

Regional Economic Development

Weekly Report

1 July – 5 July 2019

To: Hon Shane Jones

Minister for Regional Economic Development

Fletcher Tabuteau

Under-Secretary to the Minister for Regional Economic
Development



PROVINCIAL
DEVELOPMENT
UNIT

IN-CONFIDENCE

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1. Dashboard updates

1.1 Status of applications as at 4 July 2019

New projects this week	14
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Expressions of Interest (EOI)	Applications**	Total
397	697	1,094

1.2 Headline Numbers as at 31 May 2019 (monthly)

Total PGF funding committed	Total funding contracted	Total value of funding paid to date
\$2,280.17m	\$606.47m	Confidential advice to Government

1.3 PGF investment to date as at 31 May 2019 (monthly)

Approved	Announced	Unannounced
\$1,293.77m 344 projects	\$1,968.37m 286 projects	\$269.59m 58 projects

1.4 Job numbers as at 31 May 2019 (quarterly)

Number of jobs created	831
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1.5 Progress of applications and EOI as at 4 July 2019

Stage	Count
EOI / Application received	151
Evaluation	110
Inactive	228
Unsuccessful	337
Approved (pre-contract)	17
Contracting	54
Executed	197
Total	1,094

* Please note that the graphic has changed to reflect the number of inactive projects (projects either on hold or withdrawn) that were previously captured in the evaluation stage. Note unsupported EOI are now categorised as unsuccessful, resulting in increased numbers. Approved projects also include out of process projects managed by other PGF agencies.

**Application numbers and project numbers may differ, as an application may result in multiple projects.

2. Priority updates

Title	Region	Amount	Region
Northland Water Storage	Northland	\$18.5m	We expect the loan agreement to be executed on 4 July 2019.
Waikato Funding	Waikato	N/A	<p>An article was published on the front page of the Waikato Times as well as on the Stuff.co.nz website on