Tairawhiti Community Commissioning Business Case

April 2026

Use of this Document

This document has been prepared for the Tairawhiti Community Commissioning engagement group and key decision makers.

The report builds on the Tairawhiti Community Commissioning Expression of Interest. The expression of Interest provides solutions that improve the wellbeing of Tairawhiti households and residents.

The information in this document is prepared concisely. This is designed to drive urgent action in the short term and to then inform the next stages.

No one should act on such information without appropriate professional advice after a thorough examination of their situation.

MSH Aotearoa Ltd

This report has been developed by Simon Hunter. Simon Hunter established his advisory, MSH Aotearoa, to support commercial and social enterprises as they pursue opportunities to improve, magnify and accelerate their enterprise impacts and outcomes.

Business Case Contents

Note:

The Business Case leverages the cumulative output from multiple assessments and reports completed over the past 5 years.

The details of previous reports are not duplicated in this business case document.

The source documents and analysis are available for review on request.

Purpose of this Document

The Business Case provides decision-makers with evidence and insights into the value and viability of the proposed solution.

The business case is informed by the expression of interest, the experience of delivering services and learning from work completed over the prior years.

A broad range of services and activities has been included in the business case assessment.

To cater for the wide scope of services over time, the business case highlights:

- Clear phases for delivery. A 10-year program with an initial tightly focused group of activities for 2 years for accelerated investment
- Activities from social and wellbeing solutions and services through to economic wellbeing, education or health that will be commissioned.
- Different types of commissioned activity
- Flexibility to allow for changes.

The initial focus is on the commission of central government-funded activities. The second phase allows other organisations to access the capability of the community commission entity

It is emphasised for the business case that:

- Value at stake is very large
- The current state (Base case) is weak and not meeting the region's expectations. It is unlikely that the outcomes from the new interventions will be worse than the current state
- The case for investment is compelling,
- The value at stake shows there is an urgency to act
- An implementation process with stage-gates confirming projects' costs, benefits and impacts allows for the direction to be refined
- The funding and procurement of Tairawhiti Community Commissioning will build in options that limit risks

This context indicates that a concise business case is required that enables decisions on immediate action

Context

This report presents a high-level business case for implementing the Tairawhiti Community Commissioning initiative. The business case is prepared to enable immediate action and to then inform future work.

The demand for the Tairawhiti Community Commissioning initiative has been growing. This has been highlighted by:

- Trust Tairawhiti assessments and regular statistical reviews of the demand and delivery for well-being services and solutions
- Central Government assessments on the very low level of wellbeing, and poor effectiveness and efficiency of service delivery
- National assessments of the current situation
- The economic analysis of the Tairawhiti region, including population, employment, enterprise activity and GDP

The work completed that informs the business case so far includes :

- Housing Wellbeing Case (2021)
- Tairawhiti Locality Plan (Health) (2023-2026)
- Community Services Cluster Analysis (2024)
- Social Services Cluster Development (2025)
- Tairawhiti Economic And Social Wellbeing (The value at stake) (2025)
- Tairawhiti Community Commissioning Value Assessment (2026)

The conclusions from the evidence include:

- Deprivation impacts 69% of the Tairawhiti population (>24,000 residents)
- The high levels of deprivation and low wellbeing indicate that there is a total > $0.6 billion of cost of deprivation
- The high levels of deprivation are connected to a loss of $1.5 billion in GDP and limit the opportunity to retain and attract people and residents
- >$1.5 billion of Central Government invested in well-being, but this doesn't result in fundamental changes in outcomes
- An additional $0.6 billion of spending by other organisations is connected to social and wellbeing impacts
- There are opportunities to reduce waste and inefficiency and reallocate investment into value-adding activities like education

The expression of interest that will be presented to Crown agencies and local stakeholders takes these conclusions into account.

This business case moves the proposed solutions to action. It is expected that a full business case would be developed for the next stage of the program.

The following business case highlights the need for decision makers to act now, address systemic problems and realise opportunities

Tairawhiti Community Commissioning Scope

The Tairawhiti Community Commission entity is designed to define, design and secure providers for of social and well-being interventions

The initial scope for the expression of interest reflects the activities currently funded by the Crown i.e.:

- Core wellbeing services (including justice and housing)
- Education and health
- Economic (including economic development, infrastructure, environment and event recovery
- Social development payments
- In-region activity of other providers that are connected to social and wellbeing outcomes

While the scope of the business case includes both in-region and out-of-region activities and costs, the focus is on activities that can be delivered in the region.

The establishment of a new entity responds to the high deprivation, low wellbeing and reduced economic prosperity in the region.

The Tairawhiti Community Commissioning entity is being established to apply ways of working that are fit for the people in the region.

The role of the commissioning entity in the expression of interest includes:

- Current and future state needs analysis, assessment and demand projections
- Design and specification of solutions and services to be delivered for the region
- Commissioning and procuring the services of appropriate, qualified, experienced and high-performing providers
- Supporting the initiation and onboarding of providers
- Collecting and collating, assessing and projecting relevant digital resources to inform performance optimisation, change and decision making

The entity will not be engaged in delivering the specified solutions and services.

The completion of the expression of interest makes it clear that the role of the new entity:

- Will be agreed upon for each specific activity
- May be restricted to being accountable for the commissioning decision or may extend across the entire process
- May change over time
- Will be designed to enable the systematic expansion of activities

The expression of interest identified possible impacts from innovation, new technology, national changes in prosperity and wellbeing and major global changes. This emphasised that:

- Innovation, improvement, adaptation, and agility are essential
- Commissioning must have a focus on the role of digital resources and technology in each activity
- The pace of change requires the ability to adapt
- Care is needed to manage risk, technology security, intellectual property and commercial activity in and outside the region
- There is a benefit of acting fast
- There may be a benefit of collaborating with other groups, regions and nations

The design includes the enablers the entity needs to deliver and thrive. The enablers comprise requirements such as governance, management, financial management, technology, performance, human resources, enterprise policy, risk and security.

Case for Change (1)

The demand for change in solutions and ways of working is compelling.

The case for change can not be ignored. To rebut the case would be irresponsible.

The case for change contrasts with the standard argument presented to most decision makers. The distinction is that it combines:

- Reduction in the negative impact of the current weak solutions and waste in their provision
- Multiple positive impacts in the delivery of the solutions.

This scale of negative and positive impacts underscores the need to act immediately.

The conclusion is that the most significant risk is creating delays that give time to build a case to retain the current models and ways of working, which have been proven ineffective.

The implication is that today's systemic problems will persist, and the potential for positive impacts will be lost.

The economic, business, and well-being cases demonstrate this.

Reduction of negative impacts

The total value-at-stake relates to the single wellbeing system (e.g., as defined in the 2025 Ngao-tu, Ngao-pae 1.0 Māori economic projections and "Ngao-Matariki", an integrated, holistic wellness system). The values connect all areas of impact. The combined value over 10 years used for the business cases included:

- Reducing the number of residents with low wellbeing
- Reducing the negative impacts of low wellbeing on individuals (Based on all the factors below).
- Reducing economic value losses

The four values highlighted in the Tairawhiti Community Commissioning Value Assessment (Jan 2026)

1. Reduce residents with low well-being and the value of this:
   - Reduce the number of materially deprived (rated 7-8 out of 10) or severely deprived (rated 9-10 out of 10) (Best rating is 1 out of 10) households — 11,700 households impacted
   - Change deprivation category level for severely deprived — 4.400 households impacted
   - Reduce a portion of the negative impact costs of low wellbeing — $640 million current costs
2. Reduce the annual economic and enterprise loss because of low wellbeing and high deprivation:
   - Reduce the economic prosperity loss for 54,000 residents, 25,000 employees, and 19,000 households
   - Contribute to reducing the gap in employment participation (Note: Other factors also contribute to the employment gap) — 2,200 employees
   - Contribute to reducing the gap in GDP for the region — $1.5 billion GDP gap vs peers
3. Reduce the impact of not retaining and attracting people and enterprises to Tairawhiti
   - Reduce the potential loss of employment — 2.800 employees
   - Reduce the potential loss of GDP (in addition to the above) — $490 million of lost GDP
4. Reduce the losses because of high volumes of households needing support, low productivity and poor efficiency of service delivery:
   - Reduce the waste related to the current service delivery — $420 million of waste that can be reallocated to value-adding activity

The business case includes assumptions on the share of the value that can be secured over time.

Note: The value of reducing the negative impacts is informed by the 2026 Tairawhiti Community Commissioning Expression of interest, 2026 Tairawhiti Community Commission Value assessment, 2025 Tairawhiti and Social Wellbeing Value at Stake, 2025 Tairawhiti Housing and Construction and Infrastructure Cluster Development, 2024 Tairawhiti Social Services Cluster Development and low well-being measures by Tairawhiti and Crown organisations.

None of this evidence disputes the value linked to the systemic problems. This evidence is not duplicated in this document).

