although there are quite a few inconsistencies or weaknesses on a few aspects. Given the emergent nature of the programme the evaluators consider this is a positive result and shows good progress. The following dashboard summarises progress to date on the extent to which the RGP appears to be working as intended.

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9 A generic grading rubric was utilised to make evaluative judgements about quality and value of the RGP. The rubric focused the evaluation on determining the merit, worth and significance of the RGP based on the data collected. It also provided a framework for assessing performance against the criteria – going beyond descriptive analysis (“what’s so”) to answer the evaluative (“so what”) questions. For information about each of the performance levels see page 87. A consolidating rating is based on evidence of fair performance; quite a few inconsistencies or weaknesses on a few aspects – some may be quite serious, but they are not deal-breakers.
Figure 3: Extent to which RGP is working as intended

<table>
<thead>
<tr>
<th>Extent to which the RGP appears to be working as intended</th>
<th>Insufficient evidence</th>
<th>Not effective</th>
<th>Marginal</th>
<th>Consolidating</th>
<th>Effective</th>
<th>Highly effective</th>
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64. From the outset, the RGP emerged as a flexible and adaptable programme to assist regions to identify economic opportunities, identify actions and implement them with the support of government agencies to increase jobs, income and investment in the regions (to the benefit of all New Zealanders).

65. So how do stakeholders, both those in the regions and in government agencies, view the RGP now? Overall, feedback was positive, and people generally thought the RGP was worthwhile.

[The] collaborative model has led to more effective implementation. [I] feel that things are happening faster, more opportunities for prototyping, results are hitting the ground, more jobs are being created, money is landing in places of most need – not sitting with consultants, in bureaucracy, [it is] starting to fall in to the communities. (Regional stakeholder)

What the RGP has done is help catalyse a lot of stuff – brought in extra resources, and brought in tangible commitment from central government. (Regional stakeholder)

[It’s been good to see] the willingness of the individuals to roll up their sleeves and work differently and how they get around some of the policy blocks with their [government] agencies. (Regional stakeholder)

So the RGP... is a different way of working for government and regions to come together... It can open doors, or it can begin a conversation. But it does take time. And there is a lot of trust to be built. And maintained, because that trust can be dropped pretty quickly as well. (Government agency personnel)

66. A number of government officials reflected that on the strength of its reputation, additional regions had approached the RGP to join.

The interesting thing about this is we started with four [regions]. Pretty much all the rest have not been by invitation, but by request... They all said, ‘Well that looks pretty good, can we work with you on it?’ So, in some ways the proof is in the pudding. If the region, and this is the regionally led programme, are finding it a useful way to connect both the central government and with themselves... (Government agency personnel)

67. One government official described the RGP as “starting with a coalition of the willing” to address regional economic need. This recognises that it is more effective to work with those who are ready for change. Those in the regions also appreciated this approach.
The RGP’s original philosophy was connecting a coalition of the willing [who were] prepared to take action. (Regional stakeholder)

68. The positive view of the RGP is confirmed amongst survey responders. Eighty-six percent of government agency personnel and 84% (16 of 19) of regional stakeholders consider that overall the RGP is worth the effort that they are putting in. Furthermore, 79% (15 of 19) of regional stakeholders and 77% of government agency personnel believe the RGP is making a positive contribution to the economic development of the region overall. This is a positive result for a programme during implementation.

Figure 4: Overall the RGP makes a positive contribution to economic development and is worth the effort

69. From a range of interviews with government agency personnel and regional stakeholders it is evident there is agreement that the original premise behind the support offered by the RGP was to:

- Help increase jobs, income and investment in the regions (to the benefit of all New Zealanders)
- Support regionally led initiatives with a regional champion, as there is a view that regional revitalisation is more likely to occur and endure if the regions themselves are drivers of their economic development
- Start where the region is ready to start (use existing mandates or governance, or management groups where possible)
- Provide better connections for the regional stakeholders to government agencies to streamline the bureaucracy and reduce pain points and expedite progress with a senior government official as champion and facilitator for the region (via SROs and RED Ministers)
- Engage with Māori to harness untapped Māori potential in the regions
- Do better or more with existing resources (both from the regions and from central government) by assisting regions to broker collaborations, supported by a co-ordinated government response to support regional aspirations
- Provide additional capability where needed in the regions (which has been described in the literature (Kania & Kramer, 2013) as “backbone support”).

70. The following figure highlights and summarises some of the key activities of the RGP since 2015. What becomes apparent is that a number of new emergent strategies have taken place along with
the planned activity, and there do not appear to have been any activities that were planned that have not been realised.

Figure 5: Snapshot of Regional Growth Programme Implementation

RGP has evolved, scaled out and shown resilience through implementation

From this diagram it is evident the RGP has evolved, scaled out and shown resilience as people adapted it, strategically and responsively even during the initial implementation. Government agencies and regional stakeholders have adapted and responded to:

- Support six original regions to develop Action Plans from Regional Growth Studies that prioritise and focus regional economic development activity in their regions, with a focus of parts of the region demonstrating most pressing economic need to help increase jobs, income and investment in the regions
- Be useful and help with five adverse events\(^\text{10}\), which have provided an opportunity for government agencies to work differently with the regions
- A change in the RED Ministers Group chair and Ministerial membership
- Four additional regions coming in to the RGP – bringing the total number of participating regions to 10 at this stage, with more regions keen to join. This has impacted on the complexity of the project as there are more regions for the Government to consider when reaching agreements, making decisions and allocating funding
- The introduction of the Regional Growth Initiative (RGI) Fund with $44 million available over four years to support RGP initiatives. This is a fund of “last resort”, and has required a fund administration skillset within the Government agency team based in Wellington to administer, distribute and monitor funding
- Additional funding for the SROs to cater for the additional regions. However, as more regions were added the budget available per region decreased, for example in 2015-16 SRO funding was $1.7 million over six regions – $283 thousand per region; in 2016-17 it was $2 million over 10 regions – $200 thousand per region.

\(^{10}\) The five adverse events were: the Franz Josef flooding, the Kaikōura earthquake in November 2016, the Manawatu Gorge closure and Edgecumbe flooding in April 2017 and the Stewart Island Bonamia outbreak in oysters in May 2017.
Directly resulting from and informed by projects and prototypes within the RGP a new programme has been developed to address youth challenges. He Poutama Rangatahi - Youth Employment Pathways programme, (a separate programme) will be implemented in four of the RGP regions.

RGP is delivering some early intended outputs

72. In assessing the delivery of the RGP, this evaluation focuses on the extent to which the RGP has delivered its intended outputs. Delivery is rated as “consolidating” overall. This is because some of the workstreams have been delivered and there is evidence of the RGP helping to accelerate regional initiatives as illustrated in the two case studies for Extension 350 and the Kawerau Container Terminal.

73. There are a number of resources available to the RGP across government agencies including: personnel (SRO, central government leads), facilities, funds, time, skills and expertise. These are available to the regions to harness existing resources within the region across industry sectors, local government organisations, local business and Māori.

74. Are the range and types of resourcing sufficient – do they reflect the needs of the regions? With the growing success of the RGP and the emerging strategies being implemented, both government agencies and regional agencies perceive that resources are stretched to the limit and are in danger of becoming insufficient given the growth of interest in the programme and activity.

75. Regional stakeholders\(^\text{11}\) and government agency personnel who responded to the online survey were generally positive regarding the delivery of the RGP overall. Feedback was generally consistent among regional stakeholders and government agencies, and survey feedback aligns with the feedback received during the qualitative interviews.

76. Amongst survey responders, nearly all regional stakeholders (89%, or 17 of 19) and many government agency personnel\(^\text{12}\) (80%) thought the RGP appears to be well set up. The majority of regional stakeholders (89%, 17 of 19) and many government agency personnel (69%) also thought the RGP timeframes were realistic. Regional stakeholders also thought the RGP appeared to have the right people involved (85%, 16 of 19) and was running well to support regional aspirations (79%, 15 of 19) – views also held by around three-quarters of government agency personnel.

\(\text{The concept of a regionally-driven RGP which addresses regional needs and aspirations is definitely worth pursuing. (Regional stakeholder)}\)

\(\text{11 As the subgroup of regional stakeholders who completed the online survey is 19 of a sample of 35 (54% response rate), we share the actual counts as well as the percentages.}\)

\(\text{12 As the subgroup of government agency personnel who completed the online survey is 35 of a sample of 48 (71% response rate) we just show the percentages for this group.}\)
Figure 6: Perspectives of the way the RGP is run

77. Government agency personnel (57%) and regional stakeholders (69%, 13 of 19) tended to give lower ratings for effective partnering with Māori. While there are examples of partnering with Māori in some areas, there are few examples that are clearly Māori-led. Māori engagement is covered in more detail in the section on Māori engagement (page 28).

78. Government agency personnel (57%), and regional stakeholders (69%, 13 of 19) also gave lower ratings for the RGP having easy-to-understand compliance requirements. Just under half the regional stakeholders (47%, 9 of 19) and government agency personnel (49%) believed the RGP was sufficiently resourced. Typical comments were:

*The level of bureaucracy around this process has been considerable. We also struggle a wee bit with ever-increasing expectations from central government about various aspects of the [RGP] – we are attempting to deliver this, largely with existing resources within the region, and it is extremely difficult to keep adding on roles, responsibilities and tasks.* (Regional stakeholder)

*It is beginning to get complex in terms of report writing and monitoring of information.* (Regional stakeholder)

79. This feedback points to a shift in perception that was also observed in the qualitative interviews. Since the introduction of the RGI it was apparent to many that the nature of relationships has shifted in the RGP from being one of doing better with existing resources to one of being a funding partner. This has increased the requirements of government agency personnel to administer the fund transparently and efficiently with sufficient accountability. These shifts are covered in more detail in the collaboration section on Collaboration (page 21).

80. Government agency personnel reflected that the increase in number of regions participating in the RGP has stretched the resource, as the number of people assigned to work across regions has not kept up with the increase in regions. According to government agency personnel this has led to government agency activity and engagement across and within regions becoming more reactive rather than proactive. It also means that government agency personnel allocated to the RGP are less visible in some regions.
81. While there is a growing awareness of the role and purpose of the RGP, it is not yet fully understood – and indeed the purpose has shifted as the RGP has grown. There is a sizeable group of regional stakeholders (and to a lesser degree government agency personnel) for whom there is insufficient role clarity or understanding of the purpose of the RGP. Nor are they clear about the way the RGP links with other Māori economic development work.

**Governance: Ministerial and SRO governance aspects are strong; linkages through governance in the regions is patchier**

82. Governance is rated “consolidating” overall because although the ministerial and SRO governance aspects are strong, linkages through governance in the regions is patchy. The RGP governance system provides mechanisms for regions and central government to connect and communicate. Feedback from both government agencies and regional stakeholders indicates that communication through regular meetings, feedback and reporting have led to a higher level of connectedness across government agencies as well as between government agencies and regional stakeholders.

\[This \ is \ the \ most \ joined \ up \ [I \ have \ seen] \ senior \ officials \ in \ central \ government \ [in \ my \ years \ working \ in] \ central \ government \ agencies. \ (Government \ agency \ personnel)\]

83. It is evident that governance structures such as the RED Ministers, SRO Group and Regional Governance groups have evolved and emerged, as needed, to ensure that:

- Regions have access to government agencies – which is facilitated by the SROs and government lead contacts in the regions
- Government agencies can access the regional agencies to enable collaboration and partnering.

84. Those involved in specific initiatives report they are gaining traction as government agencies support a “for-the-region-and-by-the-region” approach to economic development. However, there are some aspects of governance that work better than others. An important part of the governance process is the regular feedback between the RED Ministers Group, SROs and Government lead contacts as a group and the governance or management groups in the region. The regular feedback between the groups helps keep the momentum of the RGP.

85. Generally, governance at the RED Ministerial level is considered to be highly effective. Many regional stakeholders and government agency personnel believe that the RGP has enabled stronger ministerial leadership to support regions where needed in relation to economic development.

\[It \ was \ the \ fastest \ decision-making \ process \ you \ could \ have \ in \ government. \ Because \ if \ you \ took \ it \ up \ to \ RED \ ministers \ and \ they \ signed \ off \ on \ it, \ you \ were \ pretty \ much \ going \ to \ get \ it \ done. \ (Government \ agency \ personnel)\]

\[Agree \ that \ we \ get \ that \ Ministerial \ cut-through. \ Sometimes \ you \ can \ get \ more \ done \ in \ five \ minutes \ at \ the \ RED \ Ministers \ table \ than \ you \ could \ through \ umpteen \ briefing \ papers. \ (Government \ agency \ personnel)\]

86. However, government agency personnel thought the governance of the RGP at ministerial level was probably not widely understood.

\[There \ is \ a \ low \ level \ of \ visibility \ of \ how \ this \ model \ is \ actual \ working. \ (Government \ agency \ personnel)\]

87. Regional stakeholders thought RED Ministers had been seen more in the regions, and they attributed this stronger presence to participating in RGP activities.
[We had] five Crown Ministers here because of RGP. That’s huge for industry leaders to have the opportunity to meet with Ministers – [a chance for] senior industry leaders [to have] a quiet word with the Minister. (Regional stakeholder)

See Ministers here on a regular basis. They are opening things and doing things. Really positive. (Regional stakeholder)

88. As at January 2017 there were ten SROs. Each is a Deputy Chief Executive from MBIE, MPI, MSD, TPK, DOC, MFE, MoT, DIA or SSC. Each act as a central point of contact within government, responsible for economic development in a region. They work as a team to align initiatives across agencies and support regional aspirations. A quorum of five SROs is required for a meeting, and where they cannot attend there is no substitution allowed. Originally the intention was that being a SRO would take about one day a month. However, SROs report the role is taking more time than this, and they appreciate the secretariat support provided as needed by MBIE for this role by the policy unit working on the RGP.

We were told it [the SRO role] would probably be about one day a month. It was more like one day a week on top of the five-day-a-week job that we already have. (Government agency personnel)

89. The SRO model is considered effective by regional stakeholders and government agency personnel. In their role, SROs bring attention to regional issues at the ministerial level. Government agency personnel see there is collegiality and a willingness to find creative solutions within the SRO group. Regional stakeholders believe that SROs' links to RED ministers have increased RED ministers' awareness of what goes on in their regions, and what their needs are.

[SRO] is invaluable because [the regions’] exposure to central government has been relatively limited. The information which he brings real time, directly from the Minister – thoughts they are having, resources, [their thinking in] the future from a role perspective. He’s just [dedicated to the region] – it’s so much more to him that just the title and the role. (Regional stakeholder)

90. SROs working in collaboration with government lead contacts are considered critical in the operationalisation of the RGP. It is clear to a range of stakeholders that SROs are highly engaged to help the regions address regional economic issues. SROs act as the conduit between government agencies and the regions – connecting the regions’ needs in with government considerations and planning. Those regional stakeholders who understood the SRO role commented that:

- SROs were well-respected public servants with good connections who knew their way round Government agencies
- They appreciated that SROs had the confidence of ministers
- They appreciated SROs’ ability to bring information of interest to the region to regional stakeholders’ attention.

91. SROs were consistently seen by regional stakeholders as acting as a committed interface between the region and government agencies.

[I] acknowledge the importance of [the] SRO –[it] is a demanding role. I rate [SRO]...for their drive, don’t know any others [that are as committed. Also] look at the team... they are so committed...and people think they are just crown agents. (Regional stakeholder)

[Name] is the glue who can escalate things through his SRO role. (Regional stakeholder)
Lucky to have [SRO] put time in... a lot of time in the region; because of where [person] sits in [agency, we are] lucky to have someone from that agency around the table. (Regional stakeholder)

92. Amongst survey responses, government agencies tended to rate SROs more positively than regional stakeholders for:
   - Being effective brokers between ministers, central government agencies and those in the regions (80% government agencies vs 63% (12 of 19) regional stakeholders)
   - Working effectively with senior colleagues across central government agencies to facilitate support for the regions (77% government agencies vs 63% (12 of 19) regional stakeholders).

93. However, between one in five and one in four regional stakeholders said they did not know about the effectiveness of the work of the SROs, confirming the SROs’ lack of visibility to some regional stakeholders.

94. The multi-levelled governance structure provides mechanisms for regions and central government to connect and communicate. The governance structure has allowed for:
   - Regions to have access to government agencies – facilitated through SROs and government lead contacts in the regions
   - Government agency access to regional stakeholders – enabling collaboration and partnering
   - Government agencies to work with each other to support the regional agencies’ aspirations.

95. The main mechanism for linking between government agencies and the regions is either through a management group or advisory group in the region which delivers to the Action Plan. This group usually has representation from most of the following stakeholder groups: central government agencies, local government, Māori, economic development agencies and some industry sectors or business interests.

96. Governance aspects between government agencies and regional stakeholders appear to be consolidating. Overall, government agencies tended to rate aspects of governance more positively than regional stakeholders. The RGP appears to link with the general strategic direction of the region according to 83% government agency personnel and many regional stakeholders (68%, 13 of 19). Of the remaining regional stakeholders 16% (3 of 19) either did not know, or they thought the links were made only to a limited degree (16%, 3 of 19).
There is a willingness to address and take action on regional priority issues as a result of the RGP according to 80% of government agency personnel and many regional stakeholders (64%, 11 of 19). The remaining regional stakeholders either thought the links were made to a limited degree (21%, 4 of 19) or did not know (16%, 3 of 19).

There are, however, aspects of governance that are evidently not working so well. While three-quarters (77%) of government agency personnel surveyed believe there was a shared purpose and agreement of the RGP goals, only one-half of regional stakeholders (52% 10 of 19) held this view. Amongst regional stakeholders, 32% (one-third, 6 of 19) thought there was a shared purpose and agreement of the RGP goals to only a limited degree. A similar view came through in the qualitative interviews – that at times there was not clarity about the purpose of the RGP.

Common understanding of purpose is not working well – not just between regions and central, but across central as well. There are some perceptions this is about access to funding, rather than a different way of thinking, planning and prioritising for economic development in regions and how the central Government is doing its own planning and prioritising and understanding of regional issues. (Government agency personnel)

While it is not a focus of this report, it is important to note that governance in the regions is important. As one government official noted:

Having good local governance makes a huge difference. Because where they can kind of get together, work through issues, resolve them to move forward, it makes a massive difference. If they are all bickering with each other, then that makes it worse. And I think different regions are along a spectrum of success. (Government agency personnel)

The survey findings also confirmed that government agency personnel (60%) and regional stakeholders (42%, 8 of 19) rated the RGP governance lower and only marginally effective overall for both:

- Roles being clear, including who is accountable for what between the region and central government agencies
• RGP linking with other Māori economic development work including HKKAR, at a strategic level to deliver on Māori aspirations.

101. This lack of clarity of purpose meant some regional stakeholders were also unclear of what the indicators of success for their region were, as these quotes indicate:

Unclear for each of the workstream - what success looks like. (Regional stakeholder)

There is a real lack of outcomes focus where success (and funding) is put on writing reports and doing analysis. Completing these reports is seen as a measure of regional growth success. But it isn’t. There needs to be a real shift towards projects that get funded are only those that can demonstrate the ability to achieve real outcomes like number of new jobs created in year 1, 2, 3, etc... like the number of Māori land hectares bought into real utilisation, etc. Set outcomes-based incentives and measure performance (and fund only these) against these; measure the performance of these teams against these real outcomes; measure government departments against these. (Regional stakeholder)

Collaboration: is enhanced between regional stakeholders and government agencies

102. This section on collaboration focuses on the way the regional stakeholders and government agencies work together. Overall, it is still relatively early days for the RGP, and collaboration was rated as “consolidating” by the evaluators.

103. One aspect of the RGP is that it seeks to build the skills of government agency personnel to work more effectively in a joined-up way with each other and with the regions to support economic development. There is evidence that government agencies are working hard to better understand regional interests and making some progress. Government agencies and regional stakeholders could describe genuine attempts to engage collaboratively to support regional aspirations and to make progress on actions. Collaboration both between regional and government agencies and between a range of government agencies is evidenced in the Case Studies (see Appendices II and III, pages 66 - 83). However, ratings were lower across both stakeholder groups but particularly government agency personnel for working effectively with Māori economic development teams.

104. To a degree collaboration in the region has led to government agency personnel working in the regions having a greater understanding of regional needs and issues. Regional agencies now reportedly have a sense that they are on the Government’s radar much more, as they continue to receive increased interest from Ministers and SROs around certain initiatives. However, this has raised questions around whose needs are being prioritised and how prioritisation occurs.
In terms of working together, the intention of the RGP is that skill building is a two-way process. To engage effectively, learning is required by both government agency personnel and regional stakeholders. Feedback from regional stakeholders and government agency personnel suggests that skill building is occurring and that an important first step is building strong relationships.

There was evidence of where government does engage and support the regions beyond regional councils or district councils – that is, into the industry sectors and other key community stakeholders. Examples of evidence are included in the Case Studies for Extension 350 and Kawerau Container Terminal.

That government agencies do engage and support the regions beyond regional councils or district councils as part of the RGP was also evident in the way the RGP was useful or helped with adverse event responses.

"On the positive side, if I look at the practical, tactical example where you can make a shift or start to make a shift for a positive change in the long term, it is on the back of disasters. So Kaikoura ... [supporting farmers after the quake and] Stewart Island [the bonamia issue]. Two different in the nature but quite devastating things for those communities. ... We are starting to be able to work in a way with them and with others that says this is an opportunity and a moment of change in terms of the future. (Government agency personnel)"

Strong relationships have been developed at central and regional levels, and government representatives are working with key stakeholders in the regions to deliver action plans and actions. The following graph shows that government agency personnel working with regional stakeholders are valued by regional stakeholders for providing cross-agency support, working collaboratively and having officials that are aware of the issues and challenges in the region.

Views are aligned and most regional stakeholders (84%, 16 of 19) and the majority of government agency personnel (86%) believe central government agencies appear to provide co-ordinated cross-agency support to projects in the region and the personnel are skilled at working collaboratively to support initiatives in the region. Most regional stakeholders (79%, 15 of 19) also believe their region has access to officials who are aware of the issues and challenges in this region – whilst government agency personnel rate themselves higher (91%) for this aspect – perhaps indicating their high level of commitment to the work.
Government agency lead contacts reportedly work towards developing a common understanding of the areas of focus across all collaborators. In collaboration with the regions they help to bring the right people to the table and facilitate conversations across central government agencies.

The [RGP] has put a framework around making the regional initiatives visible to the government... [They] are learning what they can do to support local economy. They are building trust and knowledge and opportunity to move things forward. (Regional stakeholder)

It is apparent the RGP has provided a focus for both the regional stakeholders and government agencies to act more collaboratively to advance mutual interests.

It’s made us deliberate in our collaboration – rather than just because it’s a good idea. (Regional stakeholder)

Government agencies also seek to provide additional capacity and capability support in the regions to accelerate regional economic development. This occurs through:

- Identifying, developing and testing possible business cases
- Identifying existing or potential funding streams
- Facilitating conversations between ministers and key stakeholders in the regions and influencing ministers to facilitate progress at government level for specific workstreams and projects in the regions
- Providing project management support of priority actions and workstreams.

