Tairawhiti Community Commissioning Value Assessment

May 2026

Date

Disclosure and Data Sources

This report has been developed to provide insight into the value of the Tairawhiti Community Commissioning initiative.

The report is informed by data collation, modelling, and insights from Tairawhiti, New Zealand, and global reports.

The data has, where possible, been checked against other sources, analysis and projections.

Use of this document

This document has been prepared for the Community Commissioning engagement group. The report provides insights into the Tairawhiti Community Commissioning Expression of Interest to support the decisions of key stakeholders

The information in this document is at a relatively high level; additional analysis will be provided for the formal business case for the commissioning initiative. No one should act on such information without appropriate professional advice after a thorough examination of their particular 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.

Document purpose

The purpose of this document is to present data and analysis to inform the Tairawhiti Community Commission's Expression of Interest decision-making

The analysis provides insight into the initiative's value. The value includes an assessment and insights into the:

- The value associated with levels of well-being and deprivation
- The potential economic value created for the region by the initiative
- The investment and levels of productivity and effectiveness of the solutions

This report supports the expression of interest. Insights in this report may provide guidance for the design of the solutions and decisions on the pace for implementation and the scope of the initiative

Contents

Investment to deliver the results

Value invested in Tairawhiti

The Value Assessment identified $2.7 billion of Tairawhiti investment.

The $2.7 billion included:

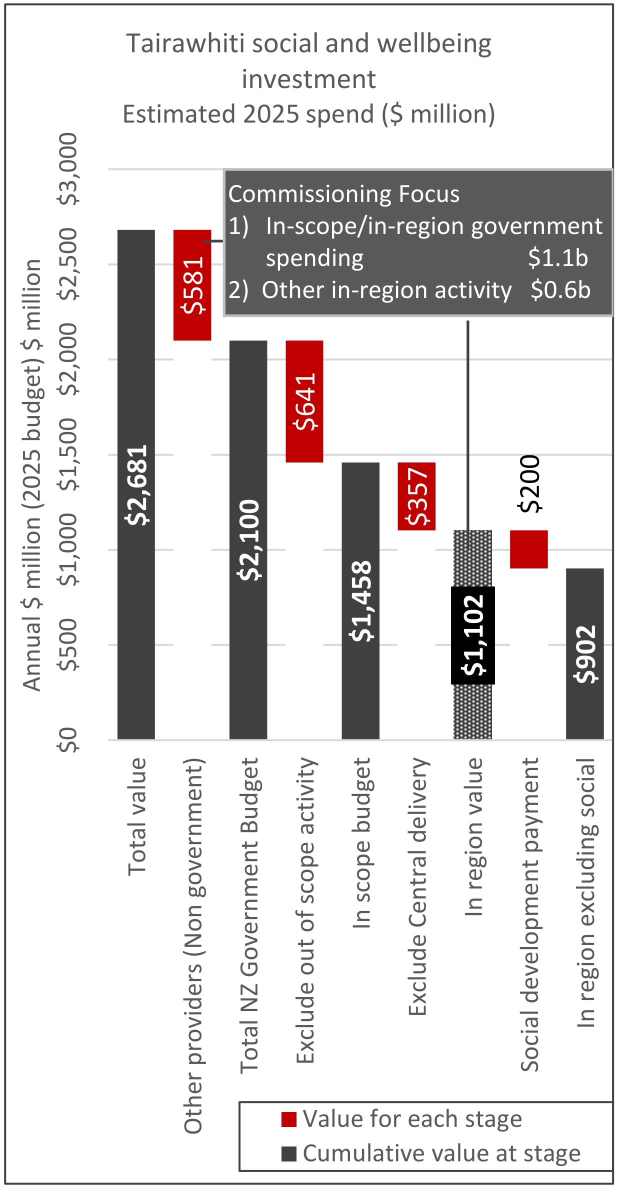
- $1.4 billion of government spending on in-scope activities. This includes potential in-region and out-of-region spending. The commissioning focus is on potential in-region spending of $1.1 billion
- $0.6 billion of spending by other organisations that may be linked to social and wellbeing outcomes. It is assumed that $0.5 of this is in-region spending
- $0.5 billion of out-of-scope government investment in other activities

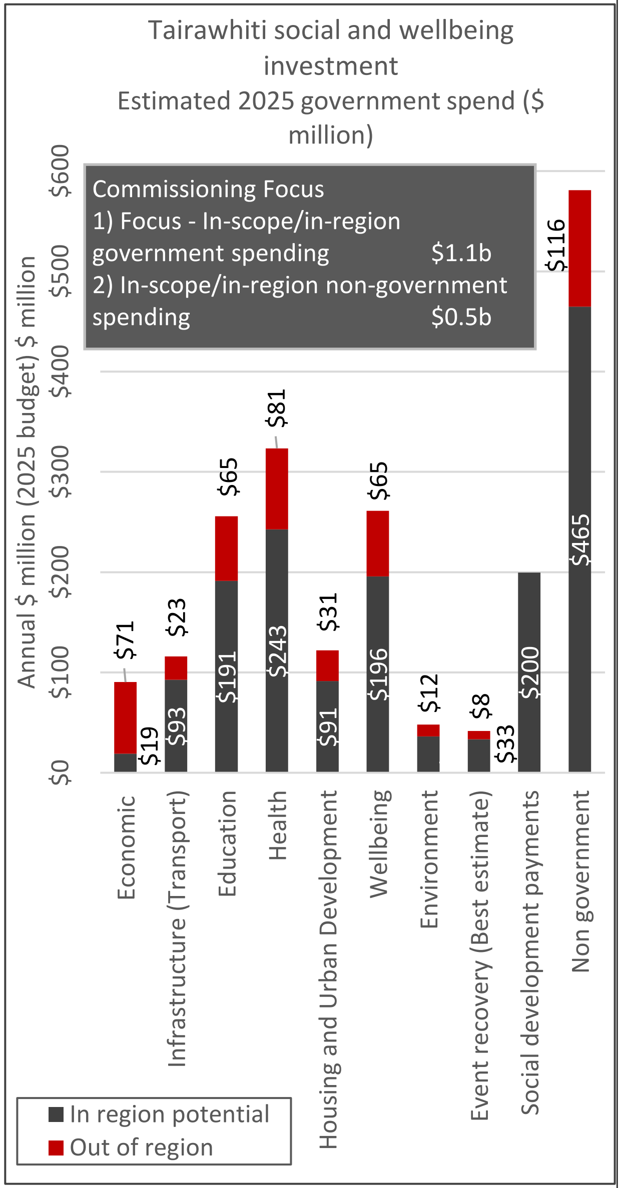
Social and wellbeing related investments equate to:

- In-scope/in-region government spending: 37% of Tairawhiti GDP
- In-scope/in-region non-government spending: 23% of Tairawhiti GDP

The analysis indicates that for Tairawhiti's 2025 GDP of $2.9 billion to match its peer regions in New Zealand, it should have been $1.1 billion higher.

In 2036, this value increases to $2.5 billion with changes in population and the New Zealand economy.





Investment to deliver the results

Tairawhiti Community Commissioning's value assessment presents compelling evidence for decisions to make this initiative happen.

Tairawhiti Community Commissioning key decisions are the scope and scale of commissioning and the pace to fully realise its benefits.

It is recognised that some evidence for assessment has been collated at a pace just sufficient for decision-making. Additional layers of information will be collected over time, but at greater cost. Our assessment is that this does not add real value because:

- The level of impacts and benefits of the community commissioning opportunity significantly outweighs the potential costs
- Resources should be applied to shaping the solutions and implementing them
- The organisations, leaders and experts involved in the current delivery of commissioned services are fully aware of the impacts, benefits and costs

Tairawhiti Community Commissioning continues the region's journey, at pace and scale, to lift prosperity and wellbeing to levels that are fit for today and future generations.

The key is to build on what works well today, eliminate waste and underperforming solutions, and leverage new capabilities, innovations, technologies, and ways of working for better outcomes.

This allows the navigation of barriers that undermine prosperity and well-being. What is truly innovative is the way of making things happen. This is the foundation for technology solutions that take the way of working to the next level of performance.

This can be a game-changer for Tairawhiti.

This is not radical, new or takes extended time. It happens now. It does not wait for years to begin and years to implement. It is live, and this just shapes the future for the:

- Wellness of 18,000 households
- Prosperity of 53,000 residents
- The opportunity for households and residents today, which is a magnet for those who are attracted here and those who form the next generation

The four Tairawhiti Community Commissioning values that matter make up one single system:

- Value 1 Wellbeing of people: Reducing the financial and non-financial impacts for individuals and households caused by high levels of deprivation and low levels of wellbeing. This is expected to impact >65% of Tairawhiti residents
- Value 2 Economic and enterprise uplift: Flipping the lost value of deprivation into creating the uplift in economic and enterprise value that Tairawhiti can truly deliver and enjoy
- Value 3 Retaining and attracting people and enterprises: Through the impact of wellbeing and economic uplift, negating the flow of whanau and enterprises out of the region, and instead being the magnet that attracts people and enterprises to the region.
- Value 4 Service delivery volume, productivity and efficiency of delivering the solutions: >$2 billion is invested in the well-being of whanau in the region.

(see following page for additional detail)

The values are not separate; they are integrated into one system. It is not appropriate for decision makers to separate these values.

Investment to deliver the results

Four Tairawhiti Community Commissioning values are connected as part of a single system. Improvement in one of the four values in the systems flows into changes in the other parts of the system.

The value assessment considers who the value is for, what creates value (interventions), and the investment required in changes to the way of working. These factors define the type of value that is measured.

Investment to deliver the results

Tairawhiti Community Commissioning Value

Type of value	For who	What	The way of working	Assessing the value
Value 1: Wellbeing of people	• People (population) • Young population • Deprived population • Mobile population (moving between regions) • Households	• One integrated intervention system • Multiple ways into the systems and connecting the system to change outcomes	• Commission what is needed • Secure delivery of the service • Apply a way of working designed for needs • Leverage data, digital and technology to improve	• Value to create or lose from a good or deprived life (non-financial such as years of living and financial, such as lost income)
Value 2: Economic and enterprise uplift	• Employees in Tairawhiti or moving between regions • All enterprises engaged in providing services • All enterprises induced to provide services or increasing scale	• Employment growth (Hours, EFTs, income) • Payments to employees • Revenue, profit, GDP) • New enterprise and clusters of enterprise	• Shifting people into workforce participation and high value roles • Enterprise development to accelerated Tairawhiti economic growth (to reduced the gap in GDP) • Cluster development	• Regional economy (Total revenue, GDP, payments to employees, employees)
Value 3: Retain & attract people and enterprise	• People (individuals or households) crossing the Tairawhiti border) • Enterprises (start-up to growth) crossing the Tairawhiti border	• Net increase in population • Net increase in the number and revenue of enterprises	• Thriving economy and high levels of well-being attract people and enterprises	• Regional economy changes (population, employment, revenue, GDP)
Value 4: Service delivery volume, productivity and efficiency	• Funders of the activity (public, not for profit and private sector) • Commissioning entity • Enabling entities (policy, needs, quality, privacy, security, risk) • Providers (Delivery)	• Prevention (reduce volume, time and severity) • Cost to serve • Lost value/waste • Reallocation of investment	• Case management • End-to-end process for the way of working • Digital, data resources, innovation and investment	• Total cost and cost per case (number of people, issues, interventions and cost or benefit, per intervention)

Value 1: Well-being of our people

Total value at stake

The value of good or poor well-being is very significant. This value is real for individuals and regions.

The Tairawhiti region is assessed as the most deprived region in New Zealand. The experience is that the level of social wellbeing establishes virtuous or vicious cycles.

If social well-being is good, it gets better. If social well-being is low, it gets worse.