Case for change (2)

Increase in positive impacts

The identification of the need to reduce negative impacts also highlights potential opportunities. The case for change does not distinguish between the negative and positive impacts, and the values below are assessed as contributors to factors 1-4 on the previous page. The positive impacts include:

1. Establishing a leading enterprise cluster for social well-being innovation and solutions development (applying 2030 digital and technology) :
   - A high-value cluster that is recognised for applying leading solutions to understand, innovate and optimise better ways of working would create an industry sector for the region
   - A sector contributing to 2.5% of the economy has the potential to employ >600 people and contribute to the GDP of $75 million
2. Transfer financial resources from responding to negatives into investment in positive activities (e.g. into education, health, justice, housing, science and innovation):
   - Significant financial resources required to respond to negative problems are linked to the population with high levels of deprivation. The population in high-deprivation areas is estimated at 12,000 households. This is 4,400 higher (38%) than the national value. This potential is therefore 38% of the current spend, which is higher than it should be
3. Enhancing the pace of building sector clusters that can create a place that is fit for future generations (e.g. for the environment, weather events, infrastructure, and hosting that is good for visitors):
   - Tairawhiti has developed a high-performing sector to respond to events like cyclones. This sector provides a platform for growth. A reduction in deprivation has the potential to add to the number and capability of employees available to the sector
   - Non-financial benefits add to the direct financial benefits. This includes changes to the natural environmental health and biodiversity. The business case does not attempt to convert these non-financial impacts to financial impacts
4. Exporting the Tairawhiti solutions and ways of working to other regions and locations:
   - High-performing sectors with enterprise clusters, such as developing and supplying wellbeing solutions or environmental solutions, provide an anchor for future export to domestic and international locations

The impacts in the business case are a game-changer for Tairawhiti.

The business case highlights that this is not radical; it's common sense.

The critical insight in the expression of interest is that every change, small or large, increased positive or reduced negative, triggers "virtuous" flows throughout the system.

The key is that it works across the entire interconnected system rather than on independent parts.

The effectiveness of the flow across the system is proven. In Tairawhiti, this has been proven over time to be a "vicious" flow that runs in the wrong direction.

The business case acknowledges that some actions or impacts cannot be measured separately.

Given the scale of the opportunity and the potential to reduce the impact, this is not a concern.

Commissioning Strategy Options

Strategy

Work prepared over the last 5 years demonstrates that:

- The scale of need for interventions is unmatched in New Zealand
- The issues are systemic and have had impacts over decades
- Every year of delay has a very high negative impact
- The impacts are spread across Tairawhiti and then flow on to New Zealand's overall prosperity and wellbeing

The expression of interest highlights this. The strategy is:

- Apply ways of working that are proven and fit for the region
- Move resources to where they matter (drive improved wellbeing)
- Apply solutions enabled by innovation, digital and technology.
- Build a hub for solution development and share with other locations

Strategic Pathway Options

This strategy has high value, opportunity and navigable risk. Significant value will be lost if strategy implementation is slowed, constrained or tied to administration.

Two alternative strategic pathways highlight the value at stake in the business case. The pathways are:

1) Strategic pathway 1, Co-development partnership pathway: Track the traditional government process
2) Strategic pathway 2, Action for Impact: Act now in parallel with co-development, innovate and optimise small priority interventions, and rapidly scale the delivery solutions

The conclusion in the business case that the "Action for Impact" pathway is preferred.

Strategic pathway 1, Co-development partnership pathway

Timeline	Phase	Milestones
Jan 2026 – Jun 2026	Expression of interest	• Expression of Interest decision
Jul 2026 - Jun 2027	Commissiong co-design	• Entity established • Ready to go live (includes scope, contract etc)
Jul 2027 – Dec 2027	Standup organisation	• Way of working • Commissioning go live
Jan 2028 - Dec 2028	Priority interventions	• Commissioned solution go-live. First intervention (June 2028) • Select priority commissioning interventions (>100m of fees and/or managed revenue)
2029 – 2032	Targeted program	• Performance and impact assessment • Scale, capability, solutions for future (>$400m of fees and/or managed revenue)
2033-2040	Extend	• TBC

Strategic pathway 2, Action for Impact

Timeline	Phase	Milestones
Jan 2026 – Jun 2026	Establishment and Expression of interest	• EOI Decision • Entity established (to be updated) • Priority 1 initiative decision, intervention design & provider
Jul 2026 – Dec 2028		• Way of working • Select priority interventions to commission • Immediate go-live for priority intervention 1 • Commissioning entity ready to go live
Jan 2029 –Dec 2030	Accelerate	• Commissioning entity go-live (final version) • Kick off priority interventions (July 2027) (>230m of fees and/or managed revenue)
Jan 2031 – Dec 2032	Phase 3	• Performance and impact assessment • Scale, capability, solutions for future (>$750m of fees and/or managed revenue)
2033-2040	Phase 4	• Systematic growth (>$1.0b of fees and/or managed revenue) • Innovation and commercialisation development

Business case assumptions (1)

The central government's in-scope investment in Tairawhiti social wellbeing outcomes is approximately $1.4 billion. This includes out-of-region and in-region spending. If there is no change in how services are provided, the value will increase over the next 10 years due to population growth and New Zealand's economic growth.

The investment includes spending across 9 activities. The investment includes social development payments to individuals

Tairawhiti Community Commissiong
Government social and wellbeing spending

	2024/2025 Budget		2035/2036 Estimate	
	Total	In-region	Total	In-region
Population		52,600		57,860
In-scope activity	$1,259	$902	$1,687	$1,209
Social develop payments	$200	$200	$267	$267
Total	$1,458	$1,102	$1,954	$1,477

Note: Estimate includes population and projected economic growth

Tairawhiti Community Commissiong
Social and wellbeing spending (2025 estimate) $ million

	Outof region	Potential in-region	Total	% in-region potential	% of Tairawhiti spend
Economic	$71	$19	$90	21%	6%
Infrastructure (Transport)	$23	$93	$116	80%	8%
Education	$65	$191	$256	75%	18%
Health	$81	$243	$324	75%	22%
Housing & urban Develop	$31	$91	$122	75%	8%
Wellbeing	$65	$196	$261	75%	18%
Environment	$12	$36	$48	75%	3%
Event recovery (Best estimate)	$8	$33	$42	80%	3%
	$357	$902	$1,259	72%	86%
Social development payments	$0	$200	$200	100%	14%
Total government spending	$357	$1,102	$1,458	76%	100%
Other in-region	$0	$581	$581	100%	
	$357	$1,683	$2,039	83%	

Note
Excludes out of scope government spending
Excludes superannuation payments
Values will increase over time

Other organisations, including Iwi, trusts, not-for-profit organisations and enterprises, are estimated to invest >$581m. This value is projected to increase over 10 years

The Tairawhiti Community Commission Value assessment identified 4 types of impacts or benefits from a successful Tairawhiti Commissioning program.

The total value at stake is approximately. $3 billion. The Commissioning program is designed to secure 50% of the total value at stake.

The value at stake is an opportunity to reverse the systemic impact of decades of applying solutions that don't work in the region.

Tairawhiti Community Commissiong
Program impact(benefit) 2036 $m

	Value from other actions	Community commissioning opportunity	Total	Commisioning share
Value 1: Wellbeing for our people	$410	$220	$630	35%
Value 2: Economic and enterprise uplift	$880	$580	$1,460	40%
Value 3: Retain and attract people and enterprises	$245	$245	$490	50%
Value 4: Service delivery volume, productivity and efficiency	$0	$420	$420	100%
Total (Some impacts are maybe included in multiple values)	$1,535	$1,465	$3,000	49%

Note:
Some impacts may be included in multiple values
Value in 2036 include impact of population and overall New Zealand GDP increase
Values include financial and non-financial impacts
Some savings and finacial impacts maybe rea;;ocated to value adding activity

Business case assumptions (2)

The potential $1.5 billion impact of the commissioning program is computed to make a game-changing contribution to the region's economy and prosperity. An impact of $1.5 billion in 2036 is estimated to:

- Equates to 40% of the region's projected 2036 GDP (2025 GDP of $2.5 billion is projected to increase to $3.9 billion in 2036)
- Have significant impacts on current and future employees and the self-employed (see below)

Tairawhiti Community Commissiong

Social and wellbeing connected economic activty

	GDP $m 2025 $m	% of region	Employee 2025 estimate	% of region	Maori employee 2025 estimate	% of region	Self employed 2025 estimate	% of region
Construction	$194	8%	2,225	9%	894	7%	628	18%
Electricity, gas, water and waste services	$20	1%	57	0%	10	0%	9	0%
Infrastructure	$214	8%	2,282	9%	904	7%	$637	18%
Health care and social assistance	$216	9%	2,879	12%	1,347	11%	176	5%
Education and training	$103	4%	2,261	9%	1,286	11%	82	2%
Public administration and safety	$88	3%	920	4%	460	4%	39	1%
Administration and support services	$56	2%	1,027	4%	661	5%	175	5%
	$463	18%	7,087	29%	3,755	31%	472	13%
In scope activity	$677	27%	9,369	38%	4,659	38%	$1,109	32%
Rest of region	$1,863	73%	15,401	62%	7,590	62%	$2,392	68%
Total	$2,540	100%	24,770	100%	12,249	100%	3501	100%