Feedback from the survey indicates that at least three of every four regional stakeholders rated government agencies favourably for all these aspects of capacity and capability building. The exception was “identifying additional or contestable funding to support the region’s projects” which was rated slightly lower (68%, 13 of 19). Ratings by government agency personnel tended to be aligned with regional stakeholders, although government agency personnel rated identifying additional or contestable funding to support projects more frequently (83%) and providing project management support less frequently (69%) than regional stakeholders.
114. The Extension 350 and Kawerau Container Terminal Case Studies provide insight into the ways government agencies’ work is visible to community members, including a range of business sectors. The case studies also show how collaboration approaches have been positive and critical to the success of the RGP for government agencies, regional stakeholders and for Māori.

[There is] passion and commitment at a regional level informed by a community level. [RGP] helps bring it all together and identify real priorities and what is communicated as a priority to government and region on what is really important, where gaps are and where support is needed. (Regional stakeholder)

115. The Case Studies provide tangible evidence of how community members, including the business sector, are more supported in the regions because of the RGP. Where projects progress, there is evidence of expected benefit to the wider community. But as the projects are in their infancy, it is too soon to determine the extent to which this is occurring across the regions.

116. While many regional stakeholders had observed the improved collaboration, this was not universal and hence the overall rating for collaboration being “consolidating” rather than “effective”. Even amongst those who saw improvements, they at times thought some government agencies were still working in silos. Here are the kinds of comments regional stakeholders made about agency collaboration that was not working as well as intended:

Beyond this, it’s all talk and no do. Each party is continuing on as they always have – with [agency] specifically operating in isolation and without the transparency they are requiring of others through this process. This stems directly from the direction of the SRO to [their] team. (Regional stakeholder)

The RGP at a regional level takes a very siloed approach that hinders collaboration i.e. water is talked about separate to land development, to skills development, to Māori development. This... hinders the potential for real development. (Regional stakeholder)
117. Both regional stakeholders and government agencies personnel believe there is a lack of capability and capacity in the regions to respond to opportunities (for example, through business cases) and to manage projects. On the other hand, other (mainly regional) stakeholders felt that the requirements for responding to opportunities are unnecessarily complex and could be simplified or made more regionally friendly (that is, to rely more on regional knowledge, skills and capability than on standards set by Government). Some also pointed out that it is not necessarily a lack of capability but rather a lack of capacity and resource needed to be involved that acts as a barrier – particularly for Māori. Feedback also indicates that different regions have different needs, thus the flexible approach taken is appropriate.

118. Feedback from government agency personnel in the qualitative interviews indicates that the introduction of the RGI fund has led to slower decision making, as government agency, SRO and Ministerial level now has more focus on managing the RGI and making decisions around funding. Within the administration of the Fund there are also a number of tensions as to how decisions should be made and the level of accountability that should be applied to regional applications. Regional stakeholders also expressed concern over the level of administration and bureaucracy that has come with being involved in the RGP process that is often considered time-consuming and cumbersome.

Now it seems much of our time is taking up with reporting; iterations of business cases. The level of bureaucracy has increased, which is not how we want to do business and is not attractive to businesses wanting to get involved. (Regional stakeholder)

Partnerships: there are examples of where partnership and interagency cooperation are occurring

119. This section on partnership focuses on the way the regional stakeholders and government agencies agree to cooperate to advance a mutual interest. Partnership within the RGP was rated as “consolidating” as there are examples of where partnership and interagency cooperation are occurring, but there are also some challenges to partnering.

120. Partnering approaches between government agencies and regional stakeholders have included:

- Providing government representation in the regions through the SRO system and government agency lead contacts to help accelerate regional priorities
- Supporting the development of business cases to access RGI funds, or harnessing existing resources (such as, industry knowledge, community leadership)
- Co-ordinating and facilitating conversations across government agencies, which has helped to reduce siloed approaches to the regions by government agencies and allow some creative solutions in cross-agency commitments
- Involvement of government agencies at the project level to complement local capacity and capability.

121. However, while there is fair performance in some areas, there are also some inconsistencies and weaknesses – notably in securing engagement and partnerships with Māori and in the lack of transparency regarding the way regional funding is allocated.

122. From the qualitative interviews and the survey, there was evidence that government agencies are working hard to better understand the regional economic priorities, regional needs and industry needs and are making some progress.

[There is] huge merit in central agencies working alongside industry leaders [in the region]; conceptually it’s right on the button (Regional stakeholder)
Government agencies are seen as being open to co-investment or sharing of resources to better leverage the use of resources.

[There is] good government engagement, [they] usually work in silos so you [now] see them working closer together. (Regional stakeholder)

Government agencies and regional stakeholders could both describe genuine attempts by regional and government agencies to engage in partnerships to support regional aspirations and to make progress on actions. This is reflected in the findings from the survey as shown in Figure 12.

Figure 12: Changes observed in the way government agencies work with regional stakeholders

![Graph showing changes in government-agency and regional-stakeholder cooperation]

However, while government agencies may feel they continually take into account the region's aims and plans in their work, for example in government policy or investment, there is tension around whether regional stakeholders or government agencies drive the activity. Government agencies acknowledged it is challenging to provide support for the regions without cutting across other government agencies’ work programmes.

A key point [is] how fast the region wants to go. Because... you [could] end up back-seat driving... projects. To get some traction or make them happen. And that is resource-intensive. And then you [look at] that from a regional perspective... you could be dealing with multiple [central government] organisations all with different managers that may not have bought into this whole RGP. [Then] you are cutting across people’s work programmes essentially. (Government agency personnel)

What does partnership look like on a day-to-day basis? The evaluators found there are high levels of alignment in the views of regional stakeholders and government agency personnel with both claiming that they can:

- Have robust discussions (not always agreement, but a positive climate for debate)
- Contribute in ways that build on each other’s strengths, and
- Take a joint approach to problem solving and make sound decisions.

There were fewer regional stakeholders and government agency personnel believing that Māori are genuine partners in the RGP and take a role in decision making – here nearly one-third (31%, 6 of 19)
of regional stakeholders thought Māori were genuine partners to either a limited degree or not at all.

128. There were also fewer regional stakeholders and government agency personnel believing the RGP is transparent to all involved as to why certain regional opportunities are funded or not. Amongst regional stakeholders 47% (9 of 19) did not think there was transparency. Twenty-six percent of regional stakeholders (5 of 19) thought there was transparency only to a limited degree and a further 21% (4 of 19) did not think it was transparent at all.

Figure 13: Perceptions of how well regional stakeholders and government agency personnel work together

129. Regional stakeholders with prior experience and knowledge of government processes, maintained understanding government context and knowing the government language was of benefit when trying to navigate the business case process to apply for RGI funding. At the regional level it is not clear or transparent why certain regional opportunities have been funded. It is also not clear what is available through the RGI fund, who gets what and how to get it.

130. Regional stakeholders observed that as the RGP develops and grows, so too does the bureaucracy and accountability that surrounds the programme. Prior to the RGI fund and to a certain extent during the introduction of the RGP, regions were very pragmatic. Industry, local businesses, and regional and local government agencies would come to the table, lay out what resources they had to offer and together they would look at ways to initiate projects. Now, regional stakeholders believe more layers of process have been added to the RGP as a result of the RGI. For instance, regions are co-ordinating meetings and reports at project, management and governance levels against action plan initiatives (funded or not).

131. The RGI Fund may potentially shift the focus of the RGP from finding innovative and creative ways of working together to harness resources towards a focus on applying for resourcing through business cases and applications for funds. From feedback received during the interviews, it appears that unintentionally the existence of the RGI has the potential to devalue the relational, innovative approach of the RGP. There is a reported perception of an increase in bureaucracy and red tape due to government agency funding and involvement. As a result, regional stakeholders have indicated that businesses and industries are becoming less interested in getting involved as they are more inclined to “just want to get on with things”.
Māori engagement

132. This evaluation of the RGP only lightly touched on Māori engagement and outcomes for Māori. The evaluation was focussed on those who had come in direct contact with the RGP process at a management or governance level in two regions (Northland and Bay of Plenty) and at a government agency level. Therefore, the range of Māori stakeholders in the wider community engaged with was limited. For example, the evaluation team did not interview iwi, or a range of Māori business or land owners (that were either participating in or not participating in the RGP) in the sample regions. However, based on the evidence gathered consistent themes have emerged across the interviews and survey data that are presented below.

Engagement with Māori is patchy

133. Overall Māori stakeholders interviewed agree with the conceptual framework and intent of the RGP and acknowledge that Māori participation and engagement would add more value to the RGP process and the achievement of its broad economic and social outcomes.

134. However, the evaluation also found that Māori engagement in the RGP has not worked as well as intended. Effective engagement and participation of Māori has been patchy. This reflects both the expertise, connection and skill of government agencies and regional stakeholders but also the readiness and capacity of Māori to be engaged.

Universally, Māori engagement hasn’t worked well...There has been pressure on government agencies to ensure their people are able to engage well with Māori to support participation. Equally I don’t think there is much understanding of the fact that Māori have the right to participate in what’s going on and equally a right to run their own economic development in parallel. (Government agency personnel)

Māori capacity to engage effectively in the RGP is stretched and needs equitable resourcing

135. Feedback both from government agencies and regional stakeholders indicates the RGP as a process has been challenging to work within for iwi and Māori stakeholders in the regions. For example:

- Māori capacity to effectively engage in, co-design and influence regional priorities and plans across diverse iwi boundaries in a region is limited.

  Central agencies are helping with regional co-ordination, but we also need the skill regionally, that is, we need people that can mobilise activities on the ground. (Government agency personnel)

- Māori are not a sector group so sector-based initiatives disadvantage Māori on the basis that their capacity to effectively participate voluntarily becomes stretched. Furthermore, there is no funding to increase capacity and what funding has been accessed has been difficult and frustrating to attain.

  As part of the advisory group we are asked to participate in every strand and attend all the meetings but we are the only stakeholder group that has no paid resource to do this. TPK has provided some resourcing but that was after no other agency could. (Regional stakeholder)

- The threshold to qualify for RGP funding to support projects of specific interest to Māori is challenging to meet. Significant time and energy is required to construct proposals and engage co-investors.
In order to be able to access the $10 million you have to work through layers of ridiculous paperwork... (You go through) 15 iterations of detailed paperwork to meet what is required. (Regional stakeholder)

- TPK resources are also stretched to meet multiple policy priorities and priorities of multiple Māori stakeholders across large geographical regions.

The scale-up is stretching everybody beyond belief and roles and responsibilities across agencies need to be sorted. There’s still some mythology that – ‘TPK do the Māori thing?’ but TPK is not the lead sponsor for economic development. (Government agency personnel)

136. The evaluation has identified a number of opportunities to improve and grow the capability of government agencies to engage with Māori and to improve the capacity of Māori to engage through appropriate resourcing. RGP successes have illustrated that leveraging off established relationships and identifying local champions within the region does help to facilitate Māori engagement. Taking time is critical for building relationships and establishing partnerships. Terms of engagement and collaboration need to be developed together through an approach that is genuine and well considered.

**Contribution to the region: is perceived positively, but it is early days to see concrete evidence**

137. This section on contribution focuses on the degree to which regional stakeholders and government agencies believe the RGP is starting to make a positive contribution to the region. Overall, it is still relatively early days for the RGP, and contribution to the region was rated as “marginal” by the evaluators. This is because the contribution cannot be seen yet (that is, it has not yet had time to emerge) rather than that there is evidence of unsatisfactory functioning. There are clearly projects that are on track and that should provide a positive contribution to the regions that are outlined in the next section.

138. The online survey showed that generally around half or more of all stakeholders thought the RGP is starting to make a positive contribution. Regional stakeholders tended to cite this more often than government agency personnel. Nearly three-quarters of regional stakeholders thought the RGP was more impactful than other initiatives and factors (74%, 14 of 19) and was attracting investment (74%, 14 of 19). Around two-thirds of regional stakeholders thought the RGP is contributing to increasing skills or incomes (68%, 13 of 19) or creating new jobs.

139. Māori economic development, as noted above, was the area where there was least likely to be mention of contribution at this stage.

140. The following graph outlines the findings overall.
Figure 14: RGP is starting to make a positive contribution in the regions

Regional stakeholders and government agencies both thought the RGP is starting to make a positive contribution in the regions.

- Its overall impact, compared to other initiatives and factors: Government agency personnel (n=35), Regional stakeholders (n=19)

- Attracting investment: 60% (Government agency personnel), 74% (Regional stakeholders)
- Increasing skills or incomes: 49% (Government agency personnel), 68% (Regional stakeholders)
- Creating new jobs: 46% (Government agency personnel), 66% (Regional stakeholders)
- Supporting development of new businesses: 51% (Government agency personnel), 58% (Regional stakeholders)
- Maori economic development: 40% (Government agency personnel), 58% (Regional stakeholders)

Dots show the percent of respondents rating each statement positively (for moderate, considerable or high degree ratings).
KEQ 2: Early outcomes achieved to date by the RGP are valuable and worth the effort

141. This section of the report looks at the extent to which there is evidence of short-term outcomes being achieved, particularly for the six outcome streams. These streams are outlined in the Regional Economic Growth Logic Model which is attached to this report as Appendix VI. This section then explores the extent to which the RGP appears to be making progress towards medium- and long-term outcomes (as defined in the Regional Economic Growth Logic Model) and assesses the value derived from the RPG’s outcomes to date from the perspectives of regional stakeholders and government agency personnel.

142. Overall, the evaluators rated outcomes achieved to date as “marginal”. This rating is given because evidence is patchy and because in many instances it can’t be seen yet – that is, it has not yet had time to emerge. In the case of short-term progress there is evidence that some intermediate outcomes have been achieved, but in many cases the projects are only part-way through and have not reached fruition. Therefore, it is not appropriate to make judgments about medium- and long-term regional economic development outcomes, because while they might be anticipated they have not been realised. Furthermore, it is likely that at this stage that any collective impact of the RGP projects will be too dilute to show up in regional level data. Also, it is difficult at any stage to attribute economic changes in the regions to RGP as there are many other aspects that contribute to these outcomes.

143. With these caveats, this section illustrates the contributions the RGP has made thus far. The evaluators have found that some of the smaller projects are fully realised, and others have achieved what we consider to be intermediate outcomes – that is, intermediate steps on the way to final outcomes. This section then looks for unintended outcomes of the RGP and explores a counterfactual – what might have happened without the RGP.

Figure 15: Extent to which there is evidence of early outcomes achieved to date by the RGP

<table>
<thead>
<tr>
<th>Extent to which there is evidence of early outcomes achieved to date by the RGP:</th>
<th>Insufficient evidence</th>
<th>Not effective</th>
<th>Marginal</th>
<th>Consolidating</th>
<th>Effective</th>
<th>Highly effective</th>
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<tbody>
<tr>
<td>Overall</td>
<td></td>
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<tr>
<td>Achieving intended short-term outcomes</td>
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<tr>
<td>Progress toward medium- and long-term outcomes</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Value derived from the programme’s outcomes to date.</td>
<td></td>
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</tr>
</tbody>
</table>

13 The outcome streams are: collaboration; infrastructure and planning; investment and innovation; regional leadership and capacity; employment and training; ambition and confidence (MBIE & MPI, 2017, p. 17)
Value derived from the RGP short-term outcomes to date is emerging but not realised

144. Many of the RGP-related projects or activities are in their infancy. In the short-term there is evidence of projects reaching milestones that indicates progress, and so this aspect is rated “consolidating”. This rating acknowledges the short-term progress that has occurred in many cases but that the projects are only part-way through, and have not reached fruition. An example is the Kawerau Container Terminal project – while this is making good progress, the Terminal is not yet built.

145. RGP is expected to achieve a range of outcomes across six outcome streams: collaboration; infrastructure and planning; investment and innovation; regional leadership and capacity; employment and training; ambition and confidence, (see Appendix VI: RGP Logic Model). Figure 15 shows progress made towards the short-term outcomes in each stream.

<table>
<thead>
<tr>
<th>Outcomes stream</th>
<th>Observations/Evidence</th>
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<tbody>
<tr>
<td><strong>Collaboration</strong></td>
<td>Government agency personnel and regional stakeholders considered increased collaboration to be the most obvious outcome of the RGP to date. While stakeholders acknowledged that silos still exist between regional stakeholders and government agencies, and within government agencies, there is general agreement that the approach to economic development is more joined up now than ever before. Stakeholders provided evidence of collaboration that included but was not limited to:</td>
</tr>
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</table>
| Short-term outcome: Regional collaboration improves between regions, national and regional government, non-government agencies and community (common understanding of opportunities; efficiency of co-designed projects and co-funding) | • Co-investment or partnering in projects such as the region-wide projects:  
  o LiDAR Data Capturing Project (a project led by local government and LINZ with key partners MPI, Treasury, MfE and Māori)  
  o EBOP career link initiative – based on the Instep programme in WBOP which connects secondary students with the business community.  
• Co-governance of projects such as Extension 350 where private sector, community, central and local government are represented  
• Co-design of projects, such as the Kaikohe Growth Industries Pathway prototype in which a range of government agencies (MSD, MPI, TPK), Iwi industry training organisations, Kaikohe Social Sector Trial, local employers, and local training and social service providers were involved  
• Government agencies that had not previously worked together collaborating on projects, such as the Taipa Bridge replacement  
• Sharing of knowledge and resources, such as NZTA using its strong capability for developing feasibility studies and business cases to provide support to other agencies with less capability in these areas  
• Leveraging relationships and organisational resources to progress projects such as Omaio project with key partners Omaio hapū, Māori landowners, TPK, MPI, Toi EDA, MfE, He Mauri Ohooho (HMO) and Opotiki District Council – according to a number of government agency personnel. |

There were many comments made about the value of improved collaboration, as evidenced by these quotes:

*This showed me how serious [MSD] was in seeing big changes in these [participants’] lives and working collaboratively alongside...*
other government departments to achieve a common goal – employment. [from Mānuka project final report] (Regional stakeholder)

The greatest value of the RGP is that it acted as a catalyst for different entities to cooperate. (Government agency personnel)

Through the RGP, there has been both a need and willingness for parties to collaborate. (Regional stakeholder)

The extent to which people collaborate varies across and within regions. It appears to be dependent on the people involved and the extent to which they have the resources and time to collaborate. There are opportunities to build capacity and capability and provide additional resource to enable more involvement and engagement from regional stakeholders, including Māori. The Bay of Connections, Priority One and TPK have recently co-funded a specific position to lead-out Māori initiatives and gain support and engagement with Māori stakeholders in the Bay of Plenty. In the overall context of what is required to gain traction with Māori stakeholders however, this resource is valuable but limited. RGP could do more to invest in and support areas where there is a need or gap in Māori capacity.

<table>
<thead>
<tr>
<th>Infrastructure and planning</th>
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<tbody>
<tr>
<td><strong>Short-term outcome:</strong> Increased regional economic development priorities and goals are included in national and local infrastructure planning documents</td>
</tr>
<tr>
<td><strong>Increased investment in infrastructure, such as transport, digital, tourism</strong></td>
</tr>
<tr>
<td>Government agency personnel and regional stakeholders feedback indicates that the RGP has supported the development or sped up the investment of many existing infrastructure projects in the regions. This has been achieved through: funding or supporting the development of business cases; projects getting leverage and exposure via the Action Plans; government agency personnel having the right conversations in the regions and bringing people together for a common purpose; and ministerial intervention.</td>
</tr>
<tr>
<td>As a result of the Action Plan, we’ve been able to fast-track and leverage and gain some momentum in key projects in the region. (Regional stakeholder)</td>
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</table>

Regional stakeholders provided examples of infrastructure projects that they believed have gained traction as a result of the RGP, including but not limited to:

- Pōhoi to Warkworth Motorway Project (multi-million-dollar projects being delivered through a public–private partnership)
- Twin Coast Discovery route upgrades (Matakohe Bridges and Taipa Bridge Replacement)
- Hundertwasser Art Centre
- Kawerau Container Terminal
- Ōpōtiki Sea Farm and Harbour Development
- University of Waikato campus in Tauranga – architectural plans developed

Some of these projects are in their infancy (that is, a business case or feasibility study is being developed) whereas others are currently in the implementation phase.

Gaining momentum with regards to infrastructure is important to many regional stakeholders as they view these projects as providing the
foundation for regional economic development. In Northland, for example, improved roading helps link Northland with Auckland – thereby improving access to the rest of the New Zealand economy and connecting them up with other markets, as well as opening up increased work opportunities through more efficient commuter travel.

Government agency personnel and regional stakeholders feedback suggests that the RGP has helped attract investment in the regions. Stakeholders thought government co-investment sent a powerful and visible signal of government support which encourages other investors to partner for projects. SROs and government agency lead contacts deep understanding of regional issues has helped attract wider attention.

In terms of getting the other funders onboard, the best thing we [Government agency] did was fund it ourselves. So I think that sent a signal. A pretty powerful signal. (Government agency personnel)

Examples of progress in this outcome stream include but are not limited to:

- Business cluster development, including regional research institutes and co-working spaces that support self-employment, and new business start-ups, existing businesses expanding).
  - Joint investment in Māori regional economic development opportunities:
    - Māori Forestry Collective for Tai Tokerau,
    - Te Hiku Sheep and Beef Farming Collective,
    - Omaio
    - Mānuka (Honey) Action Group.
  - Support from an SRO to mediate between international investors and local stakeholders in a situation where retention of an international investment was at risk of falling over.

Feedback from government agency personnel and regional stakeholders suggests that at this stage of the RGP, the focus has been on harnessing existing capability within the regions (such as shoulder-tapping local people for their technical expertise for a local governance group) rather than growing leadership and capability. Feedback from government agency personnel and regional stakeholders also suggests that existing capability differs between regions, with some having a higher need to grow this than others.

There are some project-specific examples where regional leadership and capability has been supported directly through the RGP. In Northland, for example, up-skilling regarding writing business cases, project management and evaluation has occurred with in-kind support from MPI, as illustrated in the case study on Extension 350.

Regional Action Plans show that many cross-agency projects are regionally led (such as Manea Footprints of Kupe in Northland), and there is a strong desire and commitment within the regions to lead their own economic development.

There are so many opportunities [in this region]. I’m not daunted
by the largeness of the nature of the work that needs to be done. I'm absolutely here with my sleeves rolled up and laces tied. (Regional stakeholder)

There is consensus across all stakeholders that regional leadership and capability is an area that needs additional focus going forward.

<table>
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<tr>
<th>Employment and training</th>
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<tr>
<td>Short term outcome</td>
</tr>
<tr>
<td><strong>More people, particularly Māori and youth, are engaged in employment, education and training</strong></td>
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<tr>
<td>Businesses are supported</td>
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</table>

Government agency personnel and regional stakeholders highlighted that many projects currently in the pipeline (such as the aforementioned infrastructure projects) are intended to lead to a wide range of employment opportunities in the regions. However, there was some concern that there is not enough emphasis put on workforce development planning so that, to the extent possible, local people can meet the expected up-coming demand and thus reap the economic benefits.

**But what we’re not getting yet is we’re not getting local people into that space [job and wage growth]. Our future is really in that skills area.** (Regional stakeholder)

Meanwhile, it was acknowledged by government agency personnel and regional stakeholders that a number of successful approaches to getting more people, particularly Māori and youth, into employment, education or training had been made possible through the RGP. Examples cited include:

- **Kaikohe GROW**: aimed at addressing youth unemployment in Northland, this programme provided wrap-around support for 34 16–24 year olds who were not in employment or training. At the end of the project, eight participants were on training pathways, 13 in work and six were looking for work.
- **Northland College Mānuka Project**: aimed at increasing the work-readiness and skills for up to 15 long-term unemployed adults. This resulted in 11 participants completing their training and work experience and all 11 were placed in employment by the time the project had finished.
- **Project 1000**: in the Hawkes Bay links local people on benefits to 1000 new casual, permanent and part-time jobs, mainly in the horticulture, viticulture and manufacturing sectors, over 3 years.
- **A number of linkages are being made with Toi Oho Mai and courses are aligned with commercial activities around marine industry studies and horticulture (kiwifruit).**
- **The scale-up of Instep to the Eastern Bay**
- **Discovery youth tours and forums for Māori secondary students being led by He Mauri Ohooho**

The Government announced in July 2017, that as a result of the success of Kaikohe GROW and Project 1000, it will invest $50 million into a comprehensive strategy to reduce the number of at-risk young people not in employment or training in regional New Zealand.

