Response from the Tairawhiti Commissioning Working Group to the patai from Te Runganganui o Ngati Porou (Set 2)

On 3 June 2026, Te Rūnanganui o Ngāti Porou (TRONPnui) provided the Working Group with a second set of questions relating to the Tairāwhiti Community Commissioning proposal. The following responses were provided by the Working Group on 5 June 2026.

1. **How has TCCA confirmed the total spend on commissioning + social services into Te Tairawhiti is $1.5bn**

    1. No. TCCA has confirmed its view of the total government spend across housing, health, education, social services and training/employment in to Tairawhiti at $1.5b per annum.
    2. This is contained in the draft business case sent to you on 1 May 2026. The NZIER report from 3 years ago has the figure at $1.3b per annum. This is also attached.
    3. The updated version of our business case is attached but the information is the same as what was sent to you on 1 May 2026. We have also provided two further reports on Commissioning Evidence and Commissioning Value Assessments.
    4. To help you find it, we have included the relevant section from page 14 of the *Commissioning Evidence* report below.

7: Investments to deliver the results in Tairawhiti

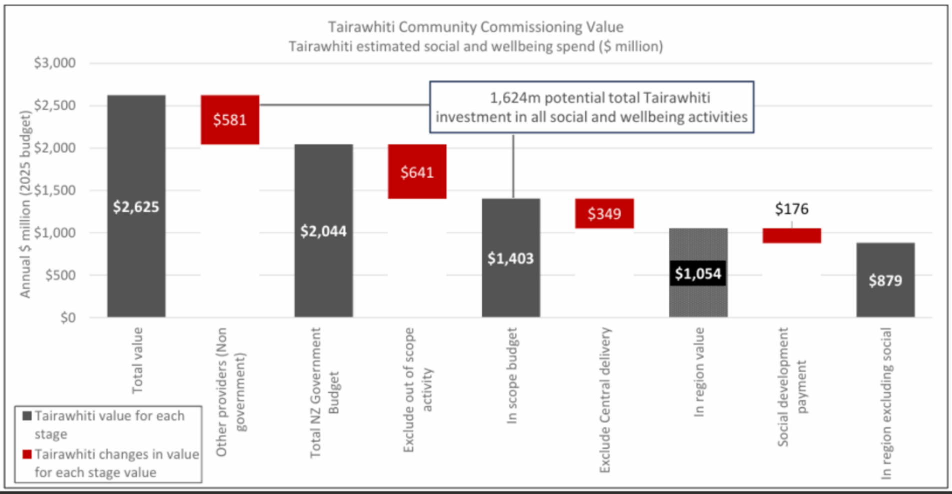
The total crown investment in social and wellbeing service delivery in Tairawhiti is estimated at $1.2 billion. An additional $200m has been included for investment in event recovery, such as storm recovery.

It is estimated that an additional $581 million will be invested by a mix of not-for-profit and private-sector enterprises.

The estimates amount to approximately 25% - 30% of the region's total economic activity.

High investment in social and wellbeing activities is linked to low GDP in the region. This is the result of:

- GDP for each $ of social and wellbeing activity is lower than GDP for other economic activities
- High levels of employment in social and wellbeing activities result in lower resources available for other economic activity

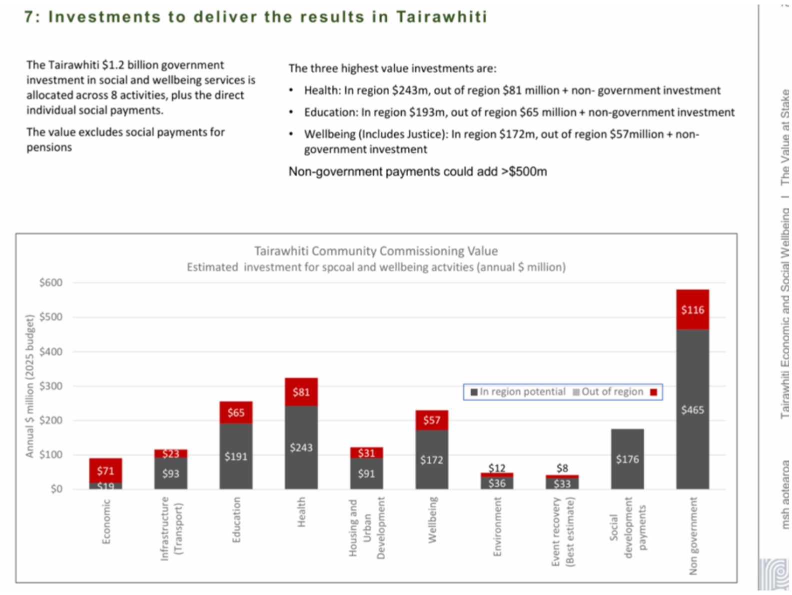


2. **How has TCCA confirmed the Government spend of $800m on the commissioning of Social Services into Te Tairawhiti.**

    1. Firstly, our view of social investment is broader than social services, as noted in 1.1 above.
    2. Secondly, our view is that across housing, health, education, social services, and employment and training, government overheads (including national and regional offices) total approximately $800 million.
    3. We have confirmed this through research undertaken by Simon Hunter, which is attached.
    4. We outlined this in a meeting with the Prime Minister in October 2025 (Tūranga) and again in a meeting with the Prime Minister in December 2025 (Beehive). The second meeting also included the Minister for Finance and Social Investment, the Minister for Social Development, and the Minister and Associate Minister for Housing, who is also the Minister for Māori Development.