Note:

Data reflects 2025 Quarter 2 measures. Data should be treated as an estimate

Infrastructure and administration includes social and wellbeing activity and other sector economic activity

Social and wellbeing activity is estimated to be 24% of total employment

GDP/employee for social and wellbeing activity is lower for social and wellbeing activty

The business case is driven by key assumptions on:

- Program design
- Value at stake
- Value of spending and value of commissioned activity
- Cost ratios
- Funding sources

(see following pages)

Business case assumptions(3)

Tairawhiti Community Commissioning Business Case			
Key assumptions			
Strategic pathway		Program	Deliver the benefits (impact). Innovation focus
Phases		4	Establish > Accelerate > Phase 3 > Phase 4
Key features		Timing	Early program. Rapid increase in activity
10 year population increase	%	9%	
10 year GDP increase (population & NZ economic growth)	%	34%	
Program start date	Year end	2027	Early start
Program closing date (Majority of activity completed)	Year end	2032	Commissioning program continues to 2035
Program years	Years	6	Majority of activity commission early
Projection period (years of measurement of costs and benefits)	Years	10	Commissioning program continues to 2037
Initial priority for commisioning		Activity	Social and wellbeing activity including housing
Total value of impacts(benefits) at stake	$ m	$3,017	Includes financial and non financial
Commissioning potential value of impacts at stake	%	49%	Other activity delivers some benefit
Commissioning potential value of impacts at stake	$m	$1,473	Other activity delivers some benefit
Total 2025 value of government investment	$m	$1,458	Includes out-of region spending
% of government spending in-regopn		76%	Estimated - Ratio t be confirm
In region spending	$m	$902	Estimated - Ratio t be confirm
In region spending by other organisation	$m	$581	Value based on cluster assessment
% of in-region government spending to be commissioned		62%	Excludes social development payments
Value of In-region government spending commissioned	$m	$563	Constrained to deliver high-impact activity
Split of activity as "design to manage" vs "design to monitor"		47%	Manage vs monitor value to be confirmed
Value commissioned as "design to manage"	$m	$264	Manage vs monitor value to be confirmed
Value commissioned as "design to monitor"	$m	$299	Manage vs monitor value to be confirmed
Prioritisation of activity to commission		Priority	Wellbeing, housing, health, education
Social development payments	2027 $	199.5	Reduction in low wellbeing households
% of other organisation spending commissioned	$m 2036	%	Delayed start
Value of other orgaisations spending commissioned	$m 2036	%	Delayed
% of value impact(benefits) realised (of available value)		73%	Exceeds activity %
Years to reach benefit impact of commissioned activity		4	Activity benefits increase over time
Value of impact (Benefits) realised after 10 years	$m	$1,080	Activity benefits increase over time
Time to design, specify and complete procurement for solutions		12 months	Some activity takes less time to complete

Business case assumptions (4)

Tairawhiti Community Commissioning Business Case
Key assumptions

		Year 1	Year 3	Year 10	
Efficiency saving (as per benefits model)	$m	$0	$13	$194	Increase over time
Efficiency % of savings retained	%	100%	100%	100%	Excludes Social Development
Seed project (Housing)	$m	$40			Single project
Design to procure % of commissioned value - Managed	%	20%	20%	15%	Estimate
Design to procure % of commissioned value - Monitored	%	10%	10%	10%	Estimate
Provider startup % of commission value - Managed	Yr 2%	10%	10%	10%	Estimate
Provider startup % of commission value - Monitored	Yr 2%	5%	5%	5%	Estimate
Annual cost % of cumulative activity (yr 3) - Managed	Yr 3 %	8%	8%	2%	Estimate
Annual cost % of cumulative activity (yr 3) - Monitored	Yr 3 %	3%	3%	2%	Estimate
Working capital funding	$m	$2			One off investment
Establishment cost	$m	$2			Two year investment
Fixed administration (% of operating cost)	%	10%	10%	6%	To be confirmed
Operating profit reallocated	%	0%	80%	93%	Moves toward peak
Commercial revenue first year	$		$5		Delayed start
Cumulative income growth	%	0%	10%	70%	Increases
Projected commercial income	$m	$0	$5	$49	
Commercial revenue COGS	%	120%	120%	75%	Matches commercial
Social development payments reductions (saved value)	$m	$0	$4	$71	Restricted by GDP increase
Social development % of savings retained	%	100%	50%	0%	Initial value establishment

Commissioning Program Timeline (1)

The current central government investment in Tairawhiti well-being activity is approximately $1.4 billion. The estimated for in-region spend is $1.1m billion. The cost related to managing social development payments is negligible.

The in-region spend of other organizations with activity connected to social and wellbeing outcomes is estimated to be $0.5 billion.

The estimated total in-region spend by government and other in-region organisations is $1.7 billion. This value establishes a maximum potential value for commissioning

An accelerated program is designed to address the high cost of deprivation and the high value of opportunity associated with making changes that work.

Tairawhitui Community Commissioning
10 year program of commissioned activty (2026-2036)
Cumulative value $m

	Total annual spend	Total In-region spend	Projected program spend	Projected program spend / total in-region spend %	Proejcted program spend in first 6 years	Projected 6 year program spend / total in-region spend %
Social and wellbeing	$383	$287	$230	80%	$230	100%
Education and health	$579	$434	$260	60%	$260	100%
All other government activity	$296	$181	$73	40%	$45	63%
	$1,259	$902	$563	62%	$535	95%
Social development	$200	$200	na	na	na	
	$1,458	$1,102	$563	95%	$535	95%
Other in region	$581	$581	$116	20%	$29	25%
	$2,039	$1,683	$679	40%	$564	83%

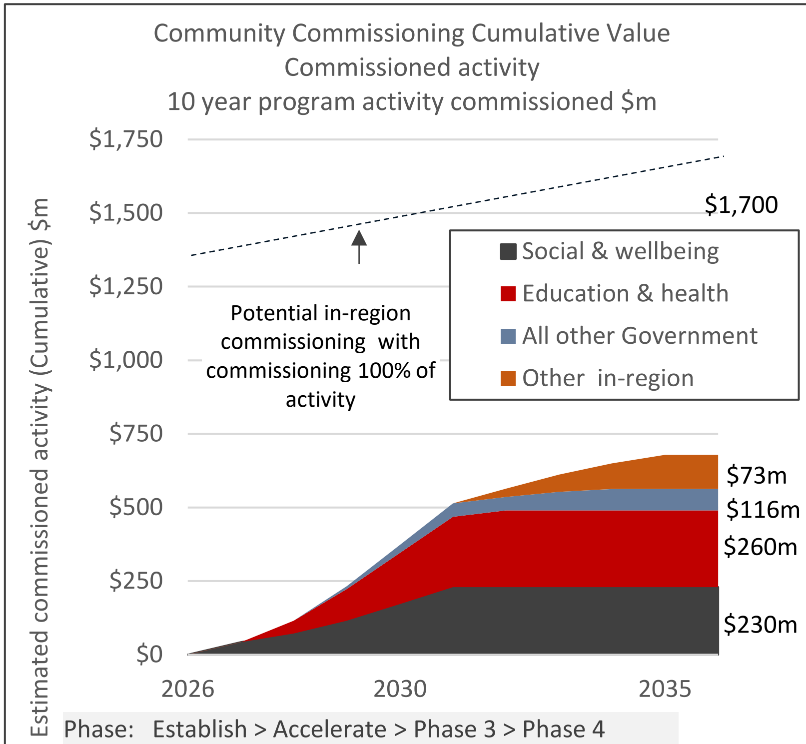
Note

1 An accelerated commission program is designed to address the high cost of deprivation and high value of opportunity
2 The accelerated program is designed to complete 80% of the overall commissioning in 6 years
3 Social and wellbeing spend includes housing
4 The in-region spend includes social development payments. Social development payments are not included as "commissioned" activities
5 $40m is allocated for housing in year 1 to accelerate the program
6 The total commissioned value for the business case is conservative
7 The activity share of value across activities may vary from the expected program
8 The program includes a mix of activities that will either be Managed or monitored once in region decisions are

The planned program is spread across 4 main activity segments. The value of commissioned activity, excluding social development payment, is estimated at $0.7 billion in spend, i.e., 40% of all in-region spend.

Tairawhiti Community Commissioning program includes four phases. The program is designed to complete 80% of the planned commissioning activity in the first 3 phases (i.e. the first 6 years)

The value of commissioned activity and timing to complete the commissioning will determine the level and timing of benefit realisation.



Note:
The total value excludes social development payments. Social development payments are not commissioned. Social development payments reduce with lower levels of deprivation
The commissioned value increases over time with changes in Tairawhiti demographics and NZ GDP increases

Commissioning Program Timeline (2)

The Tairawhiti Community Commissioning analysis identified the potential value of benefits and impacts at stake as $3.0 billion. The identified benefits and impacts at $3 billion match the 2025 Tairawhiti GDP of $2.9 billion.

The impacts and benefits include a mix of financial and non-financial outcomes, potential efficiencies, opportunities to address current issues, or the reallocation of benefits to other activities.