In addition, Regional Action Plans show a range of other activity in this area, including: workforce stocktake and planning, research, improving Māori achievement levels, promoting local education to employment pathways and development of a regional labour market model.
Ambition and Confidence

Short term outcome
Community members, particularly Māori and youth are influenced by the RGP and become hopeful about their future in the region.

Feedback indicates that the RGP has influenced the way that regional stakeholders think about economic development. For some, these were positive outcomes they had not expected. Examples include:

- Government agency personnel are going beyond business as usual – engaging with people they would not otherwise have engaged with (such as across agencies)
- Increased awareness of needs for the whole region – rather than specific territorial areas and how success in one part of the region can support success in another.

The extent to which this has extended to other community members such as Māori and youth is unknown at this stage. Few Māori (insufficient to claim Māori coverage) and no youth were interviewed as part of this evaluation.

Feedback suggests that there is not yet enough visibility of the RGP in the community – and that it is unlikely that community members (unless directly involved) would have an awareness of the programme. This was particularly so for Māori stakeholders based on regional consultation undertaken by He Mauri Ohooho.

Nonetheless, there is evidence that some individual projects such as Kaikohe GROW have helped raise ambition and confidence for the Māori youth participating. Comments from a recent evaluation of the Kaikohe Grow project support this view.

I haven’t had these types of people in my life before, the ones that push you to succeed.” (Kaikohe GROW Participant)

Similarly, a community member involved in one regional project noted:

MSD supplying the financial support for the boy’s wages and the general operation of the programme was also pivotal to the success of the programme. This showed me how serious the department was in seeing big changes in these boys’ lives and working collaboratively alongside other government departments to achieve a common goal – employment.

Progress toward medium-term and longer-term outcomes: too early to tell

146. While the outputs and short-term outcomes of the RGP indicate that the programme is likely to be on track to achieve medium- and long-term outcomes of more jobs, higher incomes and investment, these have yet to be realised. Therefore, the evaluators have given a rating of “insufficient evidence” for this aspect. The collective impact of the RGP projects was considered likely to be too ‘dilute’ to show up in regional level data – that is, the impact of successful RGP projects on economic indicators would be too modest at their current scale to show up in region-level data.

147. Further, it is difficult at any stage to attribute changes in the regions to the RGP specifically, as there are many other aspects that also contribute to these outcomes.

[The] economy is such a multi-pronged thing... hard to say whether the RGP is the catalyst for things. Lots of things going on. (Regional stakeholder)
Generally, both regional stakeholders and government agency personnel thought it was “too early” to make claims about medium- to long-term outcomes. But, the RGP was considered to have contributed to:

- Better collaboration
- Regions having direct links to government agencies and that they better understand “how Wellington works”
- Increased access to funding
- Better co-ordination and processes within government agencies
- Effective action occurring in the regions.

**Regional level data that could be used to assess economic progress**

To check whether the collective impact of RGP projects could be seen in economic data, a selection of data that was used by MBIE as guidance for selecting regions for inclusion in the Regional Growth Programme in 2015, was compared with similar data for 2017. The following table shows the measures used and summarises the differences noted. **In our assessment, the associations seen are insufficient to be interpreted as a causal relationship.**

<table>
<thead>
<tr>
<th>2015 Progress</th>
<th>2017 Progress</th>
<th>Differences noted</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Average Employment growth. (2009-2014 to assess recovery from GFC).</td>
<td>• Historical Employment Growth (Stats NZ, compound annual growth rate, June 2014-2017)</td>
<td>• Stronger employment growth in five of the first six regions to join the RGP than most other NZ regions in the three-year period 2014-17.</td>
</tr>
<tr>
<td>• Forecasted 3-year employment growth. (MBIE 3-year employment forecasts).</td>
<td>• Forecasted 3-year Employment Growth (MBIE 3-year industry employment forecasts, compound annual growth rate, March 2017-2020)</td>
<td>• No clear regional patterns</td>
</tr>
<tr>
<td>• GDP growth performance. (Average 2009-2014).</td>
<td>• GDP Growth Performance (SNZ Regional GDP and MBIE MTAGDP March 2015-2016)</td>
<td>• No clear regional patterns</td>
</tr>
<tr>
<td>• Unemployment % of official working age population, year ending June 2015)</td>
<td>• Unemployment Rate (unemployed percentage of labour force, year to June 2017, annual average, Stats NZ)</td>
<td>• No clear regional pattern</td>
</tr>
<tr>
<td>• Labour participation. (% of working age population participating in the workforce, REAR 2016 figures)</td>
<td>• Labour Participation Rate (% of working age population participating in the labour force, year to June 2017, annual average, Stats NZ)</td>
<td>• No clear regional patterns</td>
</tr>
<tr>
<td>• Household Income (Average Weekly Household Income,</td>
<td>• Household Income (Average Weekly Household Income, MBIE</td>
<td>• Growth was at or above median in all of the first six regions to join the</td>
</tr>
</tbody>
</table>


Progress on average employment growth: could be associated with RGP

This indicator shows stronger employment growth in the three-year period 2014-17 among five of the six regions that joined the RGP in 2015 than for most other NZ regions. Tasman was an outlier and there was one exception among the first six RGP regions (West Coast) with negative employment growth. The association is suggestive of, but insufficient to claim a causal relationship.

Table 3: Changes in average employment growth

<table>
<thead>
<tr>
<th>Regions included in the Regional Growth Programme in 2017</th>
<th>Regions included in the Regional Growth Programme in 2015</th>
<th>Average Employment growth. (2009-2014 to assess recovery from GFC). (A)</th>
<th>Historical Employment Growth (Stats NZ, compound annual growth rate, June 2014-2017) (B)</th>
<th>Percentage point increase/Decrease (B-A)</th>
<th>Percentage increase/Decrease (B-A)/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasman</td>
<td>Tasman</td>
<td>1.50%</td>
<td>18.80%</td>
<td>17.30%</td>
<td>1153.3</td>
</tr>
<tr>
<td>Gisborne</td>
<td>Gisborne</td>
<td>1.10%</td>
<td>6.30%</td>
<td>5.20%</td>
<td>472.7</td>
</tr>
<tr>
<td>Manawatu/Whanganui</td>
<td>Manawatu-Whanganui</td>
<td>0.90%</td>
<td>4.30%</td>
<td>3.40%</td>
<td>377.8</td>
</tr>
<tr>
<td>Northland</td>
<td>Northland</td>
<td>1.00%</td>
<td>3.60%</td>
<td>2.60%</td>
<td>260.0</td>
</tr>
<tr>
<td>Bay of Plenty</td>
<td>Bay of Plenty</td>
<td>1.70%</td>
<td>4.60%</td>
<td>2.90%</td>
<td>170.6</td>
</tr>
<tr>
<td>Hawkes Bay</td>
<td>Hawkes Bay</td>
<td>1.00%</td>
<td>1.80%</td>
<td>0.80%</td>
<td>80.0</td>
</tr>
<tr>
<td>Auckland</td>
<td>Auckland</td>
<td>2.80%</td>
<td>4.90%</td>
<td>2.10%</td>
<td>75.0</td>
</tr>
<tr>
<td>Waikato</td>
<td>Waikato</td>
<td>2.20%</td>
<td>3.80%</td>
<td>1.60%</td>
<td>72.7</td>
</tr>
<tr>
<td>Southland</td>
<td>Southland</td>
<td>1.20%</td>
<td>1.80%</td>
<td>0.60%</td>
<td>50.0</td>
</tr>
<tr>
<td>Wellington</td>
<td>Wellington</td>
<td>1.90%</td>
<td>2.50%</td>
<td>0.60%</td>
<td>31.6</td>
</tr>
<tr>
<td>Canterbury</td>
<td>Canterbury</td>
<td>2.80%</td>
<td>2.70%</td>
<td>-0.10%</td>
<td>-3.6</td>
</tr>
<tr>
<td>Taranaki</td>
<td>Taranaki</td>
<td>1.90%</td>
<td>1.10%</td>
<td>-0.80%</td>
<td>-42.1</td>
</tr>
<tr>
<td>Marlborough</td>
<td>Marlborough</td>
<td>2.80%</td>
<td>1.60%</td>
<td>-1.20%</td>
<td>-42.9</td>
</tr>
<tr>
<td>Otago</td>
<td>Otago</td>
<td>1.90%</td>
<td>0.90%</td>
<td>-1.00%</td>
<td>-52.6</td>
</tr>
<tr>
<td>West Coast</td>
<td>West Coast</td>
<td>1.60%</td>
<td>-3.10%</td>
<td>-4.70%</td>
<td>-293.8</td>
</tr>
<tr>
<td>Nelson</td>
<td>Nelson</td>
<td>1.50%</td>
<td>-7.90%</td>
<td>-9.40%</td>
<td>-626.7</td>
</tr>
</tbody>
</table>

Note: Those regions in blue are the six regions from the first tranche, the regions in grey are from the second tranche.
151. Average weekly household incomes increased in the three-year period 2014-17, at or above the median regional increase, in all six regions that joined the RGP in 2015. However, this does not take into account the cost of weekly rent. Wellington had the strongest increases and four of the regions that joined the RGP in 2015 experienced increases of more than 10%. This association is suggestive of, but insufficient to claim a causal relationship.

Table 4: Changes in household income

<table>
<thead>
<tr>
<th>Regions included in the Regional Growth Programme in 2017</th>
<th>Regions included in the Regional Growth Programme in 2015</th>
<th>Household Income (Average Weekly Household Income, MBIE estimates based on Stats NZ census data 2015) (A)</th>
<th>Household Income (Average Weekly Household Income, MBIE estimates based on Stats NZ census data 2017) (B)</th>
<th>Actual $ Difference (B-A)</th>
<th>Percentage point increase/decrease (B-A)/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellington</td>
<td>Wellington</td>
<td>$1,853.00</td>
<td>$2,178.00</td>
<td>$325.00</td>
<td>18</td>
</tr>
<tr>
<td>Manawatu/Whanganui</td>
<td>Manawatu/Whanganui</td>
<td>$1,262.00</td>
<td>$1,456.00</td>
<td>$194.00</td>
<td>15</td>
</tr>
<tr>
<td>Gisborne</td>
<td>Gisborne</td>
<td>$1,358.00</td>
<td>$1,528.00</td>
<td>$170.00</td>
<td>13</td>
</tr>
<tr>
<td>Hawkes Bay</td>
<td>Hawkes Bay</td>
<td>$1,422.00</td>
<td>$1,600.00</td>
<td>$178.00</td>
<td>13</td>
</tr>
<tr>
<td>Auckland</td>
<td>Auckland</td>
<td>$1,887.00</td>
<td>$2,111.00</td>
<td>$224.00</td>
<td>12</td>
</tr>
<tr>
<td>Bay of Plenty</td>
<td>Bay of Plenty</td>
<td>$1,516.00</td>
<td>$1,676.00</td>
<td>$160.00</td>
<td>11</td>
</tr>
<tr>
<td>Waikato</td>
<td>Waikato</td>
<td>$1,558.00</td>
<td>$1,709.00</td>
<td>$151.00</td>
<td>10</td>
</tr>
<tr>
<td>Northland</td>
<td>Northland</td>
<td>$1,320.00</td>
<td>$1,406.00</td>
<td>$86.00</td>
<td>7</td>
</tr>
<tr>
<td>West Coast</td>
<td>West Coast</td>
<td>$1,553.00</td>
<td>$1,638.00</td>
<td>$85.00</td>
<td>5</td>
</tr>
<tr>
<td>Tasman</td>
<td>Tasman</td>
<td>$1,553.00</td>
<td>$1,638.00</td>
<td>$85.00</td>
<td>5</td>
</tr>
<tr>
<td>Marlborough</td>
<td>Marlborough</td>
<td>$1,575.00</td>
<td>$1,661.00</td>
<td>$86.00</td>
<td>5</td>
</tr>
<tr>
<td>Nelson</td>
<td>Nelson</td>
<td>$1,577.00</td>
<td>$1,663.00</td>
<td>$86.00</td>
<td>5</td>
</tr>
<tr>
<td>Canterbury</td>
<td>Canterbury</td>
<td>$1,738.00</td>
<td>$1,818.00</td>
<td>$80.00</td>
<td>5</td>
</tr>
<tr>
<td>Otago</td>
<td>Otago</td>
<td>$1,593.00</td>
<td>$1,604.00</td>
<td>$11.00</td>
<td>1</td>
</tr>
<tr>
<td>Taranaki</td>
<td>Taranaki</td>
<td>$1,711.00</td>
<td>$1,638.00</td>
<td>$-73.00</td>
<td>-4</td>
</tr>
<tr>
<td>Southland</td>
<td>Southland</td>
<td>$1,567.00</td>
<td>$1,421.00</td>
<td>$-146.00</td>
<td>-9</td>
</tr>
</tbody>
</table>

Note: Those regions in blue are the six regions from the first tranche, the regions in grey are from the second tranche.
## MBE 2017 Figures

### Guidance for Selecting Regions for inclusion in the Regional Growth Programme

<table>
<thead>
<tr>
<th>Region</th>
<th>Gisborne</th>
<th>Manawatu/Whanganui</th>
<th>Northland</th>
<th>Hawkes Bay</th>
<th>Bay of Plenty</th>
<th>West Coast</th>
<th>Taranaki</th>
<th>Waikato</th>
<th>Nelson</th>
<th>Taranaki</th>
<th>Marlborough</th>
<th>Southland</th>
<th>Otago</th>
<th>Auckland</th>
<th>Wellington</th>
<th>Canterbury</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Historical Employment Growth</strong> (Stats NZ, compound annual growth rate, June 2014-2017)</td>
<td>6.3%</td>
<td>4.3%</td>
<td>3.6%</td>
<td>1.8%</td>
<td>-3.1%</td>
<td>1.1%</td>
<td>3.8%</td>
<td>-7.9%</td>
<td>18.8%</td>
<td>1.6%</td>
<td>1.8%</td>
<td>0.9%</td>
<td>4.9%</td>
<td>2.5%</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Forecasted 3-year Employment Growth</strong> (MBIE 3 year industry employment forecasts, compound annual growth rate, March 2017-2020)</td>
<td>0.8%</td>
<td>1.1%</td>
<td>1.6%</td>
<td>1.0%</td>
<td>1.2%</td>
<td>2.2%</td>
<td>1.6%</td>
<td>2.2%</td>
<td>1.1%</td>
<td>3.3%</td>
<td>3.5%</td>
<td>1.5%</td>
<td>1.9%</td>
<td>2.6%</td>
<td>1.7%</td>
<td>1.9%</td>
</tr>
<tr>
<td><strong>GDP Growth Performance</strong> (SNZ Regional GDP and MBIE MTAGDP March 2015-2016)</td>
<td>2.6%</td>
<td>3.2%</td>
<td>4.0%</td>
<td>2.5%</td>
<td>7.7%</td>
<td>2.8%</td>
<td>8.5%</td>
<td>3.9%</td>
<td>4.0%</td>
<td>1.2%</td>
<td>1.7%</td>
<td>1.0%</td>
<td>4.8%</td>
<td>6.0%</td>
<td>3.6%</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>Unemployment Rate</strong> (unemployed percentage of labour force, year to June 2017, annual average, Stats NZ)</td>
<td>6.7%</td>
<td>5.1%</td>
<td>7.5%</td>
<td>7.1%</td>
<td>6.0%</td>
<td>$5</td>
<td>5.7%</td>
<td>4.9%</td>
<td>$5</td>
<td>3.1%</td>
<td>3.7%</td>
<td>4.9%</td>
<td>4.3%</td>
<td>5.0%</td>
<td>5.1%</td>
<td>3.8%</td>
</tr>
<tr>
<td><strong>Labour Participation Rate</strong> (percentage of working age population participating in the labour force, year to June 2017, annual average, Stats NZ)</td>
<td>73.9%</td>
<td>68.6%</td>
<td>63.9%</td>
<td>67.2%</td>
<td>69.1%</td>
<td>69.4%</td>
<td>70.0%</td>
<td>70.3%</td>
<td>64.8%</td>
<td>67.8%</td>
<td>69.3%</td>
<td>74.2%</td>
<td>68.2%</td>
<td>70.3%</td>
<td>73.8%</td>
<td>72.0%</td>
</tr>
<tr>
<td><strong>Household Income</strong> (Average Weekly Household Income, MBIE estimates based on Stats NZ census data 2017)</td>
<td>$1528</td>
<td>$1456</td>
<td>$1406</td>
<td>$1600</td>
<td>$1676</td>
<td>$1638</td>
<td>$1709</td>
<td>$1663</td>
<td>$1638</td>
<td>$1661</td>
<td>$1421</td>
<td>$1604</td>
<td>$2111</td>
<td>$2178</td>
<td>$1818</td>
<td></td>
</tr>
</tbody>
</table>

**Regions included in the Regional Growth Programme 2017**
## 2015 Figures

### Annex 1. Guidance for selecting regions for inclusion in regional growth programme

<table>
<thead>
<tr>
<th></th>
<th>Gisborne</th>
<th>Manawatu-Whanganui</th>
<th>Northland</th>
<th>Hawkes Bay</th>
<th>Bay of Plenty</th>
<th>West Coast</th>
<th>Taranaki</th>
<th>Waikato</th>
<th>Nelson</th>
<th>Taranaki</th>
<th>Marlborough</th>
<th>Southland</th>
<th>Otago</th>
<th>Auckland</th>
<th>Wellington</th>
<th>Canterbury</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Average Employment growth.</strong> (2009-2014 to assess recovery from GFC).</td>
<td>1.10%</td>
<td>0.90%</td>
<td>1%</td>
<td>1%</td>
<td>1.70%</td>
<td>1.60%</td>
<td>1.90%</td>
<td>2.20%</td>
<td>1.50%</td>
<td>1.50%</td>
<td>2.80%</td>
<td>1.20%</td>
<td>1.90%</td>
<td>2.80%</td>
<td>1.90%</td>
</tr>
<tr>
<td>2</td>
<td><strong>Forecasted 3-year employment growth.</strong> (MBIE 3-year employment forecasts).</td>
<td>0.40%</td>
<td>1.30%</td>
<td>0.30%</td>
<td>0.40%</td>
<td>0.90%</td>
<td>1.50%</td>
<td>0.30%</td>
<td>2.90%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2.5%</td>
<td>3.10%</td>
<td>1.90%</td>
</tr>
<tr>
<td>3</td>
<td><strong>GDP growth performance.</strong> (Average 2009-2014).</td>
<td>3%</td>
<td>3.40%</td>
<td>2.60%</td>
<td>3.10%</td>
<td>4.30%</td>
<td>2.80%</td>
<td>1.50%</td>
<td>4.40%</td>
<td>4.60%</td>
<td>4.60%</td>
<td>3%</td>
<td>4.5%</td>
<td>4%</td>
<td>4.50%</td>
<td>3.30%</td>
</tr>
<tr>
<td>4</td>
<td><strong>Unemployment</strong> % of unemployed of official working age population, year ending June 2015</td>
<td>9.20%</td>
<td>7.30%</td>
<td>8.10%</td>
<td>6.50%</td>
<td>6.20%</td>
<td>NA*</td>
<td>5%</td>
<td>5%</td>
<td>5.30%</td>
<td>5.30%</td>
<td>5.00%</td>
<td>3.40%</td>
<td>3.60%</td>
<td>5.90%</td>
<td>5.30%</td>
</tr>
<tr>
<td>5</td>
<td><strong>Labour participation</strong> % of working age population participating in the workforce, REAR 2016 figures</td>
<td>62.40%</td>
<td>64.20%</td>
<td>62.10%</td>
<td>66.90%</td>
<td>66%</td>
<td>68.80%</td>
<td>69.60%</td>
<td>68.30%</td>
<td>62.7/69%</td>
<td>69%</td>
<td>69%</td>
<td>72.20%</td>
<td>70.3%</td>
<td>68.70%</td>
<td>71.50%</td>
</tr>
<tr>
<td>6</td>
<td><strong>Household Income</strong> (Average Weekly Household Income, MBIE estimates based on Stats NZ census data 2015)</td>
<td>$1358</td>
<td>$1262</td>
<td>$1320</td>
<td>$1422</td>
<td>$1516</td>
<td>$1553</td>
<td>$1711</td>
<td>$1558</td>
<td>$1577</td>
<td>$1553</td>
<td>$1575</td>
<td>$1567</td>
<td>$1593</td>
<td>$1887</td>
<td>$1885</td>
</tr>
</tbody>
</table>

*NA = Data not available

---

*Regions included in the Regional Growth Programme 2015*
Stakeholders can clearly see value in the programme to date – it is relational

General comments

152. In general stakeholders believed the RGP is valuable and worth the effort. Many referred to the RGP as a “journey”. Evidence suggests that at this stage the value of the RGP lies primarily in relational outcomes – the ability for regional stakeholders to more effectively work with government agencies to advance regional priorities. Therefore, the evaluators have rated this aspect “marginal” because while these relational aspects are in place, the potential is yet to be realised.

_The programme’s greatest value is in building consensus on what outcomes we want and what needs doing to get there; in making connections and helping to remove barriers; actions that on their own rarely lead directly to growth but which are nevertheless important ingredients for growth._ (Regional stakeholder)

153. According to government agency personnel and regional stakeholders there is also more co-ordinated and streamlined activity around regional economic development because of the RGP. There is a sense that regional stakeholders interact more and have increased regular communication with government agencies than before. The RGP has enabled key stakeholders to come together to focus explicitly on regional economic development (through forums such as through RED Minister meetings, SRO meetings, governance and working groups in the regions). The RGP process has given access to formal and informal communication channels (within regions, and between regions and central government). Also, it has helped align regional stakeholder and government agency priorities.

154. Regional stakeholders report now having a better understanding of how to navigate central government processes and relationships – making it easier for them to engage. Government agency personnel have noticed regions are starting to better understand how to link with national priorities. One government agency person observed:

_The regions interact more with central government [now], and are therefore better informed about the strategic direction of the national economy, and how this links to their respective regions._

155. The RGP has also provided direct line of communication between regional stakeholders and Government agencies through SROs. This is valuable to regional stakeholders.

_Closer connection with key decision-makers in Government agencies in Wellington. This is invaluable._ (Regional stakeholder)

156. The RGP has provided a platform to support an increased understanding amongst government agencies of regional stakeholder issues, opportunities and priorities as well as a deeper understanding of the regional landscape (such as who is who, history, context). Also, government agency personnel report having a more coherent view across government of what each agency does and what they can bring to the table, and how the agencies may be able to complement or support each other.

157. The RGP has also helped the regions to better leverage their industry insight through the business case process to gain government investment (such as through sector – or industry-based studies). Through Action Plans and business cases, the RGP process has:

- Supported regions to identify issues, priorities and opportunities
- Helped pool funding into the right places
• Increased access to, and understanding of how to access, funding available to the regions.