The projections include:

- A reduction of 3,250 severely deprived households (the assessment is that there are 4,400 more severely deprived households in the region than expected, and some of these households move to lower levels of deprivation)
- Reducing the cost of deprivation per year by 50% of the total measured deprivation impact value for all the households still with deprivation ratings of 7-10 (Approx $45,000 per household per year)

The annual reduction in costs increases as the number of deprived homes declines. Increased well-being and reduced deprivation have:

- A value in year 5 of $130 million per year
- **A peak value of $220 million per year**

The total value is highly dependent on the pace of implementation and the effectiveness of the solutions.

Drivers of the wellbeing and deprivation costs and improvement

Social well-being in Tairawhiti is locked into a vicious, decades-old negative cycle. The signals that the negative cycle is locked in for the region include such issues:

- Low level of education participation and achievement
- Poor health
- Low participation in work and higher levels of unemployment
- Low incomes, low levels of employment attendance and fewer quality workforce opportunities
- High needs for justice and high needs for social support
- Poor and expensive housing, energy and food
- Lower levels of cultural, creative, arts and recreational activity

These are not isolated issues. These issues are all connected within a single system. In Tairawhiti, the deprivation surveys over the last 5 years highlight that:

- >3,600 households (with >10,800) residents have a “materially deprived” rating
- >8,100 households (with >24,000 residents, >50% of residents) have a “severe” rating for deprivation

The total number of households rated severely deprived is 4,400 higher than expected based on the rate experienced by the rest of New Zealand.

The Ngao-tu, Ngao-pae, Rauawa Trust Limited’s examination of the Māori economy concluded that 20%-25% of Māori households were experiencing high levels of deprivation. The cost of deprivation was assessed at approximately $90,000 per house per year. This cost per household was aligned with global benchmarks. The value provides a reasonable benchmark for the costs of social deprivation for the higher levels of deprivation in Tairawhiti.

Some of this cost can be reduced by the Tairawhiti Community Commissioning of solutions better suited to the community’s needs.

Value 1: Well-being of our people

The impact of low wellbeing

The wellbeing impact combines non-financial and financial costs.

The two values set a standard for household quality of life.

The comparison of the Tairawhiti ratios for individual assessment of wellbeing and deprivation measures indicates that there are 4,400 more households experiencing material or severe low wellbeing than expected.

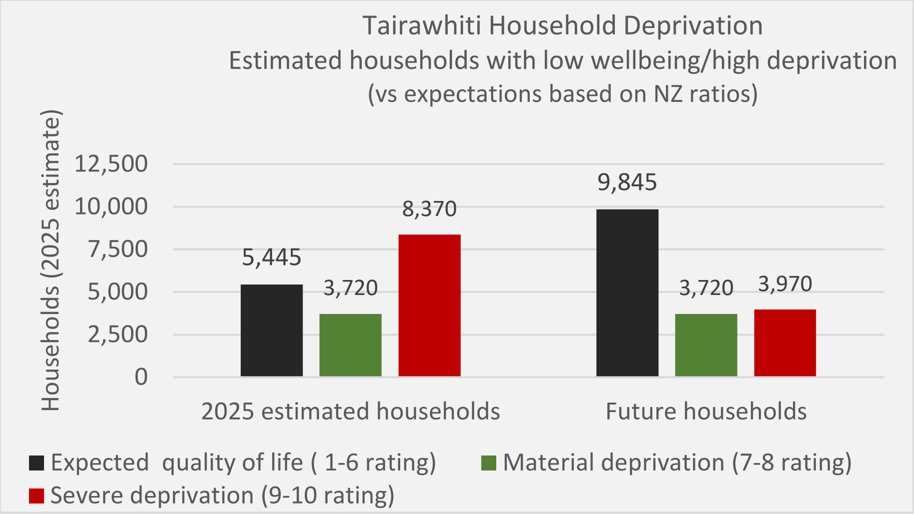
To provide an understanding of the relative value of reduced quality of life, the non-financial impacts are converted into monetary terms. This has applied a combination of New Zealand and global measures to reach a value.

The value of impact is the result of thee key factors

- 7 years to complete the program: The program is for 80% of 4,400 households with high levels of deprivation rated 9-10 out of 10, reducing to 1-6. The improvement is valued as a 50% reduction in the impact of deprivation for these households (an estimated 50% of the cost of $95,000 per year)
- 7 years to complete the program for the rest of the household with higher deprivation: The program is for 80% of all other households with high levels of deprivation rated 7-10 out of 10. The improvement is valued as a 20% reduction in the impact of deprivation for these households (an estimated 20% of the cost of $95,000 per year
- 3 years to complete the change and realise benefits

The wellbeing impact combines non-financial and financial costs. Exploring the change in value of well-being highlights the:

- Annual value of improvement is very significant, peaking at $220m per year
- Value represents a high portion of the regions $2.9 billion GDP (>7%)
- Value of improved wellbeing feeds into the economic uplift of the region.



Value 1: Well-being of our people

Total value of interventions that improve wellbeing of our people

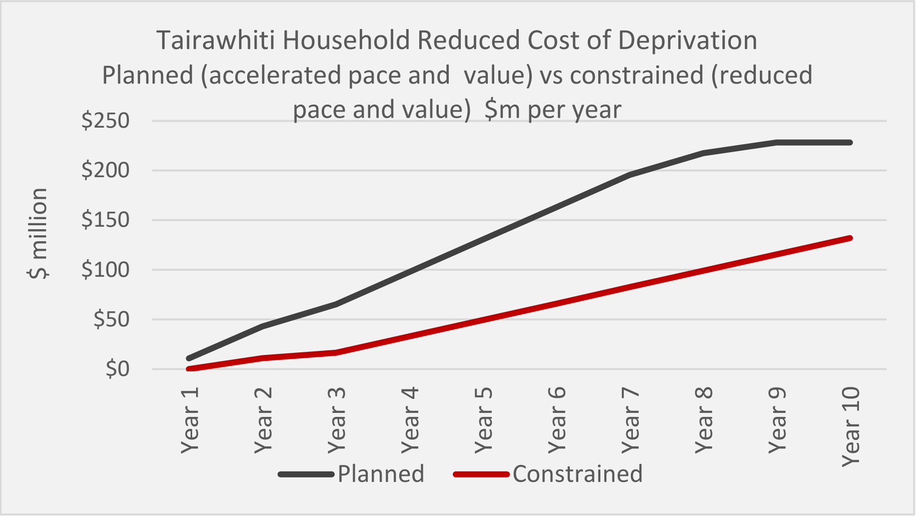
The value of the wellbeing impact is determined by the program start date, the pace of change in the number of deprived households, and the positive impact per household.