3. **How has TCCA confirmed that the Government currently purchase $700m of services or fund social activities to this value Te Tairawhiti.**

    1. Firstly, our view of social investment is wider than social activities as noted in 1.1 above.
    2. Secondly, our view is that across housing, health, education, social services and employment/training the government purchases $700m worth of services through base line funding each year.
    3. We have confirmed this for ourselves on the basis of our research through Simon Hunter, which is attached.
    4. We outlined this view in a meeting with the Prime Minister in October 2025 (Turanga) and again with the Prime Minister in December 2025 (Beehive). The second meeting included the Minister for Finance/Social Investment; the Minister for Social Development; the Minister and Associate Minister for Housing (who is also the Minister for Maori Development).
    5. Section 7 of the attached *Commissioning Evidence 2025* also notes:



4. **Does TCCA know the breakdown of the total spend by sector in Tairawhiti in terms of Health, Housing, Education etc**

    1. We have made our assessment as detailed in the attached documents and the NZIER report.

5. **Does the TCCA know which services that the government is intending to transfer to local commissioning agencies, is it all of them, just specific ones or a portion of specific social services.**

    1. No, we don't know which services the government is intending to transfer to local community commissioning agencies. During their webinar, in responses to questions from interested parties they indicated that capital funding for housing would not be a part of Community Commissioning.
    2. Despite this, we are applying for all of those funds covering housing, health, education, social development and employment/training for Tairawhiti.
    3. Our position is clear. The current system is broken and the results of the 2023 Census shows this. The wellbeing plan that we are focussed on is something that we will champion irrespective of what the government deems that they will transfer to community commissioning entities. Our wellbeing plan will be championed with local and international philanthropic groups that want to make social impact investments into our people in our region.

6. **What is the estimated spend that the govt is intending to devolve to a Community commissioning agency over the next 1-2yrs, is it in the vicinity of $5m $50m, $500m, $1bn or 1.5bn?**

    1. This is a question that would be best directed to the Social Investment Agency, as it relates to decisions that sit with the Government and the Agency's Community Commissioning process.
    2. The short answer is that, in the next financial year, to complete the design work, the Government is making $1 million available for that process, as we understand it. Future social investments from 1 July 2027 will be made in alignment with this design work, but ultimately the level of investment will be determined by the political will and appetite of the next government.
    3. The Working Party, through the National Iwi Chairs Forum, is championing with political parties a commitment to local decision-making on social investment. The main theme is to cap social spending and increase wellbeing outcomes. The figures you are querying are the same figures we will be using.
    4. Points 5.1 to 5.3 above are repeated.

7. **How does TCCA plan to cut commissioning cost by more than 50% with a smaller scale (from 53.3% of total funding down to 26.7%)**

    1. The overheads for Toitū Tairāwhiti Housing Limited are 8%.
    2. If government overheads are $800 million, or 53.3%, and the full amount is transferred across, then the aim of the TCCE is to reduce these overheads over a three-year period (to be achieved four years from now).
    3. In terms of the mechanics, our Working Party has not worked through that in detail. However, during the development of the EOI, the following implementation assumption was raised for consideration:

"Overall, we know that we can deliver the full $1.5 billion if the associated overhead funding is transferred with each funding tranche. For example, in Year 1 (2027/28), $100 million would carry approximately $8 million in overheads; in Year 2 (2028/29), $600 million would carry approximately $48 million in overheads; and in Year 3 (2029/30), the full transition would carry approximately $120 million in overheads."

4. Where the full amounts are not being transferred, for example $600 million instead of $1.5 billion, I expect that the remaining $900 million will include the costs associated with the inevitable structural changes in the 2028/29 financial year. This would include changes to government head and regional offices, along with new contracting arrangements, as we move towards full transfer by Year 3 (four years from now).

8. **CCA are using a very high figure like $1.5bn, but only plan to achieve up to $140m in 8yrs, this implies that $191m of funding would shift to their community model, $51m (26.7%) would be commissioning and $140m into services, as the total funding for the area does not change this funding would need to come from existing providers, how does this reconcile TCCA statements that their model would be using savings from Commissioning.**

    1. Refer to the response in 7.1 to 7.3 above.
    2. Any funds received would have overheads of only 8%.
    3. The EOI was a draft and contained the most conservative approach. The letter to the Prime Minister outlined the full extent of our proposal. Over the next week, we will work on reflecting the matters outlined in 7.3 within the EOI, irrespective of whether the Social Investment Agency has the ability to consider them.
    4. The EOI is only one approach. We have the Prime Minister attending next month, and we will continue our advocacy for the full approach, together with the approach to political manifestos noted in 6.3 above.

9. **At 140m of Services, is TCCA saying through its efficiencies of lower commissioning costs it will be able to provide a higher proportion of total funding towards services, as below:**

    1. Has the Government agreed to this model of transferring 100% of its commissioning funding, given that it would still be accountable for taxpayer funds?

       TCC Response:
       No, as explained above in detail.

    2. Have any of the Government's budget cuts been factored into TCCA's figures?

       TCC Response:
       No. The Budget was released last month. The impacts will flow through in the next financial year. We will reassess once we have data on the specific areas affected and where those impacts will occur. This will be relevant to contracting from 1 July 2027.

    3. Much Government funding is based on needs-based statistical information. How has TCCA identified the areas below as key priorities, and which existing areas of funding would be cancelled in preference to the areas below?

TCC Response:

1. The question refers to 'the below areas', however no areas were listed below the question for us to comment on.
2. In questions 1 to 3 above, we have identified the areas that we are targeting.

Attachments:

1. NZIER Government Spending in Te Tairāwhiti (July 2022)
2. MSH ESW Commissioning Value Assessment (May 2026)
3. MSH ESW Commissioning Evidence (May 2026 Update)
4. MSH ESW Commissioning Business Case (May 2026 Draft v4)

These documents are referred to throughout the responses above and are provided for reference.