158. The extent to which the RGP has supported more co-ordinated economic development varies between regions. For example, one of the regions included in this study had an existing economic development governance structure in place when the RGP began. This meant they could progress more quickly on some aspects than other regions.

159. It is important to be careful to attribute progress to the RGP where it is warranted. Many projects on the Action Plans were already underway in the regions prior to the RGP and were already making progress. Some regional stakeholders felt that government agencies were not crediting regional stakeholders for their investment (time and funding) in RGP/action plan activities. However, there is general consensus that the programme has helped act as a catalyst to accelerate and given traction to some initiatives that were already in play.

Without the RGP, we wouldn’t be as far ahead. I believe that totally. (Regional stakeholder)

Value for Māori

If you are going to be able to create the change at a regional [level] it can’t be achieved without Māori. (Government stakeholder)

160. Government agency and regional stakeholders acknowledge the value gained for all by engaging constructively with Māori stakeholders and the Māori economy including:

• Accessing the mātauranga Māori and mātauranga-a-rohe that iwi offer as tangata whenua and mana whenua in regional settings
• Innovation, aspiration and entrepreneurialism that is ignited and accelerated with cross-cultural collaboration
• The high proportion of latent skills and potential of whānau that can be accessed through iwi/hapū and marae networks in Māori rural communities; and
• Access to a concentration of collectively owned assets in rural areas.

The Māori model offers much opportunity in terms of economic development because of the opportunity to build collaboration around kaupapa. Mātauranga Māori applied to a product or service gives it a point of difference, so why shouldn’t it be supported? (Government agency personnel, Māori)

161. Government agency personnel acknowledge that when participation is meaningful, relational and genuine, it is more likely to result in partnerships that are based on a clear understanding of the environment, context, needs and aspirations of both partners to enable economic development. Māori bring a holistic, longer term perspective to economic development. However, the reality is the landscape is complex to navigate.

It is complex. Central government and local government have different perspectives; business are real dry in terms of economic development and are profit driven; Māori are about our whānau and whenua. (Government agency personnel, Māori)

162. The evaluation team have noted the commitment by government stakeholders to ensure the process is of value to Māori stakeholders in the regions including:

• A focus on development and opportunity for Māori
• Māori leveraging and sharing in government resources
• Directives from Ministers to engage the voice and contribution of Māori stakeholders
• Committing senior public service leaders to engage directly with Māori stakeholders to build (and in some cases, rebuild) confidence and trust with government policy intentions

163. There is a sense that the overall relational approach and intent of the RGP is reflective of a “by-Māori (region)-for-Māori (region)” approach. However, given the inconsistent engagement with Māori the full extent of positive outcomes for Māori, iwi, hapū and whānau are yet to be realised.

There are unintended outcomes around the scale-up of the RGP

164. The evaluators could identify three unintended outcomes of the RGP:

• The scale-up of the RGP has been faster and more expansive than was intended
• The existence of the RGI is potentially a risk to the RGP
• Being useful during or helping with adverse events was reactionary rather than planned, and while it provided opportunities for new ways of working, it was additional workload.

165. The initial intent of the RGP was to support economic development in six regions with the greatest need. The RGP was expanded to include an additional four regions that are “regions of economic development opportunity” rather than “regions of economic development need”. The expansion runs the risk of diluting the programme as it has meant there is less clarity regarding the purpose of the programme. The question arises, is the purpose to support those regions of economic need, or to support regions of economic opportunity? Also, should the level of support to each region be the same, or does it need to differ depending on the needs of the region? Finally, how can this be made equitable, and who judges what is equitable?

166. The introduction of the RGI potentially hinders some of the RGP’s initial strengths. Originally the RGP was designed as a process whereby regional stakeholders and government agencies got together to do better, or more, with existing resources (both from the regions and from government). Regions were assisted to broker collaborations, supported by a co-ordinated government response, thus enabling regional aspirations. Since the introduction of the RGI Fund focus has shifted to developing business cases to secure funding despite the fund being one of “last resort”. Although there are some great opportunities associated with the RGI, stakeholders raised concerns that it shifts power away from the regions to government. Regional stakeholders also reflected that the process for securing RGI funding is resource-intensive – adding another layer of bureaucracy to people in the regions and government.

167. In addition to accessing RGI funding, in many instances regions must match the funding.

Yes [RGP] is helping regional economic growth but if it grows then we will need more resource on the ground, FTES for example. If it continues to grow we also won’t be able to sustain the 50:50 funding model. Central government can draw on and across a number of pools of funds and have larger amounts. In the region, we have smaller amounts and cannot move money around so readily. (Regional stakeholder)

Counterfactual: without the RGP, focus and cohesion across the region would be more limited and slower progress made

168. The regional stakeholders and government agency personnel taking part in the online surveys (n=54) were asked, what would be different without the RGP? In total, three stakeholders commented that they believed the RGP had made no difference. While this cannot be dismissed, given the small
sample size, this was not the main view. The key themes that emerged were that without the RGP there would be: less focus, co-ordination, and cohesion, missed opportunities including missed funding, and change would have been slower with little progress made

169. Amongst those who believed the RGP had made no difference the following views were noted. Two regional stakeholders and one government agency person responding to the online survey thought that the RGP had made no difference. The regional stakeholder thought that while there was “a perception change of something happening in our region (in Wellington), each of the projects in the action plan would have progressed regardless of the RGP process”. The government agency person doubted “we would have seen much difference over and above what we have achieved to date. [And that] we would have (and had been) done it anyway” while another thought “some of the projects identified in [region] would have happened anyway in spite of the RGP”.

170. Amongst those completing the online survey who did see benefit in the RGP, the key themes were as follows.

- **Less focus and coordination:** Without the RGP regional stakeholders thought that the “region would probably be slightly less co-ordinated, particularly in relation to working with government to identify opportunities and funding options”. They also thought “there wouldn’t be the level of agreement on what needs doing and [they] wouldn’t have the alignment of actions that [they] currently have”. Government agency personnel did not think there would be a “collaborative and co-ordinated approach from the regions, particularly with how they would approach central government” and there would be “less central government co-ordination”, it would take a “longer time to get to solutions” and there would still be a “lack of planning at the regional level”.

- **Less cohesion:** One regional stakeholder believed there would have been a “low rate of interaction and a lack of cohesion” and that “sub-regional parochialism” would have continued without the RGP. Government agency personnel suggested that “regional stakeholders would [have] continued to work in silos and so too would government agencies”. They also suggested that there would “probably [be] more tension between central/local government, [and] probably more criticism that the government is not doing enough to support Māori economic development” and “less focus on Māori economic development within regions”. Government agency personnel also thought that without the RGP there would be “way less understanding in Wellington of regional realities” and “less buy-in to solve problems from organisations and people in the regions”.

- **Missed opportunities and funding.** One regional stakeholder reflected that as a result of the RGP “the good people have been given an excuse to get things happening and have taken it. [We] definitely need the programmers. Just need to look at a better delivery umbrella”. Government agency personnel reflected that without the RGP “central government would have known that its policies weren’t working in Northland and the East Coast but wouldn’t have had a mechanism to trial different approaches”. Government agency personnel also thought that without the RGP “investment is regional initiatives may not have occurred as early as they did or been co-ordinated” and that “key regional projects would not have received the same level of support” One government agency person suggested that “some specific initiatives that got funding may not have got it (but it’s arguable others should have been higher up the queue anyway)”.

- **Slower/little progress/no change would have occurred:** A regional stakeholder suggested that without the RGP the project they were involved in would not be running. Two government agency personnel commented that without the RGP “nothing would have changed” and “some of the major initiatives in the region would not have got to where they are now (if it wasn’t for the RGP)”.

- **Too early to say:** One government agency personnel thought “it is too early to tell whether the RGP has truly impacted the region, given that the results of economic development takes a long time to come together”.

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KEQ 3: Key lessons learned

Overview

171. In this section of the report the evaluators provide an assessment of the extent to which the RGP can be considered a “learning system”, that is, a programme that identifies transferable principles to support increased scale and scope, identifies opportunities to improve effectiveness, helps set priorities, builds capacity and capability, and is administratively efficient. An assessment is then made of the extent to which the RGP has potential for further development, growth, to make a difference and to foster innovation. Thirdly, the evaluators consider the extent to which the implementation and running of the RGP appears to be feasible and sustainable for the long term, and makes evaluative judgements on these aspects. The final part of this section gives examples of lessons learned that could support the RGP to evolve further.

172. Overall, the evaluators rated the extent to which RGP is a learning system, is perceived to have potential – and be sustainable, as “consolidating” overall. There is evidence the RGP has evolved to meet regions’ different needs. The RGP also clearly has potential for further development: already it has attracted interest from further regions throughout the country. However, there are steps that need to be taken to ensure the implementation and running of the RGP can be sustained, and these are covered later in this section.

Figure 17: Extent to which RGP has a learning system, is perceived to have potential and to be sustainable

<table>
<thead>
<tr>
<th>To what extent...</th>
<th>Insufficient evidence</th>
<th>Not effective</th>
<th>Marginal</th>
<th>Consolidating</th>
<th>Effective</th>
<th>Highly effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall rating</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>RGP is a learning system that: identifies transferable principles to support increased scale; identifies opportunities to improve effectiveness; helps set priorities; builds capacity and capability; and is administratively efficient</td>
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<tr>
<td>There is potential for further development, growth, to make a difference and to foster innovation</td>
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<tr>
<td>The implementation and running of the RGP process is likely to be feasible and sustainable in the long term</td>
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There is evidence of a learning system

173. The evaluators found there is evidence of an “effective” learning system in place for the RGP. The RGP is built on a series of feedback mechanisms between regional stakeholders and a range of government agencies, with senior leaders within a number of different government agencies, and with ministers covering a range of portfolios. This enables the fast transfer of good quality information to identify opportunities, set priorities, and identify and build capacity and capability. There is some evidence of principles being identified to support increased scale and also evidence of a growth in scale.
However, regional stakeholders and government agency personnel identified a need for the purpose of the RGP to be made clearer, for more effective engagement with Māori and for keeping the programme administratively efficient. For these reasons this aspect was not rated “highly effective”.

RGP identifies transferable principles to support increased scale

Increase in scale and scope is already occurring: the programme has already moved on from its original intent to work with six regions with persistent economic underperformance. As a result, both regional stakeholders and government agency people believe greater clarity is required around the purpose of the RGP, how it is intended to work and what success looks like. The addition of further regions has led to a need for better communication mechanisms.

The scale-up is crazy! We’re stretching everybody beyond belief without the understanding: ‘What are you doing? What are you trying to get out of it?’ There’s no time to go getting this kind of information, like the evaluation, so we can properly prepare staff and also sort out proper roles and responsibilities of agencies. (Government agency personnel)

Government agencies are starting to articulate what the principles (or the common agenda) of their engagement in the RGP might be, and a recent draft of the principles of engagement are listed below.

Figure 18: Draft principles of engagement for the RGP

The principles of engagement from a Government agency perspective appear to be:

- Understand issues and opportunities better by seeking and listening to local perspectives
- Differentiate between a regional and national lens, and apply the right lens in the right situation
- Design and implement government interventions that recognise the long-term nature of regional economic development, including:
  - Support regionally identified and led initiatives
  - Engage in a customer-centric, open-minded and partnership-orientated manner
  - Coordinate government responses to support regional aspirations
- Ensure local leadership of key issues is preserved (and central government does not take over), by:
  - Adopting a partnership approach
  - Acknowledging that each party might have different incentives and priorities
  - Ensuring all parties have skin in the game
- Be clear to ourselves and stakeholders about our role and objectives.

Maintaining a set of guiding principles for the RGP is a good tool for communicating the fundamentals of the programme to a wide audience of stakeholders. This would also aid the induction of new people into RGP-related roles.

RGP provides opportunities for regions to improve effectiveness

The RGP evolved from evidence that a number of regions were consistently underperforming on economic measures. Government agency personnel concluded that a different approach to regional economic development was needed, rather than applying the type of centralised thinking and

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14 However, these are internal drafts of working documentation within the lead government agencies (MBIE and MPI), rather than something that has been signed off by SROs and Ministers and clearly communicated with all government agencies and regional stakeholders.
processes that had been used before. Government agencies therefore engaged with stakeholders in the six key regions initially identified, using a multi-agency, relational and regionally focused approach with links to senior officials and Ministers.

179. The RGP provided a mechanism to generate knowledge through the Regional Growth Studies or similar studies, so regions obtained a clearer view of what their potential options were and how these might align with national or regional economic development priorities. Through developing Action Plans in collaboration with government agency personnel, regional stakeholders report they built relationships, developed working groups, and created structures and systems to make and implement more focused economic development plans.

180. Participants applied some different thinking and different collaborative approaches to try to address some of the economic development opportunities and more intractable challenges in the regions. This was not always easy, but progress was made.

> You get to test the collaborative thing and you get to roll out projects. Now we have that whakapapa of working together. Was rocky initially, but has really developed into a real collaborative approach. (Government agency personnel)

181. A strength of the RGP is that it operates at many levels – it is not just about projects but also about focussing on the relationships that are needed, engaging the people with power and influence and getting access to them (at the regional stakeholder, government agency and ministerial levels) to engage and champion change and progress. Working at so many levels in a cohesive way has helped build momentum and traction that was not present in the regions before the RGP – according a number of regional stakeholders and government agency personnel.

> You look at it and you wonder how the speed of the programme actually operates and how the joined-up agencies are co-ordinated as quickly as they are...Part of the reason [is] because everyone is hearing the same conversations. The other thing... is that senior government officials (below the SROs) have weekly meetings. (Government agency personnel)

182. Some regional stakeholders also believe that the RGP helped increase the credibility of their work in the region.

> [RGP] added another layer of awareness; helped to increase credibility and helped [lead organisation] to evolve. (Regional stakeholder)

183. Overall government agency personnel commented that the RGP has evolved to address the different needs of regions, such as workforce development, investing for infrastructure, and attracting and retaining population – and has attracted interest from regions throughout the country. There is evidence of different regions trying a range of different approaches to address regional economic development needs in their region. The flexibility of approach is a critical aspect of the programme.

> [RGP] is a dynamic process, an iterative process. We are improving as we go. Relationships are key – to be able to talk on the same level. (Regional stakeholder)

**RGP helps regional stakeholders and government agencies set priorities**

184. Both regional stakeholders and government agency personnel generally agree that through the RGP processes regional economic development priorities have become more aligned with government priorities. As a result of the initial Growth Studies, areas of opportunity were identified, and then through the Action Plans regional stakeholders got the chance to prioritise them.
RG is good at facilitating shared vision; where we’re all heading and what we want to do. (Regional stakeholder)

Having people with the power to make decisions and influence to move things quickly is critical. (Regional stakeholder)

185. One of the striking features of the evaluative interviews conducted was that many of the regional stakeholders and government agency personnel involved in the project really want to make a difference, and they believe that through the RG they may make the progress needed.

[There is] passion and commitment at a regional level – informed by a community level. [RG] helps bring it all together and identify real priorities and what is communicated as a priority to government and region on what is really important – where gaps are and where support is needed. [This helps us to] write enabling actions rather than prescriptive actions in the RG. (Regional stakeholder)

RGP helps build capacity and capability of regional stakeholders and government agency personnel

186. Collaboration is a skill. Dealing with some of the more intractable regional economic development challenges takes time and is not simple, according to many regional stakeholders and government agency personnel. It is now recognised by many stakeholders that no single group (be it regional stakeholders or government agencies) can solve these issues alone. The attraction of the RG is that regional stakeholders and government agencies have come together because both see it as a way forward.

It can be difficult to talk across agencies, but it’s been made easier with RG. It’s a collegial approach, about relationships. (Regional stakeholder)

It helps when people have whakapapa connections to one another. Government agencies come and go but these [whakapapa] relationships are enduring – whether you like it or not. (Regional stakeholder)

[RG] is working because you can see real industry in the sectors. Previously players were working in isolation and not necessarily involved in economic development. (Regional stakeholder)

187. Through this process regional stakeholders and government agencies believe they have come to work together better. Some regional stakeholders and government agency personnel say this has helped them to align regional and national priorities. While the alignment has occurred because of the work of individuals, it has also occurred because both parties navigated the machinery of government and the machinery of the economic development in regions. There are so many things that must come together and coalesce for this kind of collaboration to work.

Things wouldn’t be happening without [RG]. Well it would be happening, but it would take longer. The infrastructure work like [project] is transformative. It has joined up conversations. It is a catalyst, and helps to know who to talk to in central government. (Regional stakeholder)

[RG] has made government act more collaboratively [and] provided focus. [It] has made a difference but [it’s] hard to isolate the impact. (Regional stakeholder)
Māori engagement: Co-ordination and cohesion between government economic strategies needs improvement

188. Mechanics of the RGP process and where to apply for funding to get traction on Māori economic activities were not clear. Regional Māori stakeholders, in particular, felt that it is difficult to make progress on the Māori economic action plans in the context of the RGP.

*There are 11 agencies around the table putting their resources into the economic action plan and then there is this Māori strategy waving in the wind as if it didn’t matter. (Regional stakeholder)*

*I don’t think the strategy we had of letting Māori develop parallel strategies to work with the action plans necessarily worked. They have just been left behind. They were too big-picture and their projects aren’t owned by the RGP advisory groups or by the SROs. (Government agency personnel)*

189. The evaluators found some examples where the RGP is supporting Māori to develop their economic assets including (but not exclusively):

- Māori Te Hiku Meat Collective
- Tai Tokerau Honey Collective
- Mānuka Action Group
- Omaio-based governance and leadership development programme
- Whakatōhea Mussels Ōpōtiki
- Taiohi Discovery Tours.

Relational approaches take time

190. There is a sense from stakeholders that the overall relational approach and intent of the RGP resonates with Māori interests and adds value for Māori. However, the relational approach it takes investment in terms of time available within often-challenging timeframes.

191. Māori have spent more than 100 years reclaiming ownership of their traditional assets, and this process is still ongoing in some tribal areas. Therefore, the urgency of implementing government policy is important but needs to be understood in the overall context of tribal history, development and priorities. Furthermore, a ‘by-Māori-with Māori’ relational approach leverages off existing whakapapa and whanaungatanga accountabilities and relationships that will continue to exist beyond government policy interventions. These connections need to be formed with integrity and protected given the ramifications on future generations should processes not go well.

*If we put aside our Crown hats we are actually family. Our roles will change next year, and we will still be family. What happens is you protect the relationship... at the end of the day, we’ve got to walk down the street. So, government can come and go, but whatever we put our name behind we have to be accountable to our people in this region, the people we live with. (Government agency personnel)*

Leadership at all levels is critical to success

192. Leadership involvement in the RGP is critical to Māori engagement as partners, including leaders who are decision-makers. It was noted by regional stakeholders that having direct access to senior government officials and ministers who could make decisions was highly valued. Equally Iwi leaders also need to be part of the process and engaged by senior officials when critical decisions need to be made that affect Iwi interests. In addition, key connectors from the community who can traverse
different sectors and Iwi groupings and bring people together for a common purpose are also critical leaders in the RGP space.

There’s a very good understanding of who you are talking to in that Māori space whether it be a land incorporation, this Collective, this iwi rep, and there’s a difference between the Chair and the CE and the views that can be expressed. The historical relationships they’ve had with the Crown and other Govt entities is definitely key in how to engage. (Government agency personnel)

193. The evaluators found the leadership of TPK, alongside other government agencies, has been key to effective Māori engagement. There was evidence that TPK has been actively present, engaging regionally and centrally to support the RGP process. Government agency personnel and regional stakeholders reported that the level and nature of TPK involvement varied across the two regions. TPK is continuing to look at ways to strengthen engagement in the RGP.

Māori are diverse

194. Government agency personnel observed that the diversity of Māori in relation to commercial opportunities both on and offshore poses great opportunities but equally challenges, especially where differences between Iwi and hapū within a geographic area run deep.

195. Government frameworks therefore need to be able to work within these differences whilst not acerbating them. There needs to be spaces defined by Māori within regional planning and priority-setting; or there needs to be a place where Māori economic activity can be advanced concurrently. The RGP needs to be sophisticated in how it accommodates diversity.

Agencies and sometimes the fledging governance arrangements for the RGP have struggled to understand the difference between iwi, rūnanga, Trusts and Inc, Māori Small to Medium Enterprises (SMEs), other forms of Māori collectives, social enterprise. So sometimes things get a little bit out of sync in respect of who the primary audience might be for engagement and where mandating, decision-making and aspiration might sit in various parts of a region. You can’t assume for example that an Iwi Chair can speak to the landowners about matters pertaining to their land. We’ve seen a few mix-ups from time to time around that kind of communication or sense that as long as one person has been spoken to around governance then that will then resolve all of the issues. (Government agency personnel)

Māori need to be at the forefront of a co-designed process

196. Stakeholders also acknowledge the importance of engaging in development-focused conversations and co-design of regional priorities that leverage off community, government and Māori resources. Māori therefore need to be at the front end of strategic discussions: where they can table their aspirations, and be heard in an authentic and meaningful way.

Engagement is not just cosmetic – it’s not an end in itself. Māori communities have an expectation of meaningful participation, at a design end, not just, ‘This is what we are going to do, what do you think end?’ (Government agency personnel)

Broader value proposition to engage Māori

197. Overall Māori stakeholders interviewed agreed with the conceptual framework and intent of the RGP. Māori participation and engagement also adds more value to the RGP process and the achievement of its broad economic and social outcomes. However, stakeholders noted that for Māori to engage in the RGP the value proposition needs to be broader than just commercial returns and economic growth and needs to:
- Be more inclusive in building capacity and capability of Māori to participate through providing education and training
- Factor in environmental objectives and social outcomes desired by Māori.

*Sector growth is fine but if we want to have a growth programme that is of value to citizens locally and Māori, whānau and hapū then you have to do a lot more work around (what) sustainable communities (look like) at a local level. (Regional stakeholder)*

**Challenges to keep the RGP administratively efficient**

198. Regional stakeholders appreciate the help from government agency personnel to navigate government processes. However, the administrative processes that come with increased accountability requirements appear onerous to some regional stakeholders who feel the process has become too government-centric. This is a tension to be navigated as, on the other hand, government does need to be accountable.

*In others’ opinions government involvement has caused too much bureaucracy and hindered regional movement, however the very nature of RGP does require somewhat increased level of accountability. [But we] need to make sure that bureaucracy does not become burdensome; that the tail isn’t wagging the dog. This means that [regions need to] push back. (Regional stakeholder)*

199. There are a number of activities related to implementing Action Plans such as developing business cases, applying for funding, negotiating contracts and running projects – all areas where government agency personnel have been providing what could be called ‘backbone support’.

200. Some (but not all) regional stakeholders acknowledged they did not have the skills themselves to navigate these processes and there is clearly a need for such support. Some regional stakeholders felt there is a need for upskilling in ability to respond to opportunities (such as, writing business cases and project management).

*Central government expectation is higher than the capacity in the region. We are having to invent the process while doing the process. At times, it is not clear what central government want either. (Regional stakeholder)*

*Learnt that capacity and capability is a major issue – to focus and resource it and have a strategy to build capacity and capability would be useful. (Regional stakeholder)*

*Also helped identifying existing funding... Previously agencies were very siloed. Agency would have been on their own, quite isolated to try and find other funding or they didn’t necessarily have the relationships to go wider. (Regional stakeholder)*

201. On the other hand, several regional stakeholders did not want to see the RGP process take over their mandate in their region.