The value of impact is the result of four key factors

- Starting the program from year 2
- 10 years to complete the program: The program is for 70% of 4,400 households with high levels of deprivation rated 9-10 out of 10, reducing to 1-6. The improvement is valued as a 40% reduction in the impact of deprivation for these households
- 10 years to complete the program for the rest of the household with higher deprivation: The program is conservative at 70% of all other households with high levels of deprivation rated 7-10 out of 10. The improvement is valued as a 20% reduction in the impact of deprivation for these households (an estimated 20% of the cost of $95,000 per year
- 3 years to complete the change

The constrained program reduces the annual value of improvements from $220 million in year 10 down to $150 million.

On a cumulative basis, this would represent a 50% reduction in impact over 10 years.



Value 2: Economic and enterprise uplift

Total value at stake

A thriving 2025 Tairawhiti economy GDP should be $1.1 billion higher, at $4.0 billion (i.e., increased from $2.9 billion).

A future value in 2036 that accounts for population change, workforce participation, average incomes and the improved health of the Tairawhiti economy should be $2.5 billion higher at $5.5 billion.

The projected 2036 GDP gap, excluding population and standard economic trends, is $1.5.

An economy that is constrained by 30% vs the regional benchmarks is connected to:

- **2,200 fewer jobs than expected.**
- **$500 million employee payments gap**
- **$1.1 billion GDP gap**
- **$3.3 billion enterprise revenue gap**

These values will increase over 10 years.

All these values would be multiplied by >35% if the populations of the Wairoa and Opotiki regions were included.

A Tairawhiti Community Commissioning solution that is fit for the region would make a significant contribution to reducing these gaps.

Drivers of the low value of the economy

The most significant drivers of the economic value gap are all linked to the health of the combined prosperity and wellbeing system. This is evident in:

- Workforce participation: Tairawhiti workforce participation, including the unemployed, is approximately 6% below the national average (65% vs NZ 71%).
- Unemployment: Tairawhiti unemployment rates are 0.5% to 1% higher than the rest of New Zealand. The small gap in part reflects the lower level of workforce participation
- Average annual incomes: 15% lower than New Zealand incomes.
- Induced economic activity: The low rates of employment, average incomes, wellbeing and reduced direct spending flows into reduced indirect spend
- Sector mix: The Tairawhiti economy has a high share of employment (>25%) in "social and wellbeing" sectors. These sectors have a much lower level of GDP/revenue (17%) and a low GDP/employee
- Productivity: GDP/employee in Tairawhiti is estimated to be 25% lower than the rest of New Zealand.
- Health, education, and social deprivation: Gaps in Tairawhiti's health and education and wellbeing have a direct impact on both the hours worked and the value of products and services.
- Length of life: The average length of life in Tairawhiti, at approximately 79 years, is 2 years shorter than the rest of New Zealand.

Commissioning central government and other public sector investments in the well-being of individuals, households, or groups can improve the health of the overall economy.

Because the interventions work as a system, impact can be driven by a mix of activities and spending rather than by commissioning every single activity. Success in key areas also tends to lift other areas without direct intervention.

Value 2: Economic and enterprise uplift – A case study to explore

The economic value of social and wellbeing enterprises at stake

Social and wellbeing enterprise activity and investment include a mix of education, health, social development, housing, and parts of the economy, environment, and infrastructure.

The value is estimated to account for 1/4 of the region's economic output, employment, and employee payments.

This sector operates with collective advantages that can not be matched. The sector is poised to move from:

- From being experts in responding to problems: “Delivering services for fixing issues created in the past”.
- To build enterprises for the future: Optimising what works with innovation and technology and sharing this with customers.

The opportunity for the sector is to make a switch:

- From a group of enterprises with $5m - $25m of revenue working in the region for the people in the region.
- To a cluster of enterprises with >$100m of revenue working and sharing solutions across New Zealand and across global populations that have shared values, challenges and opportunities.

This represents a $500 million opportunity.

Turning social and well-being solutions delivery into high-value enterprises

Social and wellbeing activity is the single largest economic activity in Tairawhiti:

- **>25% of the region’s economic revenue**
- >25% of the region’s employees
- >10% of the region’s GDP
- Engagement with most of the region’s households, including for education, health and social support

The activity spans the entire region. This includes activity funded or delivered by central government, local government, Iwi and Māori organisations, not-for-profit and private enterprises

The organisations in the sector have become experts in what it takes to make things work in the region. They have identified what the needs are and developed innovative ways of working and delivery for the people of the region. This has combined efficiency and effectiveness.

The way of working has real and very important advantages. This starts with scale and its share in the region’s economy. What is delivered and how it’s delivered are evolving to be unique. A physically enclosed geographic location with connections to national and global experts is important.

The next stage in the enterprise’s journey is adding innovation, converting this to technologies, digital solutions, repeatable ways of working and learning, new services and new products

This shapes the whole cluster of Tairawhiti social and wellbeing organisations and enterprises into a new economic engine, a source of prosperity that sits alongside the uplift in wellbeing and the reduction in deprivation.

Commissioning and the region’s mindset create opportunities to shape this future

Value 2: Tairawhiti economic and enterprise uplift

Total value of interventions contributing to a healthy Tairawhiti economy

The total increase in value available to Tairawhiti from delivering prosperity and well-being is immense and unmatched by that available to the rest of New Zealand.