The analysis concludes that, with very high levels of deprivation, costs of deprivation and wellbeing expenditure, and the loss of economic prosperity, the realisation of benefits will not contribute to financial savings. The focus is on using benefits to focus on future value-adding improvements.

The assessment indicates that commissioning activity that changes wellbeing intervention solutions and how they are delivered could contribute $1.5 billion in impact.

Tairawhitui Community Commissioning
Community commissioning impacts (benefit) (2026-2036)
Annual valye

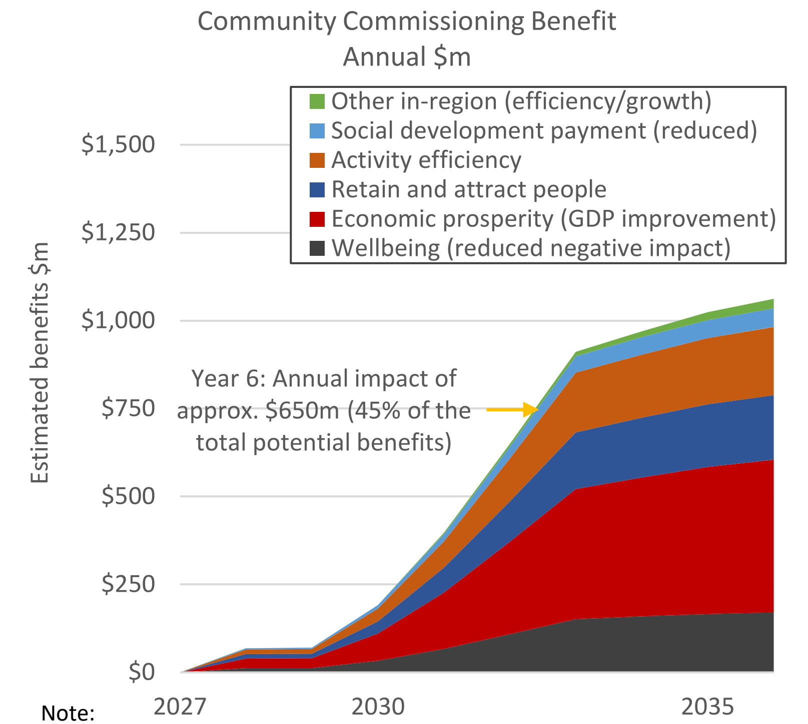
	Total benefits identifed	Community commissioning benefits identifed	Projected program benefits	Projected program benefits / total commision benefits %	Projected program benefits in first 6 years	Projected 6 year program benefit / total cmmision benefit %
Wellbeing (reduced negative impact)	$640	$228	$171	75%	$109	64%
Economic prosperity (GDP improvement)	$1,467	$580	$434	75%	$263	61%
Retain and attract people	$490	$245	$183	75%	$115	63%
Activity efficiency	$259	$259	$194	75%	$122	63%
	$2,856	$1,312	$982	75%	$608	62%
Social development payment (reduced)	$71	$71	$53	75%	$33	63%
	$2,927	$1,383	$1,035	75%	$641	62%
Other in-region	$90	$90	$27	30%	$8	30%
	$3,017	$1,473	$1,062	72%	$650	61%

Note
1 Identified benefits are an indicative estimate of the value at stake. The realisable value has not been confirmed
2 The business case assumes that community commissioning could contribute to the realisation of 50% of the benefits
3 All community commissioning solutions and other interventions work together to realises the benefits. Community
4 Some benefits may be included in more than one benefit category
5 The assessment includes financial and non-financial benefits
6 There will be delays from the timing of making changes until the benefits are realised. The benefits model assumes that there is
7 Wellbeing benefits include housing impacts
8 Social development payment changes reflect changes in the level of deprivation

A planned commissioning program is designed to apply to approximately 50% of the region's total social and wellbeing spending. The program would also affect the cost of social development payments to individuals.

The assessment is that the commissioning program could contribute $1 billion in benefits by 2036. The potential benefit in year 6 equates to $650m. The biggest impact is likely to be the overall lift in the region’s economy.

The scale timing of the commissioning program is key to realising benefits



Note:
Community commissioning realises a share of the total identified benefits
Community commissioning benefits are linked to the value of the activity that has been commissioned over time
Benefits include both financial and non-financial values
The value of some benefits may be included in multiple assessments

Commissioning Program Timeline (3)

Two pathways for implementing Tairawhiti Community Commissioning were explored.

The objective of both pathways was to reduce the number of households with high deprivation and low wellbeing. This flow-on objective was to reduce the >$1.5 billion cost of low wellbeing

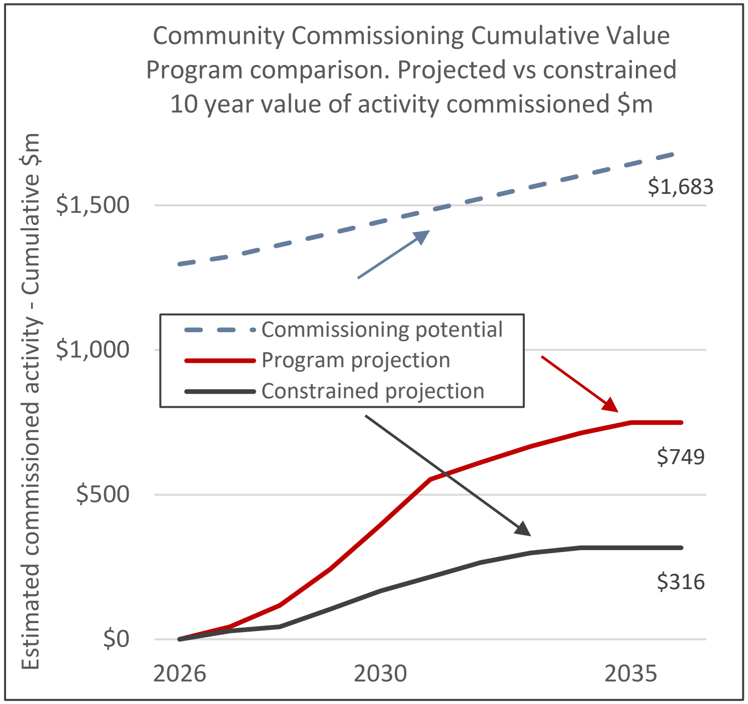
The planned pathway is aligned with achieving the objective. It requires a combination of increased value of the activity to be commissioned, an early start date and a more rapid ramp-up of commissioning activity.

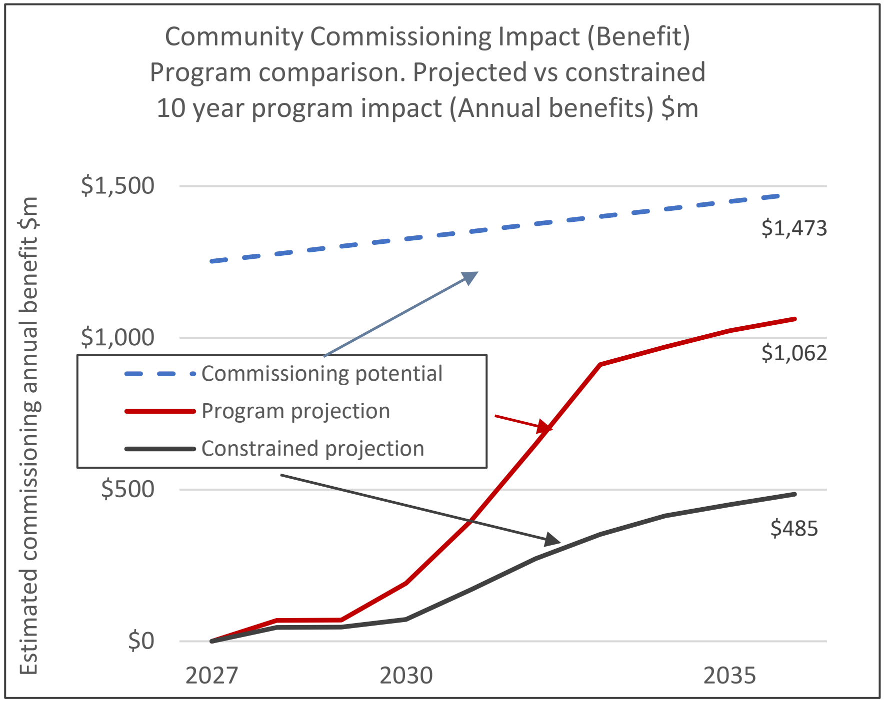
A constrained program, compared to the planned program in the business case, would effectively involve a delay in starting the work of 2-years and commissioning 50% the value of the activity over 10 years

The comparison of the constrained vs planned programs highlights:

- The annual benefits in 2036 for the constrained program are 50% lower than planned ie $475 million per year vs $1,062 million
- The cumulative benefits for the constrained program are 60% lower than planned ie $2.3 billion vs $5.6 billion

This highlights the need for a rapid, high-value program that drives greater change in both the solutions implemented and how they are implemented.