*Ensuring that central government doesn’t take over and [that] RGP doesn’t define the region. The give and take is not always even, we spend more money in time that [RGP] takes. As the goal posts move it costs us more. It needs to be more than runs on boards, ticking boxes. (Regional stakeholder)*
There is potential for further development and growth to make a difference and to foster innovation

202. There is good evidence that regional stakeholders and government agency personnel generally believe the RGP has potential for further development and growth, and therefore this aspect was rated “effective” by the evaluators. Regional stakeholders and government agency personnel also believe the RGP can make a difference and foster innovation in the regions.

Momentum has built and is growing. More and more people are becoming involved across the area. The forum in [month] saw quality [participation] of people across country and region. It was the best event. There was no pressure to engage but people did. (Regional stakeholder)

[RGP] has increased the willingness of others [sub regions] to be involved. (Regional stakeholder)

203. At a practical level there is potential for further development and growth, because there are lots of activities in Action Plans that haven’t been progressed yet. Both regional stakeholders and government agency personnel are clear that undertaking action takes time, and regions can only lead what they have capacity for (both in terms of time and resources).

The local community has to get it and believe it and buy into it [regional economic development]. And you can’t do that other than [use]... those adaptive, emerging type processes. Which are hard work. And things like sort of design-centric, [service design]... approaches to developing these things... but they take time. And they won’t all work... and that is the other thing we have to accept. (Government agency personnel)

204. Regional stakeholders and government agency personnel observed that bringing diverse groups together to reflect on regional priorities was an additional spark for innovation. The range of different perspectives from a broad range of expertise and networks provided new ways of looking at things. Good examples of this kind of innovation are included in the Case Studies.

Time to regroup

205. Overall, progress made to date by the RGP is considered worthwhile by many regional stakeholders and government agency personnel. But as noted earlier, a key need right now is to develop greater clarity about how the next stage of the RGP implementation should evolve.

Where we are today is a success; growing together is a success. We are learning about each other but haven’t discussed what success looks like and how we deal with challenges and failures. [There] isn’t the openness yet about how we are going and whether we are going about it in the best possible way. Is there a better faster way to get this done? Goodwill is there in the existing infrastructure; better to have it rather than not. But not sure we are doing it the best way. (Regional stakeholder)

206. The evolution of the RGP has not come without growing pains. There is a genuine intent and spirit within government to partner with the regions and with Māori. There is also considerable goodwill between government agency personnel and regional stakeholders — but this can only go so far.

Reprioritise next steps

207. The evaluators observed that through the evaluation it became apparent to some regional stakeholders and many government agency personnel there is now a need to re-prioritise next steps.
There has been a lot of growth, and it is now time to determine what RGP core business is – what should be protected and what should be changed. Also, all parties need to learn everything possible from this serious joint attempt to address the intractable regional economic development challenges.

**Plan for a sustained approach in the longer-term**

208. In the regions, Government generally has a reputation for running initiatives for a short time and not sustaining them. Regional stakeholders and particularly Māori believe that to shift persistent economic underperformance requires sustained collaborative effort between regional stakeholders and government agencies over a significant time frame. Māori traditionally view economic development over an intergenerational time frame. This is at odds with a short timeframe intent on delivering to ministers within an election cycle.

209. Furthermore, historical context matters. At times where there has been a positive shift in the RGP it has been built off the back of strong historical relationships. Therefore, the RGP needs to both harness historical relationships where they are favourable and work to build bridges where they are not – and then take care not to overclaim contribution to progress.

210. In addition, while a sustained approach might be mandated at DCE level, through the SROs, there is a sense this is sometimes lost in translation through the operational and local levels of the government agencies.

> You can get joined up at the sort of ministerial and the tier 2 level and tier 1 levels of organisations, but there can be a gulf between that and what happens at the operational and the local level. Both within Wellington but also then out in the regions. ‘We never got the memo’ [kind of] thing. (Government agency personnel)

**Acknowledge that change takes a lot of work**

211. Both regional stakeholders and government agency personnel reflected that while there is evidence of positive change, it takes a lot of work. This raises the question – what is the sufficient level of support within some programmes? In areas of disparity government agency personnel observed that considerable pastoral care is needed to shift behaviours to achieve desired outcomes. At times this means changing the way government agencies work, so the RGP needs mechanisms that support a change in government agency processes as new approaches are trialled. One of the possible mechanisms is the use of prototypes.

212. Feedback received during the evaluation indicated that at times the levels of support required to achieve change are significantly higher than have been allowed for other such initiatives. One example given was a prototype requiring nearly 15 times more resourcing than business-as-usual spending to transition young people not in employment, education or training (NEET) into the workforce. In this instance, in a two-pronged approach, high levels of pastoral care were provided to the new workers and the employers who took them on were also supported. The government agencies involved thought that this two-pronged approach paid dividends.

**Determine how different regions needs might be addressed**

213. Currently there are a number of difficult questions relating to the sustainability of the RGP. In particular, regional stakeholders and government agency personnel can see RGP processes happening differently in different regions. While it has become apparent that one size does not fit all and this variation may be for good reason, the rationale needs to be made transparent to all participating regions.
214. In setting the RGP’s direction for the future the following conundrums need to be addressed.

Table 5: Challenges for the future direction of the RGP

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<thead>
<tr>
<th>On the one hand...</th>
<th>But on the other hand...</th>
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<tbody>
<tr>
<td>• Effective governance has been identified as important at all levels of the RGP.</td>
<td>• In some regions governance is not yet well established.</td>
</tr>
<tr>
<td>• Ministerial and SRO support is highly valued by both government agency personnel and regional stakeholders, as their involvement provides leadership and a mandate which supports regional leadership and government priorities.</td>
<td>• The SRO role takes one day per month, and possibly more, of contribution by DCE-level officials from a range of organisations, so it is not considered sustainable that the role should grow. How might SROs continue to provide governance support without being overburdened?</td>
</tr>
<tr>
<td>• Regional stakeholders and government agency personnel believe the RGP is successful because the programme is flexible to regional needs.</td>
<td>• They question what success looks like, and the evaluators observe that success is likely to be different in different regions.</td>
</tr>
<tr>
<td>• Regional economic development for Māori works in some areas.</td>
<td>• In some areas it does not work so well, and in some areas the RGP is not engaging with the right authorities to harness untapped Māori potential. Also, there is potential for the RGP process to hinder rather than help at times.</td>
</tr>
<tr>
<td>• Strong relationships have been built on or formed as a result of the RGP approach where regional stakeholders and government agency personnel were looking to do better or more with existing resources.</td>
<td>• The nature of relationships has changed as more funding became available through the RGI, and now government agency personnel are seen more as a funding partner.</td>
</tr>
<tr>
<td>• Long-term funding and support and commitment is required so that it is worth regional stakeholders (and particularly Māori) investing effort and having faith in the programme.</td>
<td>• The operational funding provided for the RGP is not long-term.</td>
</tr>
<tr>
<td>• The regions have some Māori economic development aspirations.</td>
<td>• Māori economic development aspirations are not always integrated in to the overall Strategy and Action Plans for the regions.</td>
</tr>
<tr>
<td>• Both regional stakeholders and government agency personnel see government agencies at times being more joined up than before, to achieve innovative solutions.</td>
<td>• But there are still areas where regional stakeholders and government agencies are working in silos, and the RGP is unlikely to resolve this quickly, so while improvements are observed this continues to be an area that requires further focus.</td>
</tr>
<tr>
<td>• The introduction of the Regional Growth Initiative Multi Year Appropriation (as a fund of last resort) provides funding for activities that would not have been able to get funding before.</td>
<td>• RGI has changed the dynamics of relationships and ways of working between regional stakeholders and government agency personnel. Also, there are mixed messages from different government agency personnel about regions’ likely eligibility and the processes regions should use to access the RGI. This results in confusion, frustration and a sense the RGI isn’t very transparent.</td>
</tr>
<tr>
<td>• The RGI requires fund administration processes and procedures, which are currently being administered within a government policy unit.</td>
<td>• The question needs to be considered as to whether it would be more effective for the RGI administration to be operationalised, providing clear separation from the policy unit, or at what stage this might be the case.</td>
</tr>
<tr>
<td>• The RGP aims to be led by the regions and to</td>
<td>• There is pressure on government agencies to</td>
</tr>
</tbody>
</table>
support regional initiatives | prove the value of their contribution. However, this can be seen as 'overclaiming' by the regions, particularly where government agencies provide support late on a project that has been in train for some time.

- The RGP is helpful and useful during adverse events.
- Is this the most efficient and effective use of RGP time – to provide this kind of help? (Acknowledging it may help build useful relationships and ways of working at times).

### Other lessons learned

215. This section provides feedback on some specific questions the evaluation was asked to address.

**What lessons can be learned around establishing the RGP and its governance at national, regional and individual project levels?**

- RGP has made progress and is considered worthwhile and valuable by many.
- Governance at a national level works well, at a regional level it appears patchy (based on feedback from a range of regional stakeholders and from a wider range of government agency personnel).
- At an individual project level, for the two projects we developed case studies on there was evidence of governance structures supporting a flexible and responsive approach to regional economic development.

**What programme-related factors and external factors are highlights or challenges; enable or inhibit the implementation and running of individual regional projects, and how?**

216. Programme related factors based on the two case studies undertaken are summarised in the following table.

<table>
<thead>
<tr>
<th>Strengths that enable implementation and running of individual regional projects</th>
<th>Challenges that inhibit the running of individual projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Led from the region with regional champions</td>
<td>At times regions are stretched or unable to provide their share of funding for projects – seed funding can be vital</td>
</tr>
<tr>
<td>Action Plans provide mandate, legitimacy and momentum for projects</td>
<td>Lack of clarity about how to access funding, and which funds to access</td>
</tr>
<tr>
<td>Support from RED Ministers and SROs make investment attractive to potential funders as the project has government support</td>
<td>Time lags where funding is hard to access</td>
</tr>
<tr>
<td>Bringing together support from a range of organisations, both from business and from regional stakeholders and government agency personnel to reach innovative solutions</td>
<td>Confusion on occasions where different government agencies’ work crosses over</td>
</tr>
<tr>
<td>Developing strong working relationships between a wide range of stakeholders</td>
<td>Ensuring that all who are involved receive due recognition for their contribution, taking care that from a regional perspective the RGP does not overclaim its contribution on projects that may have gestation periods over many years</td>
</tr>
<tr>
<td>Government agency personnel help access additional funding</td>
<td>Government agency personnel identify key contacts in Wellington regions need to liaise with to seek expert advice as projects progress</td>
</tr>
</tbody>
</table>
Project success is made visible in the region and nationwide and attracts Ministerial support. Project is sufficiently flexible that it can respond to a change in external context.

What transferrable principles can be identified to support scale up and scale out?

217. The transferable principles that support increased scale and scope are already addressed in the section “There is evidence of a learning system” (page 47).

What could have been done differently to improve on implementation processes?

218. There is a need to engage with Māori early and in appropriate ways – right at the start of discussions when the region engaging with the RGP is first mooted, rather than leaving it till later. If possible, government agencies and regional stakeholders might consider the appropriate vehicle for the RGP that will be inclusive of all stakeholders including Māori.

219. Both regional stakeholders and government agency personnel believe that personnel from government agencies are genuinely trying to work together to support the regions. In many instances this has resulted in improved ways of doing things and better cohesion. But in some instances, because the RGP has evolved so fast, different government agencies perspectives about what matters, how things should be done and what level of risk is acceptable have diverged. Thus, some strategic re-alignment around these issues would be appropriate.

So there is another risk here that failure of some will be interpreted as ‘this approach is flawed’. It is not going to work – versus, … saying actually this will be more successful than what we have done in the past. (Government agency personnel)

220. The RGP was based on starting with a coalition of the willing – that is, those ready to engage and to undertake regional economic development projects. However, to what extent does this approach run the risk of supporting the more able in a region or the more able regions, at the cost of those who need support to lift persistent underperformance? At the governance level, the RGP needs to explicitly address this tension. Those who are most in need may not have specific projects ready to progress. On the other hand, those who are ready to progress might provide real regional gain. There needs to be a balance to ensure the core need is addressed – of building stronger economic development in the underperforming regional economies.

[A] risk I see for this program at that kind of macro level … [is] that it loses sight of that bigger ambition of addressing systemic issues around why communities struggle. And… instead turns into a series of activities and… deliverables that take the form of projects and funding approved, and plans approved and are just getting delivered through traditional linear project management methods. And they won’t be of no value; there will be some value. So you know, a new road gets built. Or there is improved access to clean water. These are all good things. But are you really going to build a stronger community? … Let’s say you grow an industry, in the area, horticulture, forestry, two primary sector examples. But if we look out five to six years, who is going to be owning that? Is it Māori-owned? Is it Māori land that has been utilised? When 40% of the unutilised land belongs to them. And who is working in those enterprises? Are they immigrants; are they seasonal workers from the islands? Or are they actually local people? (Government agency personnel)

221. Starting the RGP process with regional stakeholders and government agency personnel looking for ways to work effectively together with no additional resources appears to have been effective during
the initial stages. The approach did help build partnerships according to stakeholders. But clearly more funding is now needed in the regions, as this quote illustrates:

*Regional Councils... are probably not going to be able to do a lot of [these things]... [and] a lot of them are struggling anyway...They are facing things like shrinking ratepayer bases in some regions. And they have got ageing infrastructure and they have got a million things that they have got to try and cope with.* (Government agency personnel)

222. Therefore, the evaluators question how government agencies might work together effectively to support regions with a larger pool of RGI funding? As part of this, they will need to consider that while this funding is supposed to be “of last resort”, what does that actually mean in practice?

**How could the structure or processes of the RGP be improved? How can we ensure the ‘best aspects’ of the RGP are supported by systems and processes?**

- While many of the structures and processes of the RGP are evolving, they appear fit for purpose.
- As noted above, the SRO process is an important one but requires rationalising and additional support to ensure that the task for SROs remains manageable within the day allocated for this work each month. SROs value the secretariat support provided to them, and this may need to be increased.
- The government agency lead contacts play an important role in making connections with regional stakeholders and government agency personnel within and across government agencies. Currently some government agency personnel assigned as lead contacts are working with a number of regions. Potentially these people with multi-regional responsibilities could be a priority for additional resourcing where additional resourcing might be assigned.

**Suggestions for moving forward**

223. This section outlines the evaluators suggestions to maximise the value derived from the RGP for government agencies and regional stakeholders.

<table>
<thead>
<tr>
<th>Lessons identified</th>
<th>Government agencies</th>
<th>Regional stakeholders in the RGP, including local government, business groups, and Māori</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Embed a firm foundation for the programme going forward:</strong></td>
<td>• Restate and update the <strong>purpose of the RGP and its intended strategy</strong> to accommodate the changes that have occurred – including making some strategic decisions about what the RGP is and is not for; and considering how to better align and support Māori economic development plans and the RGP.</td>
<td>• Governance is an important mechanism through which to channel government agency support into the region in a prioritised and mandated way. Regions that are starting out fresh, are advised to ensure Māori are included from the start. Take the time to ensure the right people are at the table and that processes and structures are established to enable genuine participation that is meaningful, relevant and useful for a range of Māori stakeholders.</td>
</tr>
<tr>
<td></td>
<td>• <strong>Consolidate some of the aspects of programme implementation</strong> based on the adjusted strategic approach (this might mean stopping doing some things or operationalising some aspects).</td>
<td>• Identify key stakeholders in the region who are willing to champion and lead Action Plan activities and support their progress.</td>
</tr>
<tr>
<td></td>
<td>• <strong>Invest in further resources</strong> – funding, people and tools, to match the growth of the programme and support the work of the SROs.</td>
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</tr>
</tbody>
</table>
| 2. Ensure clarity with regard to the RGP systems and processes | • Reframe the eligibility criteria for the RGI and make this clear to all regions so there is a consistent application of the fund across regions. Consider whether it might be possible and desirable to operationalise the fund.  
• Develop a communications strategy to clarify some of the aspects of the programme that are currently unclear.  
• Improve alignment of the RGP with Māori economic development strategies and outcomes. | • Build additional capacity in writing business cases, project management and liaising with government agencies to progress actions on the Action Plans. |
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<tbody>
<tr>
<td>3. Provide further support to strengthen aspects of the programme</td>
<td>• Provide additional administrative support as “backbone” support both for government agencies and regional stakeholders. These might include people with skills in writing business cases, or administering the RGI fund, or secretariat support for the SROs, or for regional/Māori economic development advisory groups.</td>
<td>• At this stage it is recommended that regional stakeholders consider which iwi/Māori are not engaged, and how they might be invited to participate, as well as who would be best to lead this work.</td>
</tr>
</tbody>
</table>
| 4. Opportunities to further inspire and motivate innovation and change | • Consider a differential service model for regions of need and regions of opportunity and how that might be articulated and implemented.  
• Invest in strengthening Māori capacity regionally and in RGP engagement with Māori stakeholders. | • While many regional stakeholders felt that Māori are included in the RGP, feedback was mostly from non-Māori. The evaluation identified that there are many possible Māori stakeholders who have untapped potential. In engaging with these stakeholders being prepared to take a longer-term view and understand community wellbeing will be as important as economic development. Identify whether different processes or support might be required to enable Māori participation. |
Appendix I: Origins of the RGP

How did the RGP come about?

224. The programme originated from discussions that regional stakeholders had in 2013 to 2014 with government ministers and senior government agency personnel (from MBIE and MPI) around challenges they were experiencing in areas such as maintaining regional infrastructure, lack of suitable workforce, high numbers of young people not employed in education or in training, and regional depopulation. At the same time, ministers were looking to support regional economic development and to encourage greater co-operation across regional organisations and interest groups to lift productivity in the regions as part of the Business Growth Agenda.

225. Through these discussions, it became clear to government agency staff and regional stakeholders there was a role for government agencies to support some of the regions with identified economic need because the challenges they faced were multifaceted. The regions included Northland, BOP, East Coast/Gisborne, Hawkes Bay, Manawatū/Whanganui and the West Coast.

226. However, it was also acknowledged that to be successful this kind of intervention needed to be led from the regions. As one government official reflected:

Regional revitalisation will occur and endure if the regions themselves drive their economic development. (Government agency personnel)

227. Regions were defined by the regional council boundaries, as shown in the map below. According to government agency staff, regional council boundaries were used as they were considered a manageable unit for government agencies to engage with and were aligned with regional councils. (The territorial authorities were considered too small to achieve the kind of leverage hoped for and working at that level would have resulted in too many regions for government agencies to engage with.) Within the regions, it was envisaged that the sub areas of most economic need would be a focus area.

Figure 19: Regional boundaries
MBIE and MPI co-partnered to support Regional Growth Studies

228. As a result of these early discussions, Ministers agreed to commission regional growth studies in Northland, BOP and Manawatū/Whanganui. Independent consultants were hired by MBIE between 2013 and early 2015 to develop regional growth study reports. This is the origin of the RGP: when MBIE, MPI and regional stakeholders collaborated over the East Coast Regional Economic Potential Study and Northland Growth Study in early 2014.

229. The Studies independently reported on key economic growth opportunities and challenges in each region. The process for their development falls outside the scope of this evaluation as it describes the workings within the region as opposed to between government agencies and regional stakeholders. The workings within Northland and BOP for the development of the Regional Growth Studies has been documented by Martin Jenkins (2015) (the company that developed the Growth Studies) in a presentation, Lessons learned from the Regional Growth Studies.

230. Martin Jenkins (2015) observed several ways the Regional Growth Study process could be improved in future. Of relevance to this evaluation, they noted that to effectively involve Māori there is a need for discussion with Māori before a Study begins. To secure Māori engagement as a key partner, the right people (that is, those with authority and a mandate to represent) need to be identified and involved at a governance level right from the inception of the project.

231. By April 2014 MBIE and MPI had agreed to co-lead a programme of Regional Growth Studies. During 2014 there was a meeting of those government agencies with responsibility for policy relating to economic growth in the regions. They started to consider ways in which government agency activity enabled or created unintended barriers related to identifying and supporting regional economic development opportunities in the regions.

232. It is difficult to assess the exact extent of staffing on this project. In early 2015 six additional staff were brought on at MBIE and MPI to give a total of 13 government agency staff specifically assigned to supporting the work arising from the Regional Growth Studies. They reported to their respective managers at MBIE and MPI.

233. During this time government agency staff with a responsibility for reviewing policy reflected that a shift from a centralised economic development model to a more regional approach might better support the regions. The Minister for Economic Development made the decision (probably on the advice of officials) that to achieve this shift it would be necessary to: make linkages across the work of government at a ministerial level, as well as at the senior level in government agencies; help reduce bureaucracy and provide a key point of contact for the regions.

Regional Economic Development Ministers Group and Senior Regional Officials Group formed

234. In April 2015 the Regional Economic Development (RED) Ministers Group was formed and held its first meeting, chaired by the Minister of Economic Development. The RED Ministers group comprised three Ministers and met monthly with SROs to make linkages between the RGP and other work.

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See information later in this section which explains why assessing FTE’s is difficult.

There is difficulty in isolating and identifying specific staff for the programme, especially when other agencies provided a lot of time or staff. We acknowledge that their participation is not captured in FTE estimates.
(including other Business Growth Agenda support, social sector reform and not in education employment or training (NEET) work.

235. At the same time the Senior Regional Officials (SRO) Group was also formed, chaired by the Deputy Chief Executive from MBIE, with membership from other Deputy Chief Executives or equivalent from MPI, TPK, MSD, DOC, MFE, DIA, SSC MoT and MoJ. In 2016-17 MBIE secured $2 million of departmental funding for regional support which enabled discretionary funding to support specific projects in the regions. As one government official recounted:

\[We\,had\,this\,\$2\,million...\,pot\,of\,money...\,[which\,was\,allocated]\,to\,the\,SROs...\,We\,knew\,across\,the\,whole\,of\,government\,there\,was\,a\,whole\,lot\,of\,resource\,that\,was\,going\,ad\,hoc\,into\,the\,regions...\,[The\,idea\,was\,that\,with]\,the\,SROs\,pulling\,these\,people\,together\,we...\,[could]\,move\,closer\,to\,the\,regions\,and\,pull\,the\,support\,together\,and\,provide\,a\,much\,stronger\,linkage\,than\,the\,old\,approach,\,which\,was\,all\,over\,the\,place.\,(Government\,agency\,personnel)\]

236. The SROs meet one week before RED Ministers’ monthly meetings and also attend the RED Ministers meetings. SROs are responsible for:

- Engagement between the regional leaders and government agencies
- Relationship management and co-ordination with other government agencies
- Liaising with the RED Ministers.

237. Monthly SRO meetings commenced in May 2015. Two important features of the SRO meetings are that no substitutions are allowed (that is, sending delegates in lieu of the SRO themselves) and meetings only proceed with a quorum of six SROs present.

**Regional Growth Studies turned into Action Plans**

238. Around the same time that the RED Ministers and SRO Groups were formed, the Northland and BOP Technical Advisory Groups were formed and received their Regional Growth Study reports. It took approximately a year or more for three of the regions in the first tranche, Northland, Manawatū/Whanganui and Gisborne/East Coast, to agree on the priority actions for their Action Plan.