The total improvement in regional economic value takes into account:

- Regional population and national improvement in the economy
- Workforce participation and incomes to match regional benchmarks
- Enterprise productivity and profitability from a healthy economy

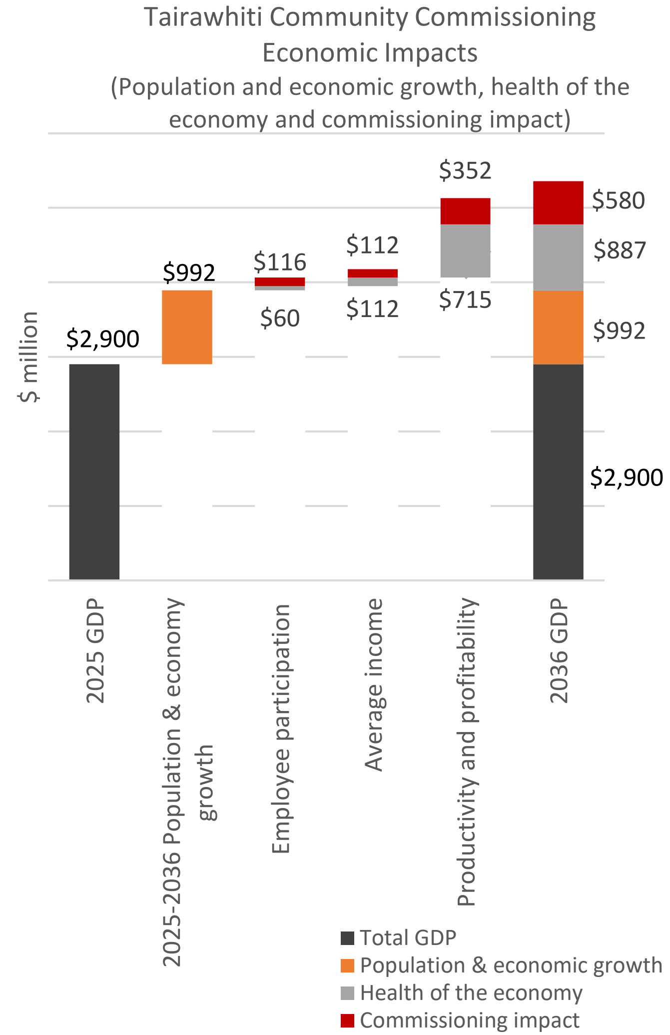
In 2036, it is projected that the value of the gap between the Tairawhiti and the rest of New Zealand's economy will equate to $1.4 billion.

The role of Tairawhiti Community Commissioning is to lock in a very different way of working with new levels of innovation and capability. This should close a high portion of the $1.4 billion gap

The contribution from a high-performing Tairawhiti Community Commissioning organisation is projected to secure 40% of the change vs regional benchmarks, i.e. **>$600m per year**

Tairawhiti Community Commissioning decisions today determine the portion of the that can be realised. The four decisions that determine the value are:

- Pace to complete the commissioning program.
- Scope of the activities to be commissioned, including non-crown-funded activities
- The flexibility to improve the interventions and ways of working
- Activity that works in parallel to the commissioning activity.



Value 3: Retain and attract people and enterprises

Total value at stake

A thriving Tairawhiti should retain and attract individuals, households, and enterprises.

From 2018 to 2025, Tairawhiti's annual population growth was 0.7% lower than New Zealand's overall rate. Other regions have experienced significantly higher growth rates than Tairawhiti. From 2018 to 2025, annual population growth rates compared to Tairawhiti were:

- >1.5% higher for Tasman, Waikato and Canterbury regions
- >3% higher for Queenstown, Wanaka and Selwyn

A thriving Tairawhiti with high levels of economic activity and prosperity, high well-being, quality education and health and lower social risks should be growing significantly faster than the rest of the New Zealand population and economy.

An additional population increase of 1% per annum, with a corresponding alignment of employment participation, income levels and GDP productivity with benchmark regions, would in 2036 add:

- **5,270 to the population**
- **2,800 to the workforce**
- **$285 million to employee payments**
- **$490 million to GDP**

If Tairawhiti Community Commissioning improves the health of the region’s economy, it will also attract people and enterprises to the region.

A successful Tairawhiti Community Commissioning operation should secure 50%, **$245 million**, of the annual improvement

Drivers to attract people and enterprises to the region

Track record, reputation and results matter.

The inability to retain and attract people and enterprises over the past years has reflected the region's low wellbeing. The low levels of well-being in Tairawhiti today create a reputation linked to:

- The poor health of the Tairawhiti economy, including low economic activity and access to capabilities
- High levels of deprivation.
- High levels of economic and social uncertainty risks.

A fundamental problem for Tairawhiti is:

- These issues are visible to individuals and enterprises, and they shape the region’s reputation.
- Individuals and enterprises see that the region's well-being improvement solutions don’t work, and this diverts resources away from value-added activities like education and moves resources back toward direct support for individuals.

This has had a significant impact on regions economy.

Commissioning central government and other public sector investments in the wellbeing of individuals, households, or groups can help reverse the trend.

Value 4: Service delivery volume, productivity & efficiency

Total value at stake

Social wellbeing investment is the single most important wellbeing and economic activity in the region.

The total value of the activity is not truly understood. Based on the analysis, it is projected that the investment in these activities is responsible for:

- 25% of employment (6,600) jobs
- 25% of GDP with a link to employee payments and enterprise revenue
- Improving the wellbeing of 4,400 households with higher deprivation levels as a share of households than is the case for the rest of New Zealand
- Improving the wellbeing of an additional >8,000 households that face material deprivation issues

The productivity and efficiency of delivering an estimated $1.4 billion in central government investments and >0.6 billion in other investments are critical to the region.

The exploration of the current investment is that it is a vital contribution in the region to:

- $1.5 billion of GDP to reach a level that is comparable to the rest of New Zealand (approximately 50% increase).
- Align with significant changes now happening in the region. This includes changes to all infrastructure, local government, housing, all social and well-being, economic, major weather events and environment

The conclusion is that investment in the region will undoubtedly need to be shaped to support the lifting of both wellbeing and prosperity. This is a step change in the current out-of-region focus on simply addressing deprivation issues.