Note:
The commission cost excludes estimated out-of-region spending
The total cost includes social development payments. Social development payments are not commissioned. Social development payments reduce with lower levels of deprivation. Benefits include reduced social development payments
The commissioned cost and benefits values increase over time with changes in Tairawhiti demographics and GDP increases

Financial and Economic Case (1)

The business case recognises multiple critical features of the proposed action. This includes:

- The recognition that the magnitude of the value at stake and the impacts are very large.
- Securing some of the impacts is transformational
- Commissioning is part of one system, and the value and accountability for the parts can't be separated
- Current activities and ways of working have not delivered results over a very long period. Low levels of prosperity and wellbeing are entrenched
- There are multiple pathways for the business case
- Tairawhiti Community Commissioning is an anchor for multiple changes
- Tairawhiti Community Commissioning is a seed that triggers change across the total system

This combination suggests the business case could be considered complex.

In fact, the key insight is that many features could make the business case compelling. The hurdle for a decision on the success and viability of the Tairawhiti Community Commissioning recognises this.

The assessment is that "the business case requires limited total investment if the majority of costs are recovered from reduced waste and increased efficiency.

Tairawhiti Community Commissioning Considerations for the Financial and Economic Case

Tairawhiti Community Commission

Annual values that can be impacted

- Wellbeing of 11,700 households (4,4,00 more than expected compared to NZ levels)
- Loss from deprivation and low wellbeing >$0.6 billion
- Loss of GDP $1.6billion
- Failure to retain and attract people and enterprises >$0.5billiomn
- Regions' social and wellbeing investment $1.9 billion
- Government social and wellbeing investment $1.4 billion

Transformational impact

- Well-being of households and new residents over the years (Financial and non-financial)
- Impacts on employment
- Retaining and attracting residents and entrepreneurs
- Economic prosperity
- Move of resources into positive value-adding activity
- Flow of impacts to other locations

Impacts across "One-system"

- Health
- Education
- Housing
- Life expectancy
- Economic
- Sustainable environment
- Spiritual and cultural well-being

Multiple Pathways

- Maintain current interventions (Poor track record. High negative impacts. High risk of no change)
- Co-development partnership (Traditional approach that is slow. Introduces risk of no action. Potential loss of benefits)
- "Action for impact (Potential high pace and impacts. Must have a mechanism that optimises the process and navigates risk)

Current system impacts

- Long-term ways of working with a proven track record of negative impacts
- Entrenched poor outcomes (Low wellbeing and prosperity with total impacts >$1.7 billion)
- Low quality and high-risk natural environment (biodiversity, weather etc)

Three frameworks for commissioning

- Design, commission & manage (managed)
- Design, commission, and monitor (managed)
- Collaborative and influential

Seed for Tairawhiti change

Commissioning is more than one change

- Commissioning breaks the cycle
- Commissioning "separates design and procurement from delivery".
- Commissioning is not engaged in the delivery but leverages multiple delivery providers
- The critical role of commissioning is to extend the application of better ways of working
- Commissioning embraces innovation, digital change and technologies developed or will be developed at a pace over 10 years(this makes the current state redundant)

Financial and Economic Case(2)

The financial and economic case embraces three essential parts:

- Accelerated startup and immediate action ($40m investment in priority interventions in the first year and $70m over 3 years with some costs recovered from savings)
- Medium-term integrated program (as per the expression of interest) through to 2032. The medium-term emphasis is on reducing waste and increasing productivity, so resources are allocated to service delivery. This also allows the costs for commissioning activity and for the management of all activity to be recovered from the efficiency gains
- A committed way of moving from each phase to the next without negotiation, bureaucracy, or barriers

The innovation in the business case is the commitment to moving forward. This is the tool that manages risk. The risks, including relationship, outcome and financial outcomes, are managed by:

- The focus on the immediate commissioning is a targeted set of interventions. This is likely to include a commissioning focus on a specific subset of the 4,400 high-needs homes and on specific interventions for these homes.
- The interventions will be agreed. They are likely to include housing, education, judicial and social issues in that home

The business case with accelerated kick-start activities allows benefits to be secured earlier.

A case for action is compelling when:

- It is recognised that there is >$1.7 billion of in-region expenditure connected to deprivation and well-being, including approximately $1.4 billion of public sector costs
- The total cost and loss value from high deprivation and low prosperity is estimated to exceed $1.5 billion
- Potentially >10% of the total deprivation and well-being expenditure in the region is wasted

.

Key value driving the business case conclusions includes:

- Annual value of community commissioning increasing to >150 million
- The cumulative value of all commission work growing to $610 million over 10 years (Excluding Social Development payments and activity commissioned for other organisations)
- Annual net benefits (reduced wellbeing and economic losses) growing to $1,080billion. Benefits included reduced volume for wellbeing services aas deprivation is reduced)

Tairawhiti 2024/25 Social Wellbeing Investment Case
Estimated financial values
Business case (Indicative values for "Action for Impact" pathway)

Phase		Establish	Accelerate	Phase 3	Phase 4
Duration		2 years	2 years	2 years	4 years
Year		2027-2028	2029-2030	2031-2032	2033-2036
Year end value		2028	2030	2032	2036
Value of commisionomh activity	$m	$74	$153	$58	$0
Cumulative value of commissioned activity	$m	$117	$395	$578	$610
Activity efficiency (Includes reduced volumes)	$m	$13	$37	$122	$194
Annual Benefits (includes growth)	$m	$69	$193	$658	$1,080
Total commissioning funding	$m	$16	$40	$122	$194
Total funding (includes commercial)	$m	$18	$45	$124	$243
Commisioning organisation costs	$m	$14	$53	$46	$90
Net operating result	$m	$4	-$7	$78	$153
Allocation of margin to value-added activity	$m	$0	$0	$67	$142
Reduced in social development payments	$m	$3	$12	$42	$71

The business case is built on a combination of:

- Decisions and commissioning of interventions that apply the Tairawhiti way of working with added innovation
- The action for the Impact pathway is a key parallel enabler for the traditional way of working. The pathways are not competitive; they have synergy
- Tools to effectively and efficiently fund, execute the program and manage risk

Financial and Economic Case(3)

Tairawhiti Community Commissioning Projections Investment Case
Estimated commissioning financial values
Business case (Indicative 2026-2036 values)

Phase	Notes	Establish		Accelerate		Phase 3		Phase 4			
Phase years/duration	1,2	2027(2 yrs)	2028	2029(2 yrs)	2030	2031(2 yrs)	2032	2033 (4 yrs)	2034	2035	2036
Funded activity revenue	3	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
Housing capital funding (one off)	4	$40	$0	$0	$0	$0	$0	$0	$0	$0	$0
Share of reduced social development payments	5	$0	$3	$2	$3	$0	$0	$0	$0	$0	$0
Share of commissioned operation efficiency and productivity	6, 7	$0	$13	$13	$37	$75	$122	$170	$180	$188	$194
Total commissioning funding		$40	$16	$16	$40	$75	$122	$170	$180	$188	$194
Innovation and commercial revenue (e.g. other locations)	8	$0	$0	$5	$6	$7	$9	$12	$18	$29	$49
Working capital funding	9	$2	$0	$0	$0	$0	-$2	$0	$0	$0	$0
Establishment funding	10	$2	$2	$0	$0	$0	-$4	$0	$0	$0	$0
Other income		0	0	0	0	0	0	0	0	0	0
Total other funding		$4	$2	$5	$6	$7	$3	$12	$18	$29	$49
Total funding		$44	$18	$21	$45	$81	$124	$182	$198	$217	$243
Cost											
Housing capital funding (one off)	11	$40									
Total commissioning cost		$1	$11	$23	$37	$43	$32	$28	$25	$22	$16
Innovation and commercial activity COGS e.g. (other locations)		$0.0	$0.0	$6.0	$6.2	$7.1	$8.6	$11.3	$15.8	$23.5	$36.8
Operational cost	12	$2	$3	$8	$10	$11	$5	$13	$18	$25	$38
Total cost		$43	$14	$38	$53	$61	$46	$52	$58	$70	$90
Net operating result											
Net operating margin before reallocation	13	$1	$4	-$17	-$7	$20	$78	$130	$139	$147	$153
Allocation of operating margin to value-added activity	14	$0	$0	$0	$0	$17	$67	$113	$125	$134	$142
Net retained margin after reallocation		$1	$4	-$17	-$7	$3	$11	$16	$15	$13	$11
Cumulative operating profit		$1	$5	-$12	-$19	$1	$79	$209	$348	$495	$648
Cumulative allocation of operating profit to value-added activity		$0	$0	$0	$0	$17	$84	$197	$322	$456	$598
Cumulative net retained earnings after reallocation		$1	$5	-$12	-$19	-$16	-$5	$12	$26	$39	$50