239. This was because they firstly needed to establish regional governance structures and project management systems, and to confirm the regional priorities. Once a group was formed, work began on developing the region’s Action Plans. Originally called Technical Advisory Groups (TAG), the regional groups worked through the findings in different ways depending on the existing organisation structures in each region. This indicates that when a regional group begins this process sufficient time needs to be allowed for them to build relationships and establish an effective governance and working group before starting to assess the priority actions to be included in the Action Plan.

240. The development of the BOP Action plan was faster than in the other regions because that region had an existing organisation (Bay of Connections) which included “representatives from central and local government, industry, iwi and economic development agencies” (MBIE & Bay of Connections, n.d, p. 1). In the BOP the Growth Study was received in May 2015; the Action Plan was developed within five months and the Plan was launched in October 2015. Regionally, this work was championed by Bay of Connections, which was considered a well-established economic development

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17 Departmental funding is usually spent by an agency providing services directly to ministers, consumers, businesses and other organisations. Non-departmental funding is administered on behalf of ministers for services provided by Crown entities and research facilities. In 2015–16 MBIE had $619 million worth of departmental expenditure and $3.288 billion of non-departmental expenditure.

18 Technical Advisory Groups were groups of regional stakeholders who received and worked with the Regional Growth Studies.
focused organisation in the BOP and believed to have sound governance and strong relationships within the community. The Minister for Economic Development supported the Action Plan launch, which included announcements about the development of Ōpōtiki Harbour.

241. It is useful to consider what kinds of actions became priority actions. Some actions were initiatives that were already under consideration in the regions, and regional stakeholders and government agencies agreed the RGP could help to expedite these ones with greater momentum. Examples of such existing initiatives are: Ōpōtiki Harbour Transformation, and expanding kiwifruit and horticulture in Eastern BOP. Others were new initiatives identified through the Growth Studies or from subsequent conversations. An example is the Kawerau Container Terminal. In the regions, the Action Plans included a focus on the areas of most economic need. For instance, in BOP the most pressing economic need was identified in the Eastern BOP sub region, although there were considerations for ways to make economic progress in the other three sub regions as well.

242. In December 2015 nine representatives from the regional stakeholders and government agencies who had worked on the BOP Action Plan met to reflect on the process of turning the Regional Growth Study into an Action Plan. There is evidence that this kind of reflective and learning practice has been part of the RGP from early on.

243. Early in 2016 the Tai Tokerau Northland Regional Economic Action Plan was launched (during the Waitangi Day events). Northland were the first to complete their Regional Growth Study, which meant they were the first to go through this process of forming a TAG and working to reach an agreement to launch an Action Plan. This process was challenging, they found, but they got there in the end. More recently, a refresh of the Action Plans for the BOP occurred in mid-2017 and a refresh of the Tai Tokerau Northland Regional Economic Action Plan is currently underway. The refreshed Action Plans have more focus and fewer activities than the first iterations.

Regional Growth Programme comes of age

244. In September 2015 Regional Economic Development was formally included as a cross-cutting theme of the Government’s Business Growth Agenda. This was important because it specifically linked what had been the emerging policy of the RGP with the Business Growth Agenda: the Government’s key driver for economic development and growth that had strong ministerial involvement and cross-Government support.

RGP was useful and helped during adverse events

245. In March 2016 the first of a series of five adverse events affecting regions involved in the RGP occurred. It was found that through the RGP mechanisms government agencies had the kind of relationships with regional stakeholders and the depth of regional knowledge to be useful and help provide effective assistance, as part of a Government response. Helping with adverse events was not initially envisaged as part of the RGP role – it just happened. The five adverse events were: the Franz Josef flooding, the Kaikōura earthquake in November 2016, the Manawatu Gorge closure and Edgecumbe flooding in April 2017 and the Stewart Island Bonamia outbreak in oysters in May 2017. Government agency staff reflected that during adverse events the people involved worked differently as they responded to situations that disrupted existing protocols and systems. From this disruption the opportunity for change and innovation occurred.

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19 The Ōpōtiki Harbour project is to create a year-round navigable harbour entrance at Ōpōtiki in Eastern Bay of Plenty, and construct a new commercial wharf that will support a range of industries including processing facilities for the offshore marine farms.
Regional Growth Initiative Multi Year Appropriation was established

246. In June 2016 the Regional Growth Initiative Multi Year Appropriation (RGIMYA) was established as a fund to support the work of the RGP. It provided funds for business and communities to boost regional economic growth through pioneering, cross-sectoral, cross-cultural initiatives. The allocation of funding of $44 million over 4 years was intended to be led from the regions and flexible. But the RGIMYA was also to be considered a “fund of last resort – the intention being that in the first instance those seeking funding should look at getting access to existing resources”, according to Government agency staff.

RGP expanded to four more regions

247. In July 2016 the RGP expanded into four more regions: Southland, Canterbury, Waikato and Taranaki. These were considered to be regions with some economic need, for instance, experiencing depopulation or wanting to diversify their economy. Government agencies believed this second tranche could be supported with a “lighter touch” than the regions that had been identified earlier. New leadership of RED Ministers Group

248. In December 2016, with the resignation of Prime Minister Key and the subsequent reshuffling of cabinet portfolios, the role of the Chair of the RED Ministers shifted but the RGP continued. This indicates the Government commitment and approach remained even through a change of personnel at this level. By August 2017, 14 ministers were on the circulation list to attend the RED Ministers group meeting.

249. Through the SRO Group meetings there is transparency in ensuring consistent application of the Fund across the RGP, ensuring the Fund takes account of regional needs, includes a range of projects and will not duplicate nor substitute for government or regional core economic development activities. In June 2017 another round of SRO funding of $2 million came available via MBIE departmental funding.

First spinoff project from RGP – Youth Employment Pathways programme

250. In July 2017 the Youth Employment Pathways programme was announced, to support those in NEET in Northland, BOP, East Coast and Hawkes Bay. This is not located within the RGP but is a direct result of some of the prototype work undertaken through the RGP in Northland and Hawkes Bay.

Remaining regions outside Auckland indicate interest in joining the RGP

251. By September 2017, all regions outside of Auckland had indicated interest in participating in the RGP. The following table summarises the status of the various regions in relation to joining the RGP.

<table>
<thead>
<tr>
<th>First tranche Regions of economic underperformance</th>
<th>Second tranche Regions for “lighter touch” support</th>
<th>Third tranche (not yet joined the RGP as at October 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northland</td>
<td>Southland</td>
<td>Otago (including Southern Lakes)</td>
</tr>
<tr>
<td>Bay of Plenty</td>
<td>Canterbury</td>
<td>Nelson/Tasman/Marlborough (expected)</td>
</tr>
<tr>
<td>Region</td>
<td></td>
<td>Region</td>
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<tr>
<td>------------------------------</td>
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<td>------------------------------</td>
</tr>
<tr>
<td>East Coast/Gisborne</td>
<td>Taranaki</td>
<td>Wellington (including Wairarapa and Kapiti)</td>
</tr>
<tr>
<td>Manawatū/Whanganui</td>
<td>Waikato</td>
<td></td>
</tr>
<tr>
<td>Hawkes Bay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Coast**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note **West Coast was technically part of the first tranche as they had economic underperformance issues like other first tranche regions, however their growth study and action plan were delayed until the second tranche occurred.

**Staffing levels difficult to track**

252. Considerable work has been undertaken during the implementation of the RGP, particularly from within the government agencies co-leading the RGP initiative. The number of core staff supporting this work across MBIE and MPI at September 2017 has risen from 15 in September 2015 (7 at MBIE and 8 at MPI) to 25 (14 at MBIE and 11 at MPI).

253. However, it is important to acknowledge there are a lot of people who have been working on the RGP whose time may not have been captured. It has been quite hard to identify how much FTE resourcing has been dedicated to the RGP from its inception. Additional FTE resourcing from staff who are working on complementary areas but who would probably not be described as being ‘an RGP resource’ is not captured. For example, it is likely that in both MPI and MBIE in the first few years, staff working on the RGP were mostly assigned to other workstreams (such as Māori Primary Sector Partnerships at MPI, the wider ‘Regions and Cities’ work at MBIE). Even today, some staff working on RGP are counted on agency branch documents as an RGP FTE resource while others are not. The staffing estimates also do not capture the FTE assignments of TPK – and this may be considerable. It is also important to reflect this reality for other agencies as well. Organisations such as NZTA or MSD also have staff who give the programme a significant amount of time and energy that could potentially be captured as an RGP FTE resource were they on the MPI or MBIE payroll.
Appendix II: Extension 350 Case Study

Prepared by: Michelle Moss, Kataraina Pipi, Judy Oakden, Kellie Spee, Roxanne Smith and Julian King

Introduction

*Extension 350 is a ... [project] that has really ... brought extension front and centre [in Northland]. ... Extension needs to be a regional and a community project. It needs to be [driven by] farmers who know farmers, ... with a real community of interest. And Extension 350, even though it is still early days – the concept of bringing all those stakeholders together, along with Northland Regional Council, [is] really quite a powerful role modelling activity. (Government agency personnel)*

*So a couple of frameworks Extension 350 sits on are farmers learning from farmers and [being] a farmer led and farmer focussed project. The idea behind that is saying what are the drivers on your farm, and then how can the project [Extension 350] support them? How can we achieve that, and how can that ripple out beyond your farm? (Regional stakeholder)*

Context

254. Northland, one of New Zealand’s smaller regional economies, has been underperforming both relative to other regions and to its resource base. Despite being home to 3.6 percent of the population, the region’s economy accounts for only 2.6 percent of New Zealand’s GDP. Real GDP in the region increased by 1.6 percent per annum on average over the past ten years, compared to the national average of 2.2 percent. Unemployment rates are higher than the national rate and real GDP per capita is around 26 percent below the national average. The region’s relatively low population density and geographic remoteness have contributed to its economic underperformance. (Martin Jenkins, 2015)

255. Significantly, the *Tai Tokerau Regional Growth Study* (‘the Growth Study’) conducted as part of the Regional Growth Programme (RGP) in 2015, suggests that Northland has large untapped economic potential and that existing advantages are not being maximised as effectively as they could be. Industry development opportunities in particular were identified as key for growth in the region – including in dairy and dry stock farming.

256. Although the pastoral sector in Northland produces about 25 percent of Northland’s GDP, it consistently underperforms relative to national averages and resources available. Similarly, the beef and sheep sectors in Northland do not perform as well as in other regions. Challenges that have been identified include: climatic events such as drought and flooding; scale and intensity (e.g. smaller herd sizes than the national average); soil and pasture quality; water management; management of Māori land; and farm operation (including farm management) (Martin Jenkins, 2015).

257. Despite these challenges, the growth study concluded that over the long term the outlook for the pastoral sector is positive. There is continuing strong offshore demand for dairy products, and Northland is suitable for farming. Also, the study noted that on farm-productivity could be improved through “better farm management initiatives”.
Extension 350

258. Following on from some successful on-farm performance extension methods such as Candy Farm and two subsequent focus farms, DairyNZ, Beef and Lamb New Zealand (B+LNZ), the Ministry for Primary Industries (MPI), Northland Regional Council (NRC) and Northland Inc set up Extension 350 (originally named the “Regional Economic Vitality Extension Initiative”; REVEI) – a farmer-led, farmer-focused better farm management initiative. They appointed an independent chair.

259. The project aims to reach a total of 350 of the Northland region’s 2000 pastoral farmers (50 mentor farmers, 50 target farmers and 250 associated farmers). The project will work to shift farmers who are currently identified as being “average performers” (in this case those that sit in the 35-65 percent cohort) towards average efficient or aspirational upper quartile performance within the sector.

260. Recognising that farming businesses need to be strong, resilient, balanced and profitable, the project does not focus on production, as would be a typical approach. The objectives are to:

- Increase farm profitability
- Increase environmental sustainability
- Improve farmer wellbeing.

261. The project also aims to strengthen farmer networks, increase farmer connectivity, and increase participation and engagement of Māori farmers and incorporations.

262. Extension 350 is a five-year project. It will be rolled out over three years and is currently in Year 1 of the rollout. Three clusters are involved (including two dairy clusters and one comprising sheep and beef farms) in Year 1, and an additional seven clusters will take part over the next two years.

263. Over the five years, the vehicle for delivering results will be a three-year extension scheme that focuses on individual farmer performance. The project itself is modelled on a relationship triangle in which a target farmer is provided with direction and advice from an expert consultant and supported through encouragement from a mentor farmer to implement the direction or advice given to achieve on-farm change – based on the target farmer’s aspirations and goals.

264. According to the project’s business case, implementation requires a total investment of $3.45 million. The spread of investment starts with $346,000 during the initial six-month setup period, building to a maximum annual spend of $802,000 in Year 2 and a final amount of $392,000 in Year 5. At the time of the business case, Northland Inc, target farmers, and industry good were expected to directly contribute more than half of the required investment (58.4 percent). With regional development being a priority for central government, especially those struggling to make headway like in Northland, it was proposed that central government filled the funding gap of 41.6 percent. The funding was sought to cover:

- Mentor farmer, target farmer, and farmer consultant costs
- Detailed development of the initiative and subsequent administration costs of industry good organisations
- Project management costs (including, project manager, independent group chair, initiative establishment, accounts and administration, benchmarking analysis, website, travel and communication).

265. Direct on-farm net benefits, in terms of increased profit are estimated at $105.7 million in nominal terms or a Present Value (PV) of $45.2 million over 20 years from the start of the initiative (using a

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discount rate of 8 percent). After deduction of project costs, the overall net benefit is expected to be $102.2 million, with a NPV of $42.3 million and Net Benefit to Cost ratio of 15:1.

266. Extension 350 collaborates across a range of organisations that have a significant interest in the sector and the economic benefit accrued from it. They include: B+LNZ, DairyNZ, MPI, Northland Inc, and the NRC.

267. The project is strategically aligned with objectives and goals of all organisations involved, including: Tai Tokerau Economic Action Plan, He Tangata, He Whenua, He Oranga (Tai Tokerau Māori Economic Growth Strategy) and the government goal of doubling the value of exports through the Business Growth Agenda.

268. A steering group comprising MPI, DairyNZ, B+LNZ and NRC representation and an independent Chair oversees Extension 350. Day-to-day running of the project is carried out by a part-time Project Manager (located within Northland Inc) and a Project Implementation team, which consists of farm consultants, MPI, DairyNZ, B+LNZ, NRC, contractors and Northland Inc. Project support is provided by Northland Inc.

Implementation

From idea to action

269. At the same time as the Northland Regional Growth Study was released, DairyNZ (the farmer levy-funded industry body) was looking at how it could move forward to expand on some recent on-farm performance extension methods. They took note of the opportunity for growth in the agricultural sector in Northland, as identified in the Growth Study, and engaged with Northland Inc and NAF to discuss a project proposal of theirs—the REVEI. NAF was also looking for a project to respond to the opportunities identified in the Growth Study and were keen to progress DairyNZ’s plans.

270. Subsequently, the REVEI proposal was put together under the auspices of the Northland Agricultural Forum (NAF) with key design input from DairyNZ and B+LNZ and Northland Inc.

271. It was agreed that the initial project proposal needed to be developed into a full business case using the Government’s ‘Better Business Case’ format to support funding applications and be circulated to potential funders and supporters of the project. The business case included consideration as to how the project aligned with the investment priorities of central and local government (the NRC Investment and Growth Reserve), building in sustainable, environmental management principles. At this stage, there was already commitment and interest from regional funding partners (e.g., Northland farmers and industry organisations, and Northland Inc) — however, additional funding was needed to fill a funding gap to implement the project.

272. Development of the business case for REVEI was included as one of the actions in the 2016 Tai Tokerau Action Plan (under the Land and Water workstream, and the “Expand capability and opportunities in agriculture” work area). This helped give the project visibility. Northland Inc provided the funding, and Nimmo-Bell was contracted to undertake the drafting of the business case.

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21 This case study focuses primarily on how the RGP and central government involvement has aided programme success and implementation. However, it should be acknowledged that the other collaborating organisations have led and been involved in planning and implementation, and that some of their time, resource allocation and commitment may not be fully illustrated here.

22 The Better Business Case framework provides a systemic way for stakeholders to think and work together to give decision makers the information they need to invest with confidence.
Meanwhile, DairyNZ’s regional leader for Northland continued to garner support for the project. At an opportunistic airport meeting he sparked the interest of government lead contacts working on the RGP.

[Our plan] really flew in a meeting with [the government lead contacts]. At that point they said yes, we can see how this could work. (Regional stakeholder)

The government lead contacts thought the topic of REVEI was useful and interesting, and a good fit in terms of the RGP. The project also differed to other RGP work in those early days, which focused on skills development, community buy-in and socialising some bigger economic opportunities. Government lead contacts could see the potential and knew there was expertise available within their government departments that could support this initiative.

The business case was accepted, and a funding agreement was signed between MPI (as the contract initiator) and Northland Inc (as the contract holder) in February 2017. By this stage, REVEI was re-named Extension 350.

**Government facilitation and support helps with momentum**

Both regional stakeholders and government agency personnel reflect it has been a long journey getting Extension 350 to the implementation stage. In the initial stages there was a risk of the project not progressing due to a 12-month hiatus.

Timing was important, we wanted it to spin off the back of the candies and partner farm projects, there was a lot of interest around [those] projects and we felt we could use that interest to step off. (Regional stakeholder)

The delays were related to two main hurdles at government agency level. The first was to reach an understanding of why Extension 350 was different to other extension programmes which are strongly research oriented. Extension 350 was positioned as being unique by being more farmer led—providing an active network of farmers within a region to connect with.

We [government lead contacts] saw this as an opportunity to deliver some of that work [the research], tangibly, practically on the ground to 350 farmers in Northland, which is an area where the agriculture sector is highly underperforming compared to regional averages. (Government agency personnel)

A range of activity took place within government agencies, as the merit of the project and whether it was a good fit for the RGP was assessed. Government lead contacts supported the project based on its natural alignment with MPI’s strategic goals. This took time and many conversations.

The second hurdle was finding a mechanism to fund the project, as it did not fit easily into existing funding criteria (e.g., Extension 350 is a five-year project, and funding could only be allocated for four years at a time). In the end an opportunity arose via an internal MPI process, focussed on resourcing priority regional initiatives, and Extension 350 was put forward. This enabled some innovative thinking about funding mechanisms, including funding gates (i.e. mechanisms for addressing the issue of funding for more than four years), which were developed by government lead contacts in consultation with the contract holder, Northland Inc.

**A collaborative approach**

Extension 350 is a public–private sector partnership. While MPI contributes the largest share of the funding (37 percent), there are a range of industry and regional government partners who have
committed to the programme for the next five years (i.e., Northland farmers, DairyNZ, B+LNZ, Northland Inc, and NRC). Some of the contributions are cash, and some ‘in-kind’.

281. Importantly, the partnership and collaboration between the partners extends beyond monetary resourcing. For example:

- The steering group all worked hard to bring on board other funders from within their respective networks
- All parties contributed to raising awareness of the project in different forums/networks (e.g. central government level, RGP working group, local government)
- The steering group for the project provided a platform for collaboration between different agencies and community members
- AgResearch and MPI evaluators partnered to provide guidance and support for the development of an evaluation framework
- MPI, B+LNZ, DairyNZ and Northland Inc put time and resource into developing a communications plan – to drive awareness and share the Extension 350 story
- NRC is putting in time and resource to help coordinate the delivery of a single farm environmental plan for each farm engaged with
- Government agency personnel from MPI and Te Puni Kōkiri (TPK) have been extended an invitation to partner in the development and delivery of a Māori engagement plan.

282. The steering group is developing tracking of the in-kind contributions that are being made to gain a better understanding of the full investment.

Aspects of the RGP that have aided implementation

283. According to regional project representatives, getting Extension 350 to where it is today required commitment and persistence from their end, indicating the project was strongly regionally led. They also identified a number of RGP-specific factors that have supported project implementation. These include:

- Getting leverage and traction from being on the Action Plan
- Having a direct link to central government through government lead contacts and the Senior Regional Official (SRO). They know “who to talk to”, have the right contacts in central government and the sector, and bring knowledge about “how Wellington works” and useful expertise.

  [The government lead contact] has been hugely instrumental with making it happen. Suspect [the government lead contact] was connecting things up behind the scenes. (Regional stakeholder)

- Allowing flexibility for the project to naturally emerge; not having to follow a prescribed process. The project team have learnt as they have gone along (e.g. how much time is necessary for project management, how to structure clusters). This flexibility has been “a strength of the project”.

284. When asked whether Extension 350 would have happened without the RGP, regional project representatives agreed that something would have eventuated, but state that without the connections and the funding it would have occurred on a substantially smaller scale.
Challenges faced, and lessons learned

285. Some of the challenges faced by Extension 350 centre on structural barriers and resource pressures. Those involved in the early stages of Extension 350 noted that, there was lack of clarity around how to respond to the opportunities in the Regional Growth Study when it first came out.

“There was the carrot of the Growth Study sitting out there... But there was nothing to say, this is the pathway to engage with this. (Regional stakeholder)

286. As alluded to elsewhere, the time lag during the initial stages posed a risk to the project. Timing was important both because there was an opportunity to build on existing momentum and interest, and also to ensure that the programme was rolled out at the right time of the year to align with the farming season.

287. Resource pressures have been not only funding, but also time and connections. While regional stakeholders were highly appreciative of government lead support, setting up processes and systems have taken longer than anticipated. From a government agency perspective this establishment activity supports sound project management as well as project management capability building generally.

288. A key challenge has been a lack of capacity to engage effectively with Māori. There is a genuine desire within the project team for there to be good engagement with Māori, and they are trying to find ways to make this happen. They have had conversations with Federation of Māori Authorities, the Taitokerau Māori Forestry Collective Incorporated and the Māori Advisory Forum, as well as with hapū and iwi (e.g. Parengarenga which connects into the Te Hiku group, Rangihamama Trust, Te Uri o Hau) and are working to find ways forward. They have also got a Māori farmer mentor on board.

289. The Project Manager is currently developing a formal Māori engagement plan. However, the team feel they would benefit from additional capacity such as a dedicated person from within TPK or MPI.

“The Project Manager’s role is already at capacity, and we need some help. (Regional stakeholder)

290. The project team recognises that Māori engagement is complex and takes time. A Māori farmer can be an individual, company, trust or an incorporation with land/resources owned individually or collectively, under general or Māori title – and there is a range of views within Māoridom as to where they see themselves engaging and heading. They have also considered William McMillan’s work in the Bay of Plenty, which points out that generally, Māori like learning collectively. Therefore Extension 350’s current whole-farm systems approach may need adapting to address Māori styles of engagement, learning, ownership and decision-making structures.

Outcomes

291. In the longer term, Extension 350 is expected to increase environmental sustainability, improve farmer wellbeing, and increase on-farm profitability. For target dairy farms (35), the conservative scenario is increased profits of $20,000 in year 1, $40,000 in year 2 and $60,000 in year 3. On target beef and sheep farms (15), the conservative profit increases assumed over the three years are $0, $10,000 and $25,000 respectively. It is expected 60 on-farm jobs will be created.