The switch in the shape of the investment activity and way of working social and wellbeing activity acknowledges that:

- This has a scale and relevance that is completely different to the implications for central government departments and other regions. For central government wellbeing delivery, the Tairawhiti wellbeing investments account for just 1% of the nation’s investment. This is relatively unimportant.
- Tairawhiti has been systematically developing a way of working better aligned with what works in Tairawhiti. The application of this has been constrained. The opportunity to introduce innovation and the next level of improvement is being missed.
- Tairawhiti could convert the wellbeing response to enterprise growth.
- The solutions designed out of region and delivered as “wellbeing responses” undermine effectiveness and efficiency. The solutions do not work. The risk is they magnify the problems and transfer them t future generations.

  (Note: The 28th Jan 2026 NZ Herald article and analysis of the 2024 Public Services Census highlighted that:

  “The commission itself lists the sector's biggest constraints: high work volumes and insufficient staff (82%), inefficient decision making (75%) and complicated or unnecessary processes (73%).
  … a guide to institutional moral collapses: micromanagement swelling as staffing shrinks, and a recurring grievance that last year’s cost-saving gutted key areas of expertise while deliverables stayed the same
  … Comments tend toward the negative by design, but they’re still the closest thing to unfiltered operational diagnosis you can get. The more relevant sting is the claim that free and frank advice is being quietly sanded down into careful, compliant advice, officials saying the priority has become not upsetting ministers rather than telling them the inconvenient truths.

Tairawhiti Community Commissioning addresses these issues.

This enables a lift in both efficiency to do more and effectiveness to allocate more resources where they add value.

Value 4: Service delivery volume, productivity & efficiency

Drivers of productivity and efficiency

As the organisation expands at pace, the level of decision-making on the needs for resolution, the way of working, and the nature of contracts and partnerships for delivery can have a significant impact on volumes, productivity, and efficiency.

Across all the government-funded activity, it is a reasonable project that **>390 million** could be realised through social and wellbeing investment. This benefit could be allocated to investment in value-adding activity in 2036.

The changes that are connected to the increased value of productivity and efficiency include:

- Increases for population, New Zealand-wide economic growth, and price increases
- Reduced demand as deprivation reduces
- Efficiency gains for commissioned activity that is managed in the region
- Efficiency gains for commission activity that is monitored in the region

The value could be increased with the inclusion of non-government-funded activity

The exploration of the value of productivity and efficiency highlights:

- Current productivity and efficiency are low
- Services can be designed to reduce the number of beneficiaries with high levels of deprivation and reduce the volume of activity for each beneficiary. The volumes can include the number of issues resolved per intervention, the time to resolve an issue, and the success of the intervention, ensuring there is no repeat. This drives productivity.
- Non-value activity and waste can be reduced. This can include reducing administration, duplicating activity, and barriers that increase the resources required for each intervention.
- As deprivation levels decline and wellbeing increases, the total number of beneficiaries will decline
- A solution can have a material flow into a "value-adding activity" that has a greater impact than resolving the needs.

The key observation regarding the level of productivity and efficiency that could be attributed to Tairawhiti Community Commissioning is:

- The solutions that increase productivity and efficiency on Tairawhiti have been designed and proven
- Effectiveness that lifts success and reduces volume is critical

For Tairawhiti Community Commissioning, it is emphasised that:

- Savings start to flow when the region moves toward well-being levels that match the rest of New Zealand. The scale and level of deprivation in the region indicate that this will take time.
- The change is urgent. Action is needed today to avoid delays that would add to the challenges.
- That reduced volumes and improved productivity, and efficiency will not generate savings. Financial benefits are needed to accelerate the reduction in negative outcomes, and then to invest in value-adding activity
- Efficiency should result in resources being moved to value-adding activities like education, health, innovation and enterprise

A starting point for any change is the design and commissioning of the "wellbeing partner" relationships.

Value 4: Service delivery volume, productivity & efficiency

Impact of reduced volumes, productivity, and efficiency

The value at stake is spread across 4 key areas. The value, as a portion of the total activity costs vary with the type of activity

The total value at stake could be>$300 million in 2025, plus $60 for non-government spend.

These values will increase over 10 years with population changes and standard economic growth. The future value in 2036 could equate to $400 million, plus $100 million for non- government spend

The value of productivity and efficiency would flow into:

- Increased wellbeing benefits
- Improved economic outcomes
- The retention and attraction of residents and enterprises

The value created from the program will be available to invest in value-added activity associated with improved education, health, economic, environment and resilience in the region

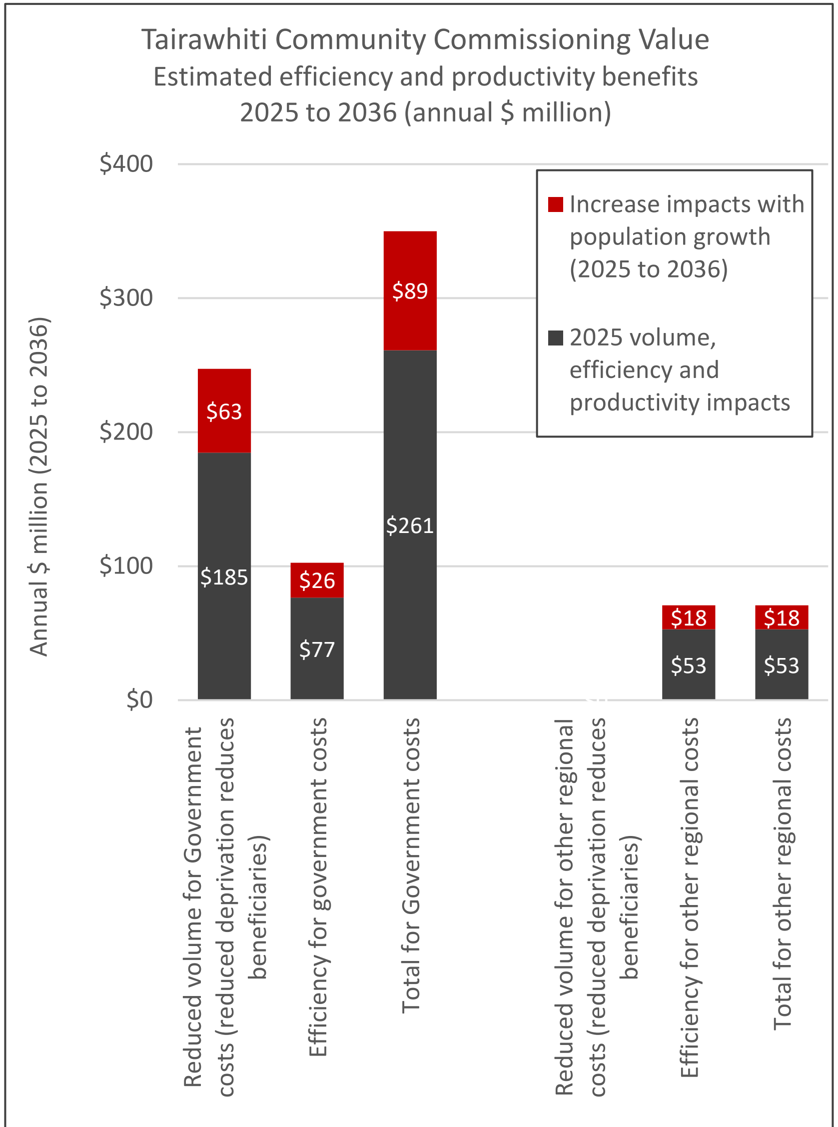
The four drivers of value of the productivity activity for Tairawhiti combine:

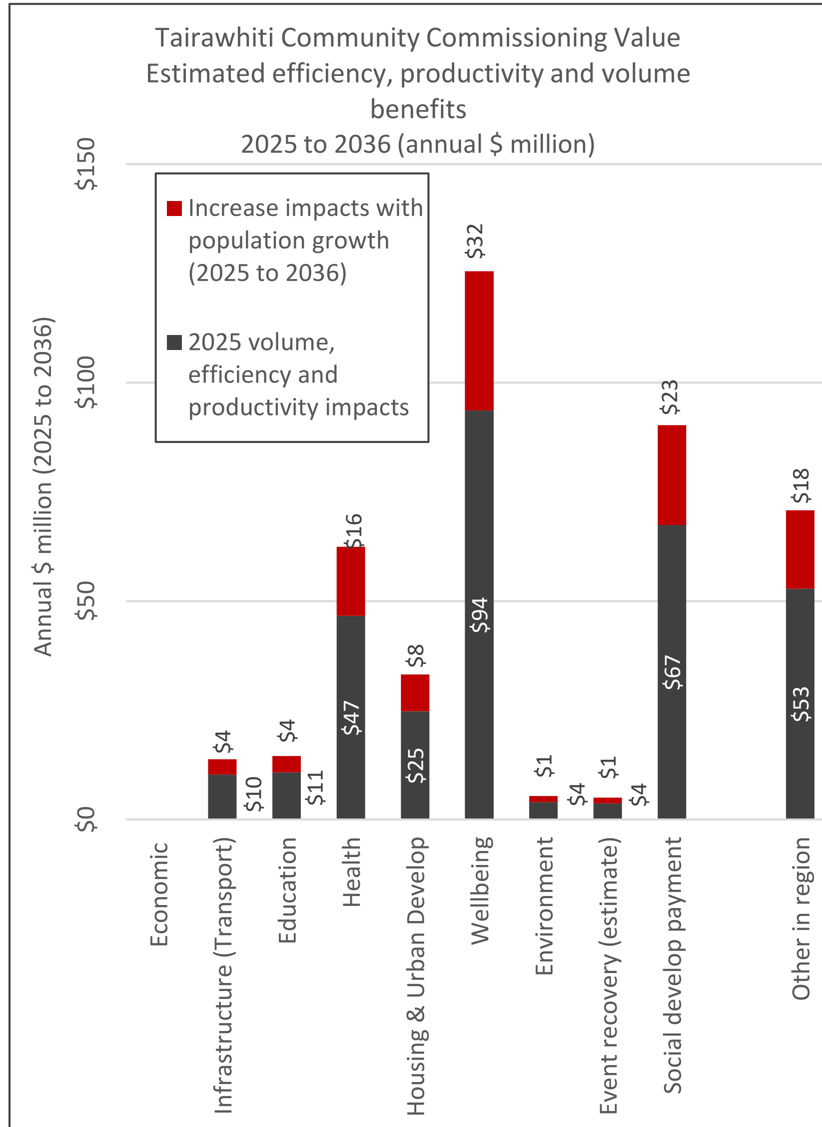
- Doing the right thing better
- Eliminating waste
- Moving activity closer to the need (from central regions to Tairawhiti)
- Engaging enterprises in delivery that are based in the region and retain employment and profits in the region

Sector focus	Includes	Key observations	Current investment	Potential value of volume and efficiency gain
Core social wellbeing	In region wellbeing and housing with adjustment for population and demand	High levels of waste, inefficiency & weak processes influence volumes of demand. Includes high policy, admin and activity delivered from outside the region.	>$380m spend. Increases to $510m in future	>$110m increasing to >$160m (mainly due to volume)
Education and health	Central government and direct spend for changing population	High policy, admin and centralised procurement, local labour. Service designed to meet national type of needs. Cost is linked to wellbeing issues.	>$570m spend. Increases to $770m in future	>$50m increasing to >$70m (conservative value due central role)
Economic	All economic, construction, environment, and event recovery	High admin for procured service. Significant engagement of out-of-region providers.	>$290m spend. Increases to $390m in future	>$15m increasing to >$20m (conservative value)
Social develop-ment payments	Direct payments to beneficiaries adjustment for population and demand	Gisborne region beneficiary to working age population is the highest for NZ. Reducing this by 2/3 is critical to reducing volume and cost	>$200m spend. Increases to $260m in future	>$70m increasing to >$90m
Other in regional activity	Includes Council, Iwi, trusts, not for profit and enterprises.	The integration of government activities and all other provider activities magnifies efficiency gains	>$580m spend. Increases to $780m in future	>$50m increasing to >$70m
Total	As above – Includes provision for reduced deprivation volumes	Value is reallocated to other activity	>$2 billion spend. Increases to $2.7 billion in future	>$310m increasing to >$420m

Value 4: Service delivery volume, productivity & efficiency

Impact of reduced volumes, productivity, and efficiency





Value assessment summary

Tairawhiti Community Commissioning's value assessment explores the initiative's impact on Tairawhiti.