Note

1 Phase	Early establishment	Establish > Accelerate > Phase 3 > Phase 4
2 Focus	Initial priority for commisioning	Social and wellbeing activity including housing
3 Funding	Sources of revenue	Revenue is recorded to be reallocated
4 Housing	Seed project (Housing)	Enables activity and benefits in parallel with entity establishment
5 Social payment	Savings realised	Savings can be realised or reallocated. Assume savings excluded from enterprise Profit and Loss
6, 7 Efficiency revenue	Saving secured in enterprise	Savings can be realised or reallocated. Savings reallocated after design, startup and operational cost
6, 7 Efficiency revenue	Reallocated savings	Savings reallocated after recovery of cost
8 Commercial	Commercial enterprise	Delayed start with limited revenue and cost of good
9 Working capital	Investment funding	Investment to fund the new enterprise. Investment may be recovered in future years
10 Establishment funding	Startup costs	Recovery of costs for startup phase. Cost may be removed in future years
11 Activity cost	Share of cost	Share of cost related to activity design, startup, management and monitoring
12 Fixed administration	Innovation, technology, overhead	Cost at % of all operation expenses
13 Operating margin	Net revenue less cost	Net operating margin is reallocated to investment in other activity. The organisation does not earn a profit
14 Allocation of benefit	Allocation to other activities	Identifed efficuency beenfits are reallocated to other value adding activity

Tairawhiti Community Commissioning Projections Investment Case
Estimated social and wellbeing financial values
Business case (Indicative 2026-2036 values)

Phase	Notes	Establish		Accelerate		Phase 3		Phase 4			
Phase years/duration	1,2	2027(2 yrs)	2028	2029(2 yrs)	2030	2031(2 yrs)	2032	2033 (4 yrs)	2034	2035	2036
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
Full projected social development payments (Revenue pre reduction)		$200	$208	$217	$226	$235	$244	$253	$262	$272	$283
Social development payments (reduced value)		$200	$204	$212	$214	$209	$202	$193	$198	$204	$212
Change in social development payments (reduced)		$0	$4	$4	$12	$25	$42	$60	$64	$68	$71
Retained value(net)		$0	$3	$2	$3	$0	$0	$0	$0	$0	$0

Financial and Economic Case(4)

The Financial and Economic Case is compelling. The conclusion is that the proposed Tairawhiti Community Commissioning program is beneficial. It is appropriate for decision makers to endorse the initiative.

Endorsing this allows decision makers to focus on the optimal way of implementing the solution

The assessment highlights the:

- There are extremely large and important values associated with the initiative. This includes the number of people impacted, the cost of low welling, current investments and likely beneficial impacts
- The value that current solutions do not realise
- The conservative nature of some of the assumptions
- The opportunity to magnify the value realised

The compelling conclusion moves the focus to actions that drive action i.e.

- Timing to start commissioning activity
- Priority activities to be commissioned
- Pace of ramping up the program to drive speed and the realisation of impacts
- Investment in innovation, technology, people, and ways of working that will work for Tairawhiti, its people, and other partners
- Securing and/or building capability for all parts of the commissioning programme. This includes the capability of the core commissioning activity and through to delivery
- Structure for governance and management
- Gateways for the transition to future phases
- Funding for the program
- Enabling growth and delivery of solutions and services outside the region

Total Financial and Economic Case Highlights	
Focus	Key regional financial and economic case values
Solutions and services	• 11,7000 homes deprived homes (38,000 deprived residents) • 4,400 more than expected severely deprived homes
2025 value of all commissioned activity	• $2,000 million all social & wellbeing spending for region • $1,400 million government social & wellbeing spending(include social development payments (excludes other organisations)
Potential in region spending	• $1,100 million potential annual government in-region spending in 2026 (includes social development, excludes other organisations) • $1,400 million potential annual government commissioned and other in-region spending in 2036
2036 potential regional benefits at stake	• $3,000 million potential annual value of impacts (benefits) • $1,500 million potential direct social & wellbeing related activity impacts (benefits)
2036 potential value of economic benefits at stake	• $1,500 million of all GDP changes (to match peer regions) • $400 million impacts of social and wellbeing related activity impacts (includes volumes and efficiency)

Tairawhiti Community Commissioning Business Case Financial and Economic Highlights	
Focus	Key business case financial and economic case values
2036 Funding and in region payments	• $610 million cumulative annual value of all commissioned social and wellbeing activity (plus social development payments and other organisation activity. $750 million total all values)
2036 Annual cost	• $16 million commission costs (Design/establish + annual costs) • Annual peak commissioning costs $43 million (2032)
10 year summary - Operating margin	• $5 million average all margins after reallocation pf benefits from changes in volume, productivity and efficiency
10 year summary - Reallocation to additional value adding activities	• $149 million peak reallocation value (2036) from changes in volume, productivity & efficiency (cumulative $600 million) • $71 million peak reallocation value (2036) from reduced social development payments (cumulative $600 million)
Benefits from agreed program	• 3,500 employees (approx.) (From economic uplift & attract people) • $1.1 billion (all benefits 2036)
Benefit loss from a constrained program	• Loss of $570 million of annual benefits (2036) (Cumulative loss of $3.3 billion)

Risk, Innovation, Optimisation and Opportunity

The pathway options are:

- Maintain current interventions
- Co-development partnership
- Action for impact (preferred pathway with early action and rapid ramp up)

The pathways have distinctive mixes of risk, innovation, optimisation and opportunity.

The emphasis in the two pathways vs the current stats is:

- Risk must be considered within the overall context that includes the factors of innovation optimisation and opportunity. A singular focus on risk by itself adds risk
- Risk, innovation, optimisation and opportunity are intrinsically connected. Small risk changes can flow to other risks or changes in innovations
- The four risks must be balanced. A large-scale opportunity must be considered relative to the scale of the risk

Exploring the pathways highlights that:

- Maintaining current interventions locks in many attributes and impacts, which limits the change in the four focus areas
- Maintaining the current state is the highest risk option
- The Action for Impact is superior to a traditional co-development partnership.

It is noted that the total scope of risk, innovation, optimisation, and opportunity has not been documented for the business case.

The interim solution is to identify the top two to four issues for each focus area.

Tairawhiti Community Commissioning Financial and Economic Case

	Pathway		
	Maintain current interventions	Co-development partnership	Action for impact (earl action and rapid ramp up)
Risk	• NZ's has low appetite for change • Low ability to change • Limited ability to adopt new digital, etc	• A slow pace adds risk • Time creates opportunities to build barriers tor change • Bureaucracy	• Limited scale • Challenge to anticipate chaos and change • Lack proven track record • Access to the best capability
Innovation	• High opportunity but low NZ R&D investment (low social innovation investment) • High opportunity (but start from low base to catch up)	• Maintains current state mix of activities and ways of working • Moves slowly toward action for impact. Amont f innovation constrained	• Limited track record for innovation • Agile, adaptive, pace • Flexibility to work with partners and providers • Hub for innovation • Small scale, so can make change
Optimisation	• Able to fix the traditional way of working (but current track record is a concern) • Can replace the old ways (but the cost to replace redundant ways and systems is high)	• Move toward action for impact (Impact delayed and potentially undermined)	• Way-of-working to build on • Can add digital solutions and technology that don't depend on core systems • A large number of high-need households to work with • Potential to reduce waste • Trusted by providers
Opportunity	• Adopt the Tairawhiti way of working (Unlikely to be successful) • Economic growth reduces deprivation	• Moves toward action for impact (delayed and other locations build advantage. Miss the opportunity)	• "Test" new solutions • Export to other locations • Enhance with solutions for the future • Establish an enterprise hub and growth opportunity
Summary	• Securing positives highly unlikely • Negative risk potentially exceeds positive opportunity for innovation, optimisation and opportunity	• Delay has a critical impact • Delay adds risk and undermines positives	• Significant positives • The greatest challenge is the ability to navigate both the risks and the opportunities. This is unproven

Funding

Securing committed funding is essential to:

- Demonstrate commitment and confidence in the program
- Secure in-region people, capability and resources for in-region decision making
- Secure in-region people, capability and resources to commission the innovation, technology, and expertise to enhance all provider activities in the region. This enables the sharing of solutions with other regions
- Secure $1,100 in 2026 of estimated government annual in-region spending. With no change in service delivery, this will increase with population and national GDP growth to $1.400 million in 2036
- Secure funding that systematically builds the annual value of services commissioned by the Tairawhiti Community Commissioning in 2036, to $610 million

The funding model is straightforward. The key elements of the model include:

- Seed capital to complete the establishment of the commission entity. This provides funding for the high-value activity associated with the design of solutions that are fit for purpose in the region and can be commissioned
- Early commitment to fund the commissioning and decision-making for the priority activity for two years.
- Early commitment to secure funding for the actual provision of the activity when the commission decision is made

This funding model is not radical:

- The total cost of commissioned activity for the government will not exceed the value of the current services that are commissioned
- The commissioning activity provides the safety net needed to mitigate risks for the government. This includes improved solution design for commission activity, technology that enables high performance and enhanced performance management
- A method of "Advanced Impact Commitment" for funding, connected to clear stage gates, derisks the program for the government, commissioning entity and providers

The distinctive advantage and innovation in funding the program of commissioning social and wellbeing add to the power of the change. This includes:

- Acceleration of funding accelerates innovation
- Certainty of funding attracts talented people and enterprises
- The success of the program is the seed for innovation, enterprises and regional prosperity. This builds an enterprise hub for the future that then enables sharing with other regions and securing other revenue
- Tairawhiti has the model for global financial solutions, Tradable (Impact) Credits that are common in other nations, while being New for New Zealand

The proposed funding model underpins the business case.