292. Not only are the target farms expected to benefit. Mentor farmers and associated farmers will benefit through the interaction and ripple effect of the positive practice change on the target farm property. The assessed benefit to mentors is 50 percent of the profit assumed for target farmers with associated farmers also benefiting after a lag of one year assessed at 20 percent of the target farmer benefit.
293. The wider community is also expected to benefit indirectly from the increase in money flowing to the participating farmers as they spend on inputs and increased consumption and the extra product flow through the transport and processing sectors. Such impacts induce a second round of community benefits as more money flows through the regional economy. A further benefit is likely to be the impact on sustainability of the pastoral sector with a significant section of the farming community better equipped and able to withstand economic volatility. It is estimated that the project will create 140 new permanent off-farm jobs, boosting the incomes of other businesses by $2.4 million per year and household expenditure in the second round of effects by a further $450,000 per year.\(^{23}\)

294. At the time of writing, Extension 350 was only in its third month of implementation. However, the project is well on track and has got its first three clusters in place, including consultants, target farmers and mentor farmers. Some activities already undertaken, such as open days, have brought farmers and other regional stakeholders (e.g. Council) together – supporting one of the project goals of improving connectivity.

295. According to regional project representatives, the key outcome at this stage is increased collaboration and strengthened relationships – supporting successful implementation. This has occurred at various levels, including between:

- Regional agencies (including industry bodies) and central government agencies: DairyNZ and B+LNZ talk to each other on a regular basis and have developed strong relationships and the regional project team has been linked in with other relevant MPI teams (e.g., from MPI’s Farm Systems Change Dairy initiative)
- Industry organisations: a result of bringing people together on the project steering group
  
  [The steering group] has brought the members of the industry organisations in Northland together, which doesn’t traditionally happen. (Regional stakeholder)
- Industry and local government: as a result of liasing with each other.

296. Extension 350 has also brought people together on environmental issues, which has helped build understanding and provide opportunities for sharing ideas. For example, an environmental workshop, to discuss and explore what environmental issues/outcomes Extension 350 should address was attended by a range of parties including NRC, MPI, Ministry for the Environment, Water Directorate, DairyNZ, Fonterra and farmers.

297. Generally, there has been considerable sharing of knowledge, resources and tools between different parties – and much of this is assisting industry bodies to fill identified gaps. For example, while whole-farm assessments (i.e. a type of triage of the business that identifies where the business is at and where it could progress to next) were well-established in the dairy industry, they were not being regularly undertaken within the beef and sheep-farming sector.

298. Another key outcome has been that Extension 350 has brought an agricultural lens to economic development, supporting diversification, in Northland.

As a member of the community, it [Extension 350] has brought a different focus for the RGP, which has previously been tourism – it’s pretty much all we hear about. Here was an opportunity to bring agriculture into the economic space. (Regional stakeholder)

\(^{23}\) According to Nimmo-Bell, flow on impacts to other parts of the regional economy beyond the direct on-farm impacts have been assessed using multipliers, provided by Market Economics Limited, one of New Zealand’s leading independent consultancies.
Vision for the future

299. In the short term one of the key priorities for project team representatives is to gain Māori farmer support for, and involvement with, Extension 350. In five years’ time the project team representatives would like to see that having Māori involved makes a difference for Māori farming in Northland, and that the expected benefits of the programme ripple through to Māori farmers and communities.

   We have some obligations to do things for Māori farmers – for me that’s not the motivator, my sense is that it’s the right thing to do. (Regional stakeholder)

300. The vision going forward from the project team representatives’ perspective includes realising the expected outcomes mentioned above in terms of environmental sustainability and farmer wellbeing, as well as raising farmer income, creating more jobs and boosting the regional economy.

301. Findings from this case study indicate that implementation of Extension 350 is progressing as expected, and that it is well on its way to achieve these aspirations. Nimmo-Bell’s independent verdict of the financial and commercial case of Extension 350 included it being “compelling”, “profitable and robust” and “has the potential for significant positive economic impact in Northland.”
Appendix III: Kawerau Container Terminal Case Study

Prepared by Kellie Spee, Michelle Moss, Judy Oakden and Roxanne Smith

Introduction

RGS provides ... a way to garner support, to be strongly connected where[we] need to be and [to] receive necessary airtime to get momentum and traction. (Regional stakeholder)

The environmental context

Bay of Plenty

302. The Bay of Plenty (BOP) covers 34,000 square kilometres of land and sea. The region is endowed with large areas of land suitable for high-yield primary sector production and a long coastline with nutrient-rich waters. A large proportion of land (872,400 hectares) is in productive use: including 48 percent in plantation forest and 38 percent in pasture (BOP Report Regional Growth Study, 2015).

303. Much of the central part of the region is within the active Taupo volcanic zone which features geothermal fields, New Zealand’s largest freshwater lake, the Rotorua lakes and volcanic cones. The region has the seventh largest geothermal field, by capacity, in the world. Road infrastructure is generally well developed, with rail linkages to the Port of Tauranga (a large and efficient international port) from Kawerau and the Waikato. (BOP Report Regional Growth Study, 2015).

304. Overall, 7.1 percent of New Zealand’s population lives and works in the BOP, generating $11.8 billion in GDP (5.7 percent of national GDP) and accounting for 148,000 jobs (6.6 percent of jobs in New Zealand). However, the Eastern Bay of Plenty sub-region has significantly lower levels of performance across most economic measures compared to the Western and Central sub-regions (BOP Report Regional Growth Study, 2015). For example, while the BOP has one of the country’s fastest growing populations, growth is mainly occurring in the Western sub-region. Therefore, the Study identified a need to focus on Eastern BOP economic development.

Kawerau

305. Kawerau in the Eastern BOP was founded in 1953, which makes it one of youngest towns in New Zealand. It is the smallest territorial authority by land and area, and with just over 6,800 people, one of the smallest by population (www.kaweraunz.com). Kawerau is also one of the most deprived areas of New Zealand with the median wage well below the New Zealand median of $28,500 (Ministry of Social Development, 2015).

306. Kawerau is an industrial, wood processing and manufacturing hub. It has one of the largest industrial sites in New Zealand, with five major wood processing plants and a substantial engineering and service industry. Abundant in renewable energy sources, sustainably grown forestry, logistics management and existing infrastructure, it is an excellent site for developing sustainable industrial development.

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24 Note: In BOP the RGP is referred to as the RGS.
Project implementation - Kawerau Container Terminal

Background to the project

307. There has been long-standing interest in the potential for the industrial and logistics centre at Kawerau to develop a more significant role in the BOP’s logistics network. In 2011 local council formed an industry cluster called Industrial Symbiosis Kawerau (ISK), with the vision of making Kawerau the destination of choice for industrial symbiosis opportunities that will increase the prosperity and resilience of the community. In addition to industry and Kawerau District Council the formative group included NZ Trade and Enterprise (NZTE), Scion and Kawerau Enterprise Agency.

308. ISK involves people from a number of local businesses and organisations including; energy, manufacturing, Māori enterprise, social enterprise, engineering and logistics. ISK steering group is made up of:

- Industry and local business – Sequal Lumber, Scion, Kajavala Forestry Ltd, SLH Contracting Ltd, Allied Industrial Engineering
- Māori representatives – Putauaki Trust, Ngāti Tūwharetoa Holdings Ltd, Māori Investment Ltd
- Local government agencies – Kawerau District Council and ToiEDA.

309. ISK began to investigate options to reduce the cost of getting goods to market by enhancing the supply chain to the Port of Tauranga and beyond. Currently most products are trucked from Kawerau to the Port. The options examined included a rail extension into a new industrial park and container terminal. This concept was initiated by Sequal Lumber in 2012, who wanted to extend the existing rail network to the company’s sawmill in Manukorihi Drive (the new industrial park area). Sequa’s initiative arose from their analysis which indicated rail would be a more cost-effective method of transporting their product than by road.

310. In May 2015 the Toi Moana Bay of Plenty Growth Study was completed, and in late October 2015 the Toi Moana Bay of Plenty Action Plan was launched. Kawerau Container Terminal (CT) was not in the action plan initially, however canvassing of potential users revealed there was widespread interest in this possibility across the Eastern Bay of Plenty. The development of the CT was viewed as building a significant strategic asset – not only for Kawerau and Eastern BOP but also for the wider region. In
It started as an extension to a rail siding but then it went beyond Kawerau to a regional asset. (Regional stakeholder)

What is the proposed facility?

311. Kawerau CT is proposed as a facility where cargo containers and break-bulk cargo (e.g. palletised goods) are brought in from around the Kawerau and wider Eastern BOP to a central terminal. There they will be held before loading onto trains (or in some cases trucks) to be transported to the relevant port e.g. Tauranga or Auckland. From there the containers or break bulk will be loaded onto ships for export. The CT will also hold empty containers including for general freight and refrigerated (reefer) for the various exporters. Given there is a very limited amount of cargo that is currently imported into the area, the predominant movements will be exports outward.

312. The proposed CT would be the location for container packing, warehousing and refrigeration facilities. It would offer a controlled environment for packing and storing containers, ready for transfer to the wharf-side for shipping.

313. The key drivers behind the proposal are to grow existing and attract new and existing businesses to Kawerau and reduce transport costs for local industry. A critical principal underpinning the CT is to eliminate supply chain waste for value-add businesses in the Eastern BOP so businesses can access global markets more efficiently. Consequently, the terminal is regarded as being a significant asset that will benefit the entire region.

314. It is envisioned that by using rail instead of road to transport containers from Kawerau to the Port of Tauranga, the overall cost savings of shipping containers could be reduced by $100-$150 per container.
From idea to action

315. Kawerau industries currently export 2.4 million tonnes per annum of forest products, most of which are destined for overseas markets. Further growth is expected with output forecasted to increase to around 3 million tonnes per annum over the next five years.

316. ISK and partners have canvassed key Kawerau and wider Eastern BOP companies to see how much interest there is in the concept and whether industry stakeholders were likely to use such a facility, as well as visiting the recently opened Tokoroa CT. Preliminary discussions indicated that a CT would incentivise further regional development, in Kawerau and beyond.

317. ISK then joined with the Value Chain Optimisation group at Scion in undertaking a project to assess the economic and logistic feasibility of the CT. As a result, a business case was developed for a feasibility study, to be part-funded through the RGP.

318. The research proposed in the business case involved the examination of supply chain management issues associated with the proposed development of a CT in Kawerau. This required computer simulation modelling in the form of a discrete event simulation (DES) model which simulated train movements for full and empty containers between the Port of Tauranga and Kawerau.

319. ISK presented the business case to MBIE with the support of Bay of Connections, the regional collective responsible for administering the RGP in BOP. The business case was successful and MBIE contributed $15,000 to the $57,343 research project. The remaining cost was co-funded by Kawerau District Council, ISK, Scion, Whakatane District Council and Bay of Plenty Regional Council.

320. It was clear that the Kawerau CT would save costs and increase efficiencies for many stakeholders including the kiwifruit industry, local wood processing businesses and the Port of Tauranga. As a result, the Kawerau CT received the green light.

321. Within the research timeframe a number of enquiries from other large-scale industries interested in using the Kawerau CT for their products, were received. This would add additional volumes to the Kawerau CT, and this additional interest and volume rate meant that the simulation modelling needed to be extended. The Senior Regional Official (SRO) through the RGP contributed $7,550 to extend the simulation model.

322. Following the completion of the SCION report and the positive results, ISK then discussed with Putauaki Trust the possible location of the CT within the Trust’s existing industrial area – which they agreed to. The fact that the land will not be sold and will be held for future generations gave confidence to those leasing and future investors.

323. ISK then released a Registration of Interest (ROI) for the building and operation of the CT. The response was positive, and 14 respondents applied to design, build and operate the terminal, including some local businesses.

There were quality providers [an] indicator we have attracted the right people [and the] right interest. (Regional stakeholder)

324. Three were then asked to present full proposals during September and October 2017, whereby following individual meetings, interviews and presentations one applicant will be selected to design, build and operate the terminal. The CT owners will then work with the selected Operator to design and construct the Terminal.

325. The plan is to start construction in the first quarter of 2018 (subject to obtaining relevant consents and confirmation of the required funding) with operations beginning by mid-2019.

It was a pipedream at first, there was so much ground to cover...[but] it has gained some real interest and traction. (Regional stakeholder)
Who’s involved

326. A project of this size requires involvement of industry, businesses, customers, central and regional agencies. To progress the project a number of stakeholders needed to commit to using the terminal and supporting its operation. This has meant collaboration, and getting buy-in from concept through to design and construction. As one regional stakeholder reflected:

*There are 13 different industries under ISK, Industrial Symbiosis Kawerau. Which is great that you have already got that formed there. So they are all willing to chip in collectively for the greater good of the Eastern Bay essentially. And you have got a proactive Māori trust. [everyone is] building relationships, [and there is] very capable governance, on this one block of land. (Regional stakeholder)*

327. ISK and Kawerau District Council have been key drivers of the project, working alongside a number of stakeholders who have an interest in the project and have had some involvement with developments so far including:

- Ministry of Business, Innovation and Employment
- Ministry of Primary Industry
- Kiwi Rail
- New Zealand Transport Agency
- Port of Tauranga
- Bay of Plenty Regional Council
- Whakatāne District Council
- Toi EDA – Eastern Bay of Plenty Economic Development Agency
- Scion
- Sequal Sawmill
- Other local/regional industry and businesses
- Bay of Connections
- Putauaki Trust
**Expected benefits of the project**

328. It is expected that the CT will be a regional enabler: it will attract other businesses to the area and grow the economy of Kawerau and surrounding areas. A number of projected benefits from the Kawerau CT are outlined in the following table.

*Table 6: Expected benefits from the Kawerau CT*

<table>
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<th>Areas</th>
<th>Expected benefits</th>
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| Employment | • Approximately 15 people will be employed in the Kawerau CT  
|          | • Employment will also grow outside of the CT as new businesses plan to move to Kawerau  
|          | • It will underpin the growth of other sectors and increased employment in the wider district within existing industry (e.g. wood processing and kiwifruit). |
| Environment | • The CT is likely to reduce the number of heavy vehicles on State Highway 2 by more than 18,000 container movements per year. This amounts to more than 80 trucks a day. Potentially this will reduce carbon emissions by as much as 5 to 6,000 tons per annum. Other harmful emissions are also avoided (e.g. oxides of nitrogen (NOx) and particle matter (PM10)). |
| Social | • The route from Kawerau to the Port of Tauranga is frequently travelled by visitors to New Zealand and residents commuting to and from Eastern and Western BOP. With lower volumes of heavy vehicles, it is expected that there will fewer serious to fatal injuries due to crashes involving trucks. |
| Economic | • The most likely case indicates there would be 35,000 heavy vehicle movements reduced per year on SH 2. This reduction of heavy vehicles on State highway 2 will have significant road cost savings.  
|          | • There will be decreased road surface damage and reduction in road maintenance costs hence significant savings for NZTA on the State Highway network and local councils in the territorial networks.  
|          | • There will be a reduction in transfer costs by an average of at least $100 to $150 per container, while the container terminal as a business in itself generates viable returns.  
|          | • The CT will be a catalyst for existing businesses to have more efficient cost structures. |

**How RGS has enabled the project to date**

329. The RGS has provided a mechanism for the advancement of the CT, while ensuring that the project remains very much in the hands of the community of the region and that they are able to mould and shape the project as it best suits their needs.

330. Going forward it has been established that the CT is a regional initiative and will remain so, with discussions being held around community shareholder ownership and how that might work to suit Kawerau and the wider region.

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27 In 2015 road accidents involving trucks resulted in 808 injuries and 58 deaths (Ministry of Transport, 2016a).
The funding framework that supports the RGS – which is based on co-funding or investment and that it serves as a place of last resort – helped to ensure that interested parties had skin in the game from very early on in the project. It also added a certain amount of credibility to the project when central government took an active interest in the CT.

*Can’t understate importance for MBIE contribution. Not everyone believed in the idea at the time. May not have happened without MBIE/RGS.* *(Regional stakeholder)*

The funding contribution of RGS (and the other co-funders) to complete the feasibility study and extension modelling helped to keep up the momentum and progress the project. Through testing for viability, stakeholders were able to see the value in the CT and what it meant for their own bottom lines.

*The RGS and Scion project helped to quantify the benefits. [It] was a help to get momentum on the project.* *(Regional stakeholder)*

*Hasn’t been onerous to get the RGS funding yet – they have been supportive, regularly communicating with [Government lead advisor].* *(Regional stakeholder)*

The RGS supported the work that had already been carried out and continue to be involved and to facilitate discussion with multiple agencies and across sectors at the central government level. This helped to bring the CT project into the forefront of people’s thinking as a viable option.

*It’s like pushing a car up a hill [it’s] not done in one hit. [It] progresses as others get involved and [the] help gives it momentum.* *(Regional stakeholder)*

Through the RGS, ISK were able to have one point of contact with central government which meant that they did not have to navigate multiple relationships between Kawerau and Wellington.

*[It] basically required multiple agencies to come to the table. And 1 get on the same page where the growth project is at, and then 2, which way does this project go, what are the scenarios… [the RGP] is trying to promote that customer service to the region, so that they don’t have to navigate say 7 different government departments and get 7 different people’s views.* *(Government agency personnel)*

The RGS provided a means to gain support for the project across region and central government. It helped to connect or join up stakeholders or interested parties that could be of value to the development of the CT.

*RGS provides another spoke in the wheel, a way to garner support, to be strongly connected where need to be and receive necessary airtime to get momentum and traction.* *(Regional stakeholder)*

**Aspects of the RGP that have aided implementation**

The RGP factors that have supported successful implementation, include:

- A **partnership approach**. The CT project is very much regionally owned, with the RGP responding as needed. To date this has required minimal financial contribution for significant gains.

  *RGS has been great, [it is] an incentive to get moving. [We] haven’t been checked or blocked.* *(Regional stakeholder)*

  *[RGP] clearly articulate that it is not a central government initiative instead they will back us to do it.* *(Regional stakeholder)*
• **Relational approach.** There is a real commitment to seeing regions and people engaged in economic development working together.

  *I think we could put our hand on our heart and identify projects and things where that has occurred. Where we have got people into employment, more supported initiatives, new investments which have led to employment that sort of thing. We have got some big rocks on the horizon, which touch wood, will link to a couple of hundred jobs here and there.*
  
  *(Government agency personnel)*

• **Direct link to central government.** Central government leads and SROs have been directly involved in the CT project. Discussions and progress has been reported to the Ministers which adds credibility and assurance to future investors that may be looking to Kawerau as a location to set up business.

  *RGS has been great, [with] no challenges. [it] provided an incentive to get cracking, so things get done. Never felt checked by anyone [and had a] direct line to Ministers.*
  
  *(Regional stakeholder)*

• **Governance support.** Bay of Connections administers the RGP throughout the region and provides a stable governance structure for RGP projects to sit under. This gives assurance to central government that correct processes are in place to support the advancement of projects. Eastern BOP business sector is represented within the Bay of Connections governance group, as is central government.

  *Because when at the end you look at that environment, Bay of Connections is the body through which the government looks through. When you are trying to make contact into the projects, and you have got these community champions, you need someone to mirror them.*
  
  *(Government agency personnel)*

• **Right support; right time.** RGP is a non-prescriptive process which does not dictate to the region around their specific initiatives. Through SROs and central government leads, initiatives proposed by the region receive the right support and resourcing to enable progress. Resources may include: advice, brokering relationships, talking with other agencies at the central government level or helping to remove administrative roadblocks, as well as occasionally providing funding in partnership with the region.

  *I think ours has been a contribution again. It’s about getting the right [mix], taking a different lens to understand what the opportunity is in the region and where we can support that or where government can. And our job is to pull that government support around it in a way that doesn’t get in the way and helps. So I think we can identify a lot of examples where we have made achievements like those.*
  
  *(Government agency personnel)*

  *We made some investments to help with the business cases... because we thought oh, [there’s] something in this. And it has led to this investment... It’s like we are not going to own the whole investment, [but] we can say hey we helped contribute to these things.*
  
  *(Government agency personnel)*

**Challenges faced/lessons learned**

To date, according to regional stakeholders, there have been very few challenges in developing the Kawerau CT project that remain difficult. Issues relate mainly to property access with internal roads, which is outside the scope of the RGS.
However, there are a number of key learnings for regional and central government agencies including:

- Central government continue to play an active role in the development of the CT to support ongoing success
- Responses by central government continue to tailor support that reflects the needs and aspirations of regional locations and their initiatives
- Regions continue to look for the opportunities in relation to the economic development initiatives, in addition to the three business already committed to establishing in Kawerau, i.e. the CT; Fenglin Particle Board plant and dairy processing plant. This will equate to approximately 1000 new jobs. In working with RGS there is an opportunity to develop workforce-ready and training programmes to ensure that jobs can be filled.

> Even in Eastern Bay of Plenty, what they do in Opotiki is going to be different to what they do in Kawerau, which is going to be different to Whakatane. The have got different opportunities, different drivers, they are in different spaces in regards to their own where their capacity is. And that is okay. We are not trying to make everyone look the same. (Government agency personnel)

### Outcomes

Due to the project being in its early stages the majority of the expected benefits of the CT have not yet come to fruition. However, there are two major outcomes that have already eventuated during the development phase of the CT project:

- **CT is a regional enabler.** With the momentum of the CT project a number of other initiatives have started to gain traction and, as was hoped, Kawerau is seen as a place to develop new industrial business. Guangxi Fenglin Group are currently looking to build a particle board plant and a Māori-owned dairy factory is set to be established (Whakatane Beacon, April 2017).

> All of these projects connected at the same time to elevate the terminal. We had a dream and a series of events have given it momentum. (Regional stakeholder)

- **The Kawerau CT project has been actioned.** The project has gained considerable momentum and has progressed to become more of a reality for Kawerau and the region.

> Terminal is happening – it is becoming an enabler and attractor for other industries – didn’t expect it to go so wide (in terms of interest). (Regional stakeholder)

Additional outcomes linked to the implementation process (rather the project results) include:

- Strengthened relationships between the region and central government agencies
- Clearer understanding by central government of Kawerau – its needs, potential and future opportunities
- Improved collaboration between different industry sectors and stakeholders
- Increased collaboration between industry and local government as a result of working towards a common, clearly defined goal.

> There has been some other stuff like the Kawerau container terminal development, which wouldn’t have happened otherwise [without the RGP]. I don’t think without just a very small amount of seed funding we provided alongside it to kick that off. And now you are starting to see Kawerau a whole bunch of industries starting to set up shop and it is almost snowballing. (Government agency personnel)
Vision for the future

341. In 2019 the CT will be operational. It will be situated in the industrial hub alongside two proposed new ventures: a particle board plant and Māori owned dairy factory.

342. The CT will be regionally owned and controlled. Kawerau and the Eastern BOP communities will experience social and economic growth with the potential for other new industries to be established, attracted in part by the presence of the CT. Housing and infrastructure of Kawerau will be developed to accommodate the growing population as the town attracts more home buyers and investors.
Appendix IV: Methodology

343. This section outlines the evaluation specific methodology\textsuperscript{28} used to assess the extent to which the RGP is being implemented as intended; the value of outcomes from the RGP and lessons learned to date.

Evaluation specific methodology

344. The use of Key Evaluation Questions and Evaluation Criteria were utilised to provide an explicit basis for making overall judgements of quality and value.

Key Evaluation Questions (KEQs)

345. Three KEQs helped to guide and direct the overall focus of the evaluation:

- KEQ 1: To what extent and in what ways is the RGP working as intended with regard to its implementation, systems and processes?
- KEQ 2: How valuable are the outcomes achieved to date by the RGP?
- KEQ 3: What has been learned from central government, regional and project level that can inform the RGP going forward?

Evaluation Criteria

346. Evaluation Criteria are the agreed aspects of performance that were the focus of this evaluation. These are outlined below, along with the generic grading rubric for evaluative judgements about quality and value of the RGP. The criteria were developed to reflect the intent of the RGP, as documented in key background papers and validated by national and regional stakeholders. The Criteria provided the aspects of performance and enabled systematic examination of each KEQ.