This focuses on the optimal use of the >$1.4 billion in public-sector investment in the region's education, health, and social well-being solutions. The priority is on the estimated $1.1 billion in-region spending

The assessment also includes a high-level valuation of the investment of other organisations in the region

The Tairawhiti Community Commissioning Value Assessment will be updated as the program progresses through subsequent decision gates.

Tairawhiti Community Commissioning continues the region's journey, at pace and scale, to lift prosperity and wellbeing to levels that are fit for today and for future generations

The four Tairawhiti Community Commissioning values that matter form a single system. This includes:

- Well-being of our people
- Economic and enterprise uplift
- Being a magnet to retain and attract people and enterprises
- Productivity and efficiency in the delivery of wellbeing services.

Tairawhiti Community Commissioning, built on a strong foundation, is designed to accelerate the realisation of valuable benefits from the current and future government investment.

In the future, the initiative's impact could be magnified through partnerships with other organisations and funders engaged with Tairawhiti residents.

The value identified in the assessment highlights the impact that the initiative should have on the well-being of the current 18,000 households and 53,000 residents, and for future generations.

The values are not separate; they are integrated into one system. It is not appropriate for decision makers to separate these values.

The realisation of the identified value is dependent on the decisions on:

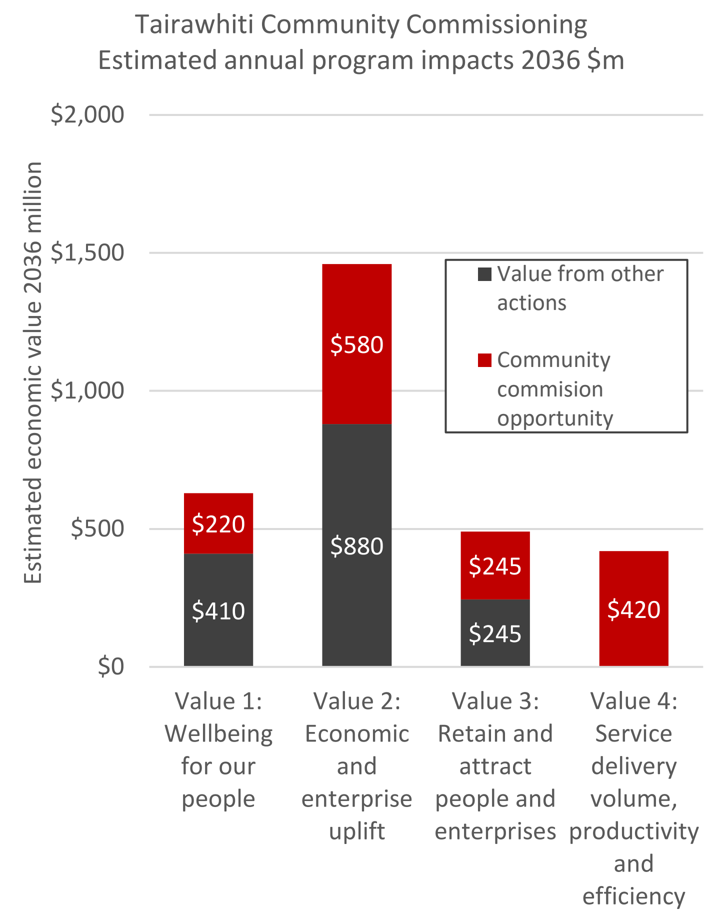
- Pace to complete the commissioning program.
- Scope of the activities to be commissioned, including non-crown-funded activities.
- The flexibility to improve the ways of working.
- Activity that works in parallel to commissioning.

The high-sensitivity, high-impact point is the partnership relationship for well-being with 4,400 households. This can happen at pace.

Value assessment summary

Key value	What impact	Total value identified	Value identified
Value 1: Well-being of our people.	Positive impact on 19,000 households with a high impact on 4,400 households facing the major challenges	> $640 million in 2025 including >$330m for 4,400 high priority households This value will rise to over $850 million over 10 years with population changes	Potential >$220 million of realisable impact from community commissioning (Note: Impacts and financial and non-financial impacts for the home)
Value 2: Economic and enterprise uplift	A lift in the economy for 54,000 residents and 25,000 employees, including increased payment to employees, GDP and enterprise revenue	> $1,460 million of GDP in 2036 for GDP to match the GDP of higher performing peer regions (This excludes the impact of population changes)	Potential >$580 million of realisable impact (This includes workforce participation and average income changes. excludes the impact of population changes)
Value 3: Retain and attract people and enterprises	Retaining and attracting residents/ enterprises at a rate 1% higher than national trends	>$490 million in 2036 (Based on an additional population increase of 1% with higher GDP/capita)	Potential >$245 million (approx. 50% of total uplift)
Value 4: Service delivery volume, productivity and efficiency	Optimising the efficient government investment of $1.2 billion and a total $2 billion of spending to do more with fairer impact	>$420 million in 2036 plus impact for other in-region enterprises (Values include reduced benefits as deprivation is reduced)	Potential >$420 million (Includes $90 of reduced payments to beneficiaries plus impact for all other organisations.)

Note: Realised value depends on the cumulative value of activity that is commissioned in the region



Note: Some impacts flow through multiple value levers. Impacts across the 4 value levers should not be consolidated as a total value

Simon Hunter
Advisor for better outcomes

simonhunter@mshaotearoa.nz
+ 64 274 899 737
MSH Aotearoa Ltd

Join the discussion:
https://www.linkedin.com/in/simonmhunter/

MSH Aotearoa Ltd is a private company established by Simon Hunter in 2019 to “make stuff happen” (MSH) in Aotearoa, New Zealand.