Conclusion

The scale of investment in social and well-being interventions, very high levels of deprivation and low wellbeing, the number of residents and residents impacted, and the value of impacts all drive high levels of demand for better ways of working.

The value of wellbeing, and the financial and non-financial impacts of low wellbeing, are high. They could exceed $1.5 billion per year. The benefits are linked to a $1.5 billion loss in GDP.

A significant amount of work completed over the past five years demonstrates that the current ways of working fail to meet the region's needs. The current way of working has been proven to be inadequate.

It would be irresponsible to retain the current state.

The expression of interest demonstrates that there is a better way.

The Business Case provides decision-makers with evidence and insights into the value and viability of the proposed solution.

The business case highlights two alternative pathways: a traditional and passive Co-development partnership pathway and a proactive Action-for-Impact pathway. The business case assessment indicates that Action-for-Impact is the preferred pathway.

The key change for the Action-for-Impact pathway is the immediate kick-off of the priority initiatives. While the priority interventions are being deployed, the work to establish the entity can be completed in parallel with delivery of the initiatives

The advantage of the immediate action is it enables the entity to move into a way of working and mindset that pace is aligned to a process of "do, learn, innovate, do".

The business case highlights the scale of the social and well-being investment. The estimate of government spending is $1.4 billion. The total costs, including not-for-profit and other organisations, could be $2 billion per year.

The business case highlights include:

- Kick-start priority initiative in the first two years. The full program of commissioning would build from 2028
- The annual value of activity commissioned by the Tairawhiti Community Commissioning would be maintained at an average of approximately $60 million per year. The peak value would be >$150 million of commissioning activity in years 4 and 5.
- The cumulative value of commissioning is projected to be $610 million over 10 years, plus other organisations' spending and social development payments
- Net cumulative investment in commissioning and commissioning management could be constrained to an average per year of of $24 million. The costs can be recovered from the reduction of the current waste and low productivity
- Net annual benefits would increase to $1billion per year. Other impacts linked to the improvement in the economy could double this value to $2 billion by year 10
- Benefits could exceed the investment cost by year 5, with the timeline being dictated by the total value of activity being commissioned in years 1-5
- The value of benefits being reallocated to investment in value-added activities would increase to >$200 million per year

The immediate decisions now needed include:

- The scope of the priority(kick-start) solutions and the way of procuring these
- Alignment of work plans for kick-start initiatives and the establishment of the new entity
- Agreement on the gateways and performance expectations to automatically move to new phases

Move to Action

The case for urgent action is clear.

Tairawhiti is set to act. The building blocks exist today. The building blocks can be leveraged and enriched to move rapidly into action.

An accelerated move to action is designed to include:

- Building off existing capability
- Completing the establishment of a governance and management model to meet immediate needs
- Design, procurement and delivery of a set of priority initiatives
- Establish the entity and operations that are fit for the future

Immediate action would involve

- Building a high-performing team
- Building relationships, connections and ways of working
- Harvesting the successes from the past to guide the future
- Establishing the capability and tools to evaluate, select, and design the solution to improve well-being
- Securing the technology and digital resources to deliver priority solutions
- Locking in the program for full implementations

The action plan has four key advantages

- Fast-track the consolidation, understanding, understating and lessons of the good work
- Early benefit realisation
- Establishing a platform to learn, innovate, and improve in parallel with the final establishment
- Attracting people and resources

Gaps and areas for learning, innovation and enhanced processes and operations are known, so they will be the focus for the establishment process.

Moving to action

Set to go

Know our people

The network of Tairawhiti organisations has a platform to move into action

- Very strong connection to Tairawhiti people
- Deep understanding of the situation and needs
- Know what works for our people
- Rapidly engaged with those in need

Experience providers

Tairawhiti's track record spans many activities. The important step now is to direct the lesson and the capability to do more

- Providers of well-being and social services
- Organisations delivering>$400m of solutions,
- Building and construction
- Infrastructure contractors
- Data and digital
- Procurement
- Enterprise management

Road map

The road map for the parallel establishment of a new entity and the fast-track activity is mapped out

- Wide engagement with stakeholders
- Connection with existing provider
- Plans for governance and management

Proven Track record

Successful organisations have a track record to replace the central provider

- Housing
- Wellbeing, and social engagement
- Community health
- Education
- Environmental solutions
- Infrastructure
- Weather events

Solutions

Tairawhiti groups have systematically built the solutions that matter

- Technology
- Relationship management
- Service delivery
- Communications
- Collaboration

Focus for development

Team

Connect the team of 6,000, add capability and link with experts from outside the region

Solutions

Continue the process of aligning ways of working and the adoption of best practices

2030 tools

Systematically identify, adapt and adopt global digital and technological tools

Innovation

Build the innovation team to take it to the next level

Move to Action

The immense extent of changes required to deliver Tairawhiti social, wellbeing and prosperity that is right for the current and future generations demands action.

Tairawhiti's poor social and economic outcomes are unmatched in the country. This is unacceptable in a country where overall prosperity ranks among the top 25 nations in the world.

Urgent action is needed to resolve severe and materially high levels of deprivation and low wellbeing for 68% of residents.

Urgent action is needed to raise incomes, economic activity, and GDP by 30% to match levels observed in other regions.

Without action, the $2 billion in resources being applied to close wellbeing gaps in Tairawhiti will not have the impact needed. This will lock the region into >$1.5 billion of well-being and prosperity costs.

Tairawhiti has done the work needed to make the change. The region has the experience and track record to deliver. This work can now be leveraged to address the region's well-being gaps and to then fuel positive change.

The region is set to act. There is clarity on the entity, the way of working, and the ability to deliver what is needed. Turning on Tairawhiti Community Commissioning activates the journey.

A pathway has now been designed to bring together solutions, enhanced ways of working, innovation, good-practice procurement, and risk navigation that deliver results.

Action today accelerates change that's right for our people.

The investment and navigation of opportunities and risks for immediate action can be stringently managed for a tightly defined set of activities.

The investment can be funded through a combination of payments for immediate action and ongoing funding for the Tairawhiti Community Commissioning entity. This would be supported by a reallocation of existing funds, with a zero financial cost impact on the government.

Future gains would enable funds to be reallocated to drive positive impacts, e.g. education, innovation and exports.

The early success of the Tairawhiti Community Commission activity enables the innovative "Advanced Impact Commitment" program funding model to be applied to drive rapid development and deployment of the Tairawhiti's better way-of-working with innovation.

Recommended Action

1. Embrace the "Action for Impact" pathway
2. Enable the rapid stand-up and operation of the Tairawhiti Community Commissioning entity and activity
3. Assign highly capable people to be part of the entity establishment and design of the priority intervention
4. Select, design and commission the priority interventions for wellbeing and deprivation
5. Allocate $40 million for the immediate start-up of the program and approve $72 million of funding to replace existing interventions with better ways
6. Develop and agree on an "advanced impact commitment" package that enables a successful first stage to automatically move to a full-scale program