Table 7: Criteria for KEQ1 (implementation, systems and processes)

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Evaluative Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery</td>
<td>To what extent is it evident that the RGP makes a positive contribution towards delivering its intended outputs, with a focus on:</td>
</tr>
<tr>
<td></td>
<td>Jobs, income and investment?</td>
</tr>
<tr>
<td></td>
<td>Understanding local needs and identifying priority communities?</td>
</tr>
<tr>
<td></td>
<td>Successfully engaging community leaders and establishing projects in priority communities?</td>
</tr>
<tr>
<td></td>
<td>Projects reaching their intended audiences (including but not limited to Māori)?</td>
</tr>
<tr>
<td>Governance</td>
<td>To what extent does RPG governance approach...</td>
</tr>
<tr>
<td></td>
<td>Provide clarity about the purpose and roles of both government agencies\textsuperscript{29} and the regional stakeholders\textsuperscript{30} as part of the RGP?</td>
</tr>
<tr>
<td></td>
<td>Support local leadership of economic development in the regions?</td>
</tr>
<tr>
<td></td>
<td>Help the regional stakeholders express their aspirations for increased investment, jobs and incomes?</td>
</tr>
</tbody>
</table>


\textsuperscript{29} “Government agencies” refers to the co-lead agencies, MBIE and MPI, and supporting agencies: TPK, The Treasury, MOE, MSD, MOH, TEC, NZTE, MFE, NZTA and MFAT.

\textsuperscript{30} “Regional stakeholders” refers to regional councils, district councils, economic development agencies in the regions, industry sectors and businesses.
- Encourage and support regional stakeholders to address and take action on priority regional issues as a result of the RGP?
- Link RGP work with other Māori economic development work, including *He kai kei aku ringa*, at a strategic level to deliver on Māori aspirations? And to what extent are...
- Senior Regional Officials (SROs) highly engaged to address the regional stakeholders’ issues?
- SROs a conduit between Regional Economic Development (RED) Ministers, government agencies and the regional stakeholders?

**Collaboration**

(working together to produce something)

To what extent does the RPG encourage...
- Government agencies to better understand the regional stakeholders’ issues?
- A range of different government agencies to work together in mutual cooperation to support the regional stakeholder’s interests?
- Government agencies to engage and support the regional stakeholders, beyond regional councils/district council into the industry sectors and other key community stakeholders?
- Government agencies to work with key stakeholders in the regions to deliver action plans and actions?
- Government agencies’ work to be visible to community members, including business sectors, to the extent that they say they feel more supported in the regions?

**Partnership**

(agreeing to cooperate to advance a mutual interest)

To what extent does the RPG encourage...
- Government agencies to partner with each other and with regional stakeholders to advance their mutual interests?
- Government agencies and regional stakeholders to partner with Māori in the regions to explore opportunities?
- Iwi, hapū and Māori landowners in the regions to partner with government agencies and other regional stakeholders on Māori priorities?

**Māori engagement**

To what extent is it evident that the:
- RGP makes a positive contribution towards delivering its intended outputs, with a focus on projects reaching their intended audiences (including but not limited to Māori)?

To what extent does the RPG encourage:
- RGP work to link with other Māori economic development work, including *He kai kei aku ringa*, at a strategic level to deliver on Māori aspirations?
- Iwi, hapū and Māori landowners in the regions to partner with government agencies and other regional stakeholders on Māori priorities?

**Contribution**

- The contribution of the partnership/engagement approach that the RGP makes to any success can be identified.

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31 “Māori” refers to iwi, hapū and Māori landowners
The outcome streams (e.g., collaboration, infrastructure and planning, investment and innovation, regional leadership and capability, employment and training, and ambition and confidence) are:

- Visible to key stakeholders
- Important to key stakeholders
- Important to the success of the region.

Any unintended outcomes will be identified? (either positive or negative).

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Evaluative criteria</th>
</tr>
</thead>
</table>
| Learning (System/Evidence) | The learning (lessons learned):
  - Identifies transferable principles to support scale up/out
  - Identifies opportunities to improve effectiveness
  - Helps set priorities
  - Builds capacity and capability
  - Is administratively efficient. |
| Potential | Stakeholders across the levels consider there is potential:
  - For further development
  - For growth
  - To make a difference
  - To foster innovation. |
| Sustainability | Stakeholders consider the implementation and running of the RGP process is likely to be feasible and sustainable in the long term. |

**Performance rating system**

A generic grading rubric was utilised to make evaluative judgements about quality and value of the RGP. The rubric focused the evaluation on determining the merit, worth and significance of the RGP based on the data collected. It also provided a framework for assessing performance against the criteria – going beyond descriptive analysis (“what’s so”) to answer the evaluative (“so what”) questions. Table 2 sets out the rubric that was used in the data synthesis phase of the evaluation.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Evaluative Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly effective</td>
<td>Evidence of <strong>very good to excellent performance</strong> on virtually all aspects; strong, consistent performance overall and possibly exemplary; no weaknesses of any real consequence.</td>
</tr>
<tr>
<td>Effective</td>
<td>Evidence of <strong>reasonably good performance overall</strong>; might have a few slight weaknesses or inconsistencies.</td>
</tr>
<tr>
<td>Consolidating</td>
<td>Evidence of <strong>fair performance</strong>; quite a few inconsistencies or weaknesses on a few aspects – some may be quite serious, but they are not deal-breakers.</td>
</tr>
<tr>
<td>Marginal</td>
<td>Evidence of <strong>emerging performance</strong>, but evidence is patchy and not yet clear or convincing. This may because it can’t be seen yet (that is, it has not yet had time to emerge) rather than that there is unsatisfactory functioning.</td>
</tr>
<tr>
<td>Not effective</td>
<td>Evidence of <strong>unsatisfactory performance</strong> is clear; serious weaknesses across the board or on crucial aspects that are considered deal-breakers.</td>
</tr>
<tr>
<td>Insufficient evidence</td>
<td>Evidence of <strong>performance is insufficient</strong> based on the information to hand; and make a call on whether progress has been made or not.</td>
</tr>
</tbody>
</table>
Data collection

Phase One – Scoping

348. *Choosing regions:* Many of the regions are fairly new to the RGP process. MBIE and MPI suggested the evaluation focus on the regions that have been working in the RGP the longest: Northland and BOP. There was a sense that these regions had been over-surveyed if anything, but they were regarded as the readiest in terms of showing progress. Thus, they were selected as the regions of particular interest, and to be the subjects for the more detailed case studies. However, because these region projects have already been so heavily reviewed, particularly the Northland ones, we aimed to minimise the use of interviews as much as possible.

349. A scoping exercise was conducted as the first phase of the evaluation to better understand:

- The broader context in which the evaluation is set
- The context of the wider RGP and specifically what we might get from looking more closely at the lessons learned from Northland and BOP – two of the earliest regions within the programme
- The nature of the information systems and the information that might be obtained from existing sources and used as part of this evaluation, both in government and in the regions.

350. The scoping phase included a number of meetings with a range of stakeholders and a review to locate some of the existing documentation and research. Discussions were undertaken between 13 June and 10 July 2017.

351. In total 27 central government stakeholders were consulted in the initial scoping phase and represented a number of agencies, including MBIE, MPI, Treasury and TPK. In addition, further discussions were held with 10 Māori central agency staff to obtain a Māori perspective. The information gathered during the scoping phase formed the basis of the evaluation team’s recommendations for the evaluation of the RGP.

Phase Two – Data collection and analysis

352. For this evaluation, a multi-pronged approach to data collection was utilised as follows:

- Qualitative interviews were conducted with a total of 46 stakeholders, which were conducted either face to face or by phone. Interviews were undertaken in Northland, BOP and in Wellington with regional stakeholders and government agency personnel.
- An online survey with 54 key stakeholders. This included 19 responses from Northland and BOP, and 35 from with government agency personnel (who worked in either Wellington, the BOP or Northland)
- Evaluators attended 3 key stakeholder meetings in BOP, Northland and Wellington
- A focus group with three key stakeholders in Wellington
- A rich picture workshop in Wellington
- A sense-making workshop in Wellington.

353. Prior to fieldwork the evaluators compiled an evaluation ethics protocol checklist and provided this to the MBIE research and evaluation team. This supported ethical considerations through the evaluation. All field work was undertaken between 14 August and 7 September 2017.

354. The following table summarises our recruitment and data collection approach, which was tailored to fit available time and budget:

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35 The checklist template is available at Source: http://learningforsustainability.net/research/ethics.php (June 2013 version).
Table 11 Recruitment and data collection approach

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Number of interviews/participants</th>
<th>Data collection method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government agency personnel</td>
<td>15</td>
<td>Face-to-face qualitative interviews</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Focus group</td>
</tr>
<tr>
<td></td>
<td>14</td>
<td>Rich picture workshop</td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>Sense-making workshop</td>
</tr>
<tr>
<td>Regional – Northland stakeholders</td>
<td>16</td>
<td>Face-to-face qualitative interviews</td>
</tr>
<tr>
<td>Regional – BOP stakeholders</td>
<td>13</td>
<td>Face-to-face qualitative interviews</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Telephone interviews</td>
</tr>
<tr>
<td>SROs</td>
<td>6</td>
<td>Attendance at meeting</td>
</tr>
<tr>
<td>BOP – Bay of Connections Management Group</td>
<td>8</td>
<td>Attendance at meeting</td>
</tr>
<tr>
<td>Northland Advisory Group</td>
<td>5</td>
<td>Attendance at meeting</td>
</tr>
<tr>
<td>Central government agency staff</td>
<td>35 responses from a total sample of 48</td>
<td>Self-completion online survey – 73% response rate</td>
</tr>
<tr>
<td>Regional stakeholders including those from governance groups, management groups, and other stakeholders from Northland and BPO</td>
<td>19 responses from a total sample of 35</td>
<td>Self-completion online survey – 54% response rate&lt;br&gt;The sample profile for each of these groups is in Appendix V.</td>
</tr>
</tbody>
</table>

355. Document review of existing reports, evaluations and administrative data. Types of information included:

- *The Regional Growth Programme: Working in partnership with regional New Zealand to increase jobs, income and investment.* MBIE Wellington, 2017
- The original economic reports for Northland and BOP, the Action Plans and the refreshed Action Plans
- A selection of monthly updates of progress in each region prepared for the SRO meetings
- Past evaluative questionnaires and a report related to the RGP and economic development (that is Martin Jenkins review of Northland Economic Development Services)
- Evaluation reports related to the Kaikohe GROW work and the Manuka project in Northland
- Business cases that informed the Kawerau Container Terminal project and Extension 350.

**Key stakeholders**

356. A wide range of stakeholders participated in the evaluation of the RGP including:

- Government agencies including the lead agencies, Ministry of Business, Innovation and Employment (MBIE), Ministry for Primary Industries (MPI), with support from Treasury (TSY), Te Puni Kōkiri (TPK), Ministry of Education (MoE), Ministry for Social Development (MSD), New Zealand Transport Agency (NZTA), Department of Conservation (DoC), Tertiary Education Commission (TEC), via SRO, State Services Commission (SSC) via SRO, Department of Internal Affairs (DIA), Ministry for Culture and Heritage (MCH).
- Local government organisations collaborating with the RGP, including staff from regional and district councils and economic development agencies in Northland and Bay of Plenty
- Māori, including business owners and economic development advisory group representatives,
- Businesses and other employers in key focus sectors and industry.

357. The evaluation used an informed consent process, to obtain permission from each stakeholder to be interviewed, (either individually or in group sessions), to audio records of the discussion to be made
and for interviews to be transcribed. Comments that were captured on whiteboards during workshop sessions were photographed for reference.

358. On completion of the qualitative interviews in Northland, BOP and Wellington, a sense-making, process aligned to the evaluative criteria was undertaken by the evaluators.

Online survey

359. Two versions of the online survey were developed, pre-tested and piloted before it was launched with central government agency personnel and those from the regions – who mainly worked in regional or district councils and for economic development organisations. MBIE and MPI sent a pre-notification email a week before online survey went live including information that the survey is voluntary, as part of the informed consent process. The online survey link was first emailed out on Friday 18 August. The evaluators sent reminders on 22 and 29 August, and 1 September, and closed the survey off on 5 September. The use of pre-notification and follow-up communication improved response rates, as is indicated in the literature (Brennan, 1992; Dillman, 2000).

360. Of the total of 83 surveys distributed, 54 surveys were completed – giving a response rate of 65 percent. Of these, 35 responses were from government agency personnel while 19 came from Northland and BOP regional stakeholders.

361. Survey data was analysed using spreadsheets, and descriptive statistics have been produced. Open-ended questions were coded thematically for use in the wider analysis.

Case studies

362. **Choosing the cases:** Within the two regions of Northland and BOP a wide number of activities have taken place in the past year or so, and MBIE and MPI required two case studies to be developed as part of this evaluation. A number of possible cases were suggested, and they were considered by MBIE and MPI staff both in the regions and within central agencies. Prior to undertaking the cases we also sought a regional perspective from other people in the regions (other than MPI and MBIE staff).

The criteria for selecting cases took into account national, regional and project perspectives, as outlined in the table below.

*Table 12: Criteria for selecting cases*

<table>
<thead>
<tr>
<th>National perspective</th>
<th>Regional perspective</th>
<th>Project perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case shows evidence of building relationships and of cross sectoral and cross-cultural collaboration</td>
<td>Case identifies transferable principles to support scale up/out and identifies opportunities to improve effectiveness</td>
<td>The project has progressed sufficiently that there is something to show</td>
</tr>
</tbody>
</table>
| Case demonstrates approaches that include Māori aspirations and a Māori world view | Case shows how the project makes a visible contribution to the region. Case clearly identifies the potential for at least some of these:  
  - For further development  
  - For growth  
  - To make a difference  
  - To foster innovation | There is sufficient supporting material, be they business plans, evaluations, or other administrative data to demonstrate progress |
| Case shows evidence of a wide | It could support transferability | |

91
365. The two projects ultimately selected for case studies were:
   - Kawerau Container Terminal – which involved collaboration towards infrastructure development between central government, local government, Māori business groups and researchers.
   - Extension 350 – which is designed to lift the profitability environmental sustainability and on-farm performance in Northland through a farmer-led mentoring programme. This programme connects with DairyNZ, Beef + Lamb New Zealand, Northland Regional Council and Northland Inc.

366. Within each region three purposive interviews were conducted with those stakeholders directly involved with these projects. In addition, those government agency staff and regional stakeholders interviewed as part of the broader evaluation, who had knowledge of the projects selected for the case studies, were invited to comment on the processes they had observed.

367. Case studies were then written up and sent back to each of the regions to ensure that information was accurate and represented the journey of the initiative.

**Synthesis and reporting**

368. Each of the individual data sources outlined above was analysed and then considered collectively by the full evaluation team at an internal synthesis workshop.

369. A sense-making workshop was then convened with MBIE, MPI, Treasury and TPK representatives to discuss the findings and to validate and contextualise the conclusions reached – to ensure any recommendations offered are strategically aligned to the MBIE–MPI and RGP policy direction and are practical to implement.

**Limitations**

370. There were a number of limitations that are generally related to timeframe and budget constraints of the evaluation.

371. This project is not intended to be an evaluation of the regions participating in the RGP, but of the relationships between:
   - Government and those they engage with in the regions
   - Government agencies (both based in Wellington and based in the regions).

372. Therefore, information in this report is largely representative of government agency personnel and regional stakeholders who are responsible for administering the RGP in their region through governance, management or advisory roles (as opposed to a regional community perspective).

373. Whilst there was some engagement with Māori, it was not systematic across Iwi, hapū, Māori landowners and Māori businesses, nor were those spoken with necessarily people who had the mandate to speak on behalf of Māori.

374. Finally, in the sense-making phase of the evaluation feedback was not sought from regional representatives who had participated. The evaluation team would recommend that in any future evaluation activity budget provision be made for this aspect.
Appendix V: Online survey sample

Sample profile for government agency personnel responding to the online survey

A total of 48 people were invited to take part in the online survey administered to government agency personnel. In total 35 responded – a 73% response rate. The following sample was achieved. Note, as we only had emails for the respondents, it is not possible to provide this profile information for the people who did not take part in the survey.

<table>
<thead>
<tr>
<th>Central Government Agency respondents</th>
<th>Profile of those responding to the survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n=</td>
</tr>
<tr>
<td></td>
<td>35</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisation respondent worked for or represented</th>
<th>n=</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBIE, MPI or TPK</td>
<td>19</td>
</tr>
<tr>
<td>Other Government Agency, including DoC, DIA, MFE, MCH, MOE, MoI, MSD, MoT, NZTA, SSC, TEC, TSY</td>
<td>15</td>
</tr>
<tr>
<td>Other (Co-funded role)</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Membership of any of these groups in relation to the RGP</th>
<th>n=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member of a RGP central Government officials group</td>
<td>16</td>
</tr>
<tr>
<td>Member of regional RGP/RGS advisory/governance group</td>
<td>7</td>
</tr>
<tr>
<td>Member of regional RGP/RGS working group/management group</td>
<td>14</td>
</tr>
<tr>
<td>Part of a workstream or project group</td>
<td>9</td>
</tr>
<tr>
<td>Represent Māori in general</td>
<td>2</td>
</tr>
<tr>
<td>None of these</td>
<td>2</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>1</td>
</tr>
<tr>
<td>Total (some people hold more than one role)</td>
<td>51</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region in which government agency personnel based</th>
<th>n=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northland</td>
<td>8</td>
</tr>
<tr>
<td>Bay of Plenty</td>
<td>6</td>
</tr>
<tr>
<td>Wellington</td>
<td>19</td>
</tr>
<tr>
<td>Other (i.e. Gisborne, Hawke's Bay, Manawatu-Whanganui, Waikato, Taranaki, Canterbury, West Coast or Southland)</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region(s) in which government agency personnel does work in relation to the RGP/RGS</th>
<th>n=</th>
</tr>
</thead>
<tbody>
<tr>
<td>All regions that are part of the RGP</td>
<td>13</td>
</tr>
<tr>
<td>Northland</td>
<td>10</td>
</tr>
<tr>
<td>Bay of Plenty</td>
<td>6</td>
</tr>
<tr>
<td>Gisborne, Hawkes Bay, Manawatu-Whanganui</td>
<td>7</td>
</tr>
<tr>
<td>Waikato, Taranaki, Canterbury, West Coast or Southland</td>
<td>5</td>
</tr>
</tbody>
</table>
Sample profile for regional stakeholders responding to the online survey

376. A total of 36 people were invited to take part in the online survey administered to regional stakeholders. In total 19 responded – a 54% response rate. The following sample was achieved. Note, as we only had emails for the respondents, it is not possible to provide this profile information for the people who did not take part in the survey.

<table>
<thead>
<tr>
<th>Regional stakeholder respondents</th>
<th>Profile of those responding to the survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>41</td>
</tr>
<tr>
<td><strong>Length of time been involved in the RGP/RGS</strong></td>
<td>n=</td>
</tr>
<tr>
<td>Since 2015 or earlier</td>
<td>10</td>
</tr>
<tr>
<td>Since 2016</td>
<td>20</td>
</tr>
<tr>
<td>Since 2017</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisation respondent worked for or represented.</th>
<th>n=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mātāwhē, MPI or TPK</td>
<td>0</td>
</tr>
<tr>
<td>Other Government Agency, including DoC, DIA, MFE, MCH, MOE, MoJ, MSD, MoT, NZTA, SSC, TEC, TSY</td>
<td>0</td>
</tr>
<tr>
<td>Regional Council</td>
<td>6</td>
</tr>
<tr>
<td>District Council</td>
<td>1</td>
</tr>
<tr>
<td>Economic Development Agency (e.g., Northland Inc, Bay of Connections)</td>
<td>8</td>
</tr>
<tr>
<td>Iwi/Runganga</td>
<td>0</td>
</tr>
<tr>
<td>Private business</td>
<td>3</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>3</td>
</tr>
<tr>
<td>Total (some people hold more than one role)</td>
<td>21</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Membership of any of these groups in relation to the RGP</th>
<th>n=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member of a RGP central Government officials group</td>
<td>0</td>
</tr>
<tr>
<td>Member of regional RGP/RGS advisory/governance group</td>
<td>2</td>
</tr>
<tr>
<td>Member of regional RGP/RGS working group/management group</td>
<td>11</td>
</tr>
<tr>
<td>Part of a workstream or project group</td>
<td>5</td>
</tr>
<tr>
<td>Represent Māori in general</td>
<td>1</td>
</tr>
<tr>
<td>Represent Māori landowner/business interests</td>
<td>2</td>
</tr>
<tr>
<td>Represent industry or other business interests</td>
<td>2</td>
</tr>
<tr>
<td>None of these</td>
<td>2</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>1</td>
</tr>
<tr>
<td>Total (some people hold more than one role)</td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region in which regional stakeholder based</th>
<th>n=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northland</td>
<td>9</td>
</tr>
<tr>
<td>Region(s) in which regional stakeholder does work in relation to the RGP/RGS?</td>
<td>n=</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>All regions that are part of the RGP</td>
<td>0</td>
</tr>
<tr>
<td>Northland</td>
<td>9</td>
</tr>
<tr>
<td>Bay of Plenty</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>19</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Length of time been involved in the RGP/RGS</th>
<th>n=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Since 2015 or earlier</td>
<td>7</td>
</tr>
<tr>
<td>Since 2016</td>
<td>9</td>
</tr>
<tr>
<td>Since 2017</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>19</td>
</tr>
</tbody>
</table>

Note there were very few Māori representatives who responded to the online surveys.
Appendix VI: RGP Logic Model

Regional Economic Growth Intervention Logic Model

The Central Government actively partners with New Zealand’s regional stakeholders to enable regional and communities to fulfill their economic potential, and to increase local and rural living standards.

- The community has greater engagement and appreciation in greater group services and activities.

Regional collaboration continues and improves.
- Increased regional economic development services and grants are incentivised to reduce and social infrastructure planning and decrease.
- Increased investment in digital transport and digital service.
- New inclusive job opportunities are provided in the region.
- Increased regional economic development services and grants are incentivised to reduce social infrastructure planning and decrease.
- Increased investment in digital transport and digital service.
- New inclusive job opportunities are provided in the region.

![Diagram of RGP Logic Model]

Collaboration
Infrastructure and planning
Investment and innovation
Regional leadership and capability
Employment and training
Disabilities and Care＼Handicap

Regional Economic Growth Studies for each region.
- Regional strategies for cost reduction in the Regional Growth Programme.
- Regional strategies for cost reduction in the Regional Growth Programme.
- Regional strategies for cost reduction in the Regional Growth Programme.
- Regional strategies for cost reduction in the Regional Growth Programme.
- Regional strategies for cost reduction in the Regional Growth Programme.

The purpose of the Regional Growth Programme (RGP) to increase investment in jobs and incomes in regions that have been commercially underperforming over a long period of time, to improve the living standards.

- To improve the living standards in regions that have been commercially underperforming over a long period of time.
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![Diagram of RGP Logic Model]

The community has greater engagement and appreciation in greater group services and activities.

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![Diagram of RGP Logic Model]

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![Diagram of RGP Logic Model]

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![Diagram of RGP Logic Model]

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![Diagram of RGP Logic Model]

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![Diagram of RGP Logic Model]

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Works Cited