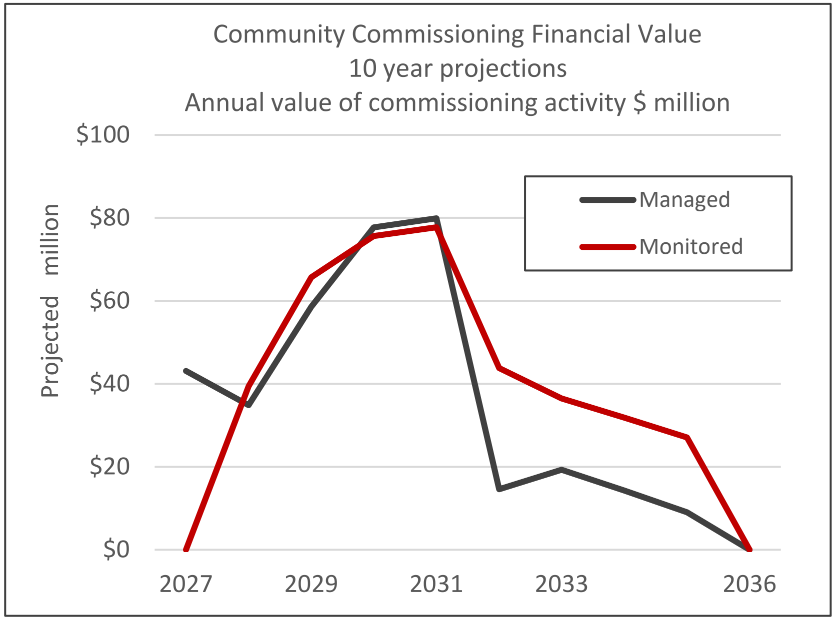
Appendicies

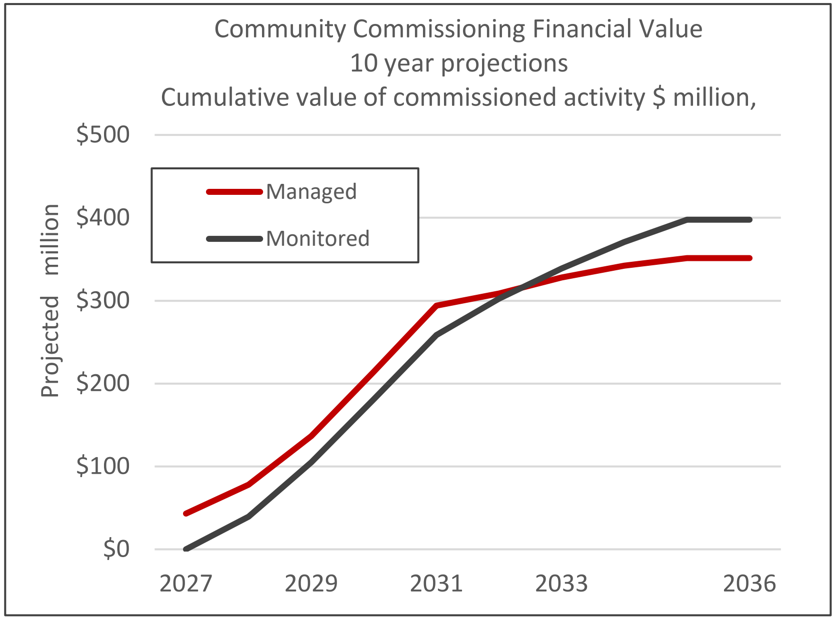
Financial and Economic Case(appendices)

Financial projections charts provide indicative vales asfor the value commission activity, funding, cost and the value of efficiency benefits available to reallocate to value adding activity

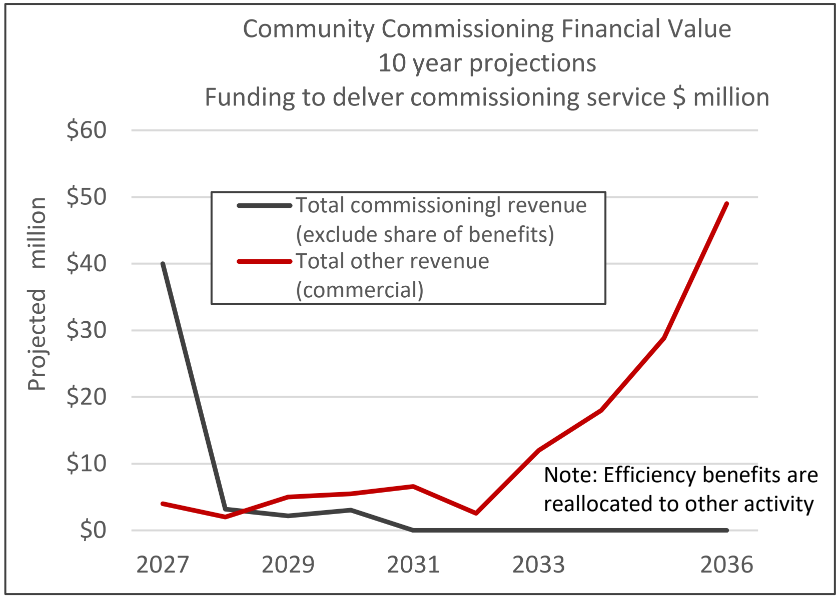
Six charts provide a summary of the financial values in earlier tables

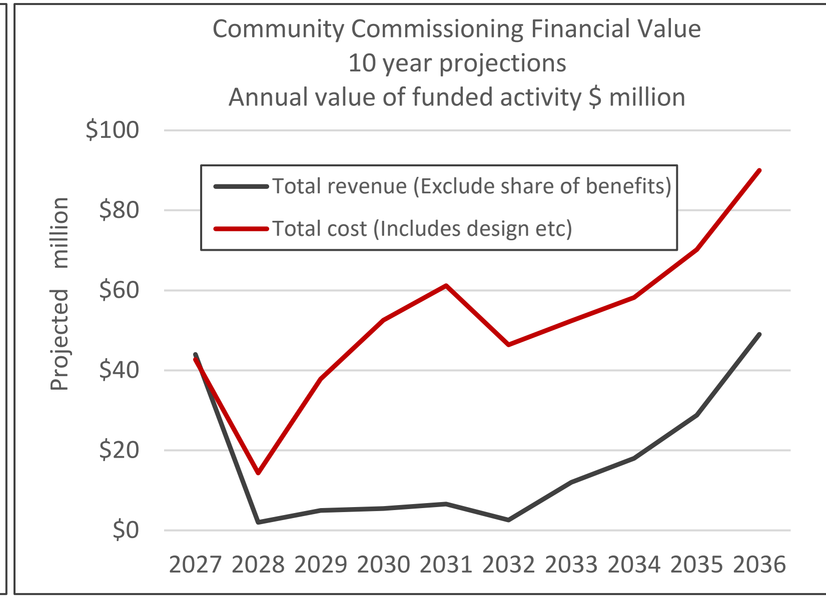
	Chart	Content	Note
1	Annual value of commissioning activity	Annual program of activity commission in years. Includes activity to be managed and monitored	Excludes social development payments. Includes other organisations
2	Cumulative value of commission activity	Cumulative value of activity commissioned over time	See above. Some activity may be recommissioned
3	Funding to deliver commission service	Operational funding. Cost for commissioned are recovered from savings	Funding may increase with commercial service delivery
4	Cost to deliver services	Annual cost	Annual commission cost include estimated design to standup of provider delivery
5	Annual value of funded activity	Funding and cost	Funding includes commissioning activity and annual management or monitoring
6	Annual value of reallocation	Efficiency benefits reallocated to value adding activity	All net value is reallocated. The projections assume there are no retained margins or reduced cost

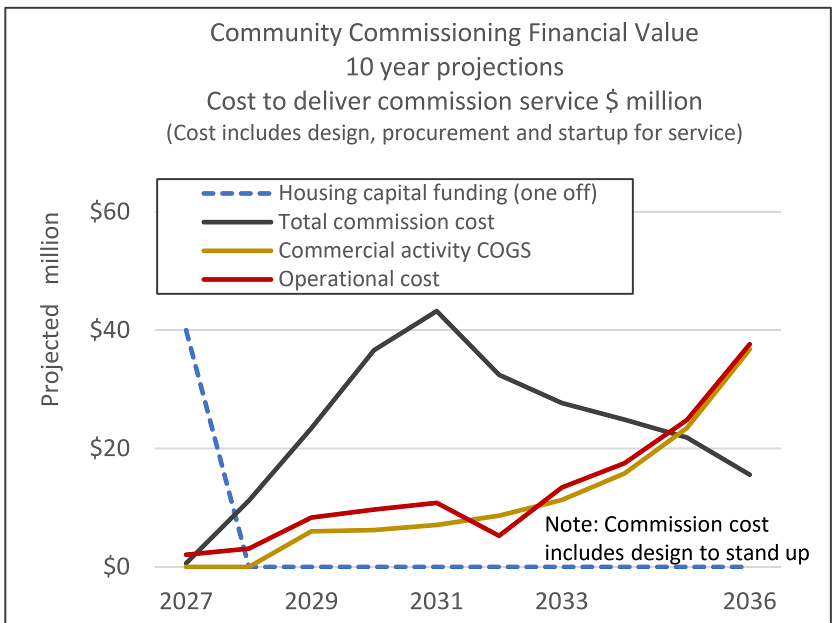


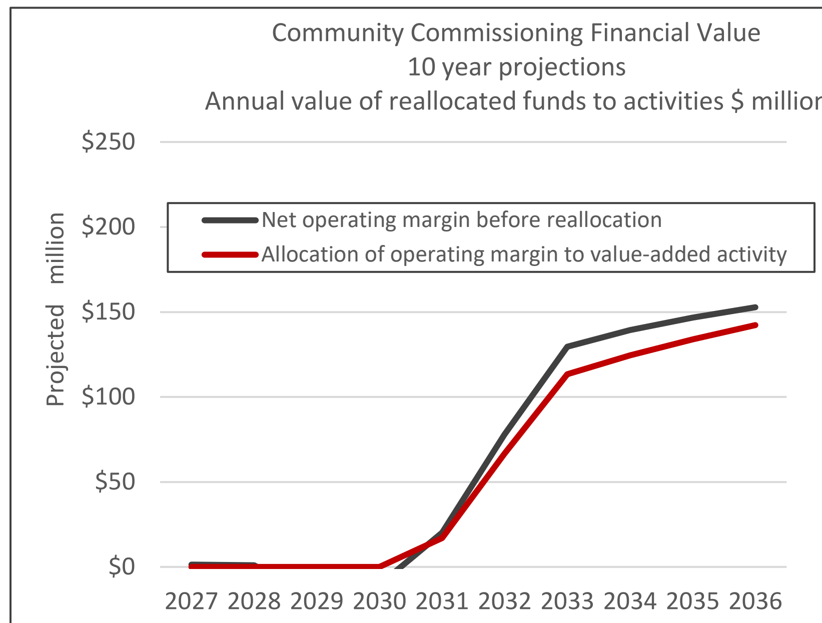


Financial and Economic Case(appendices)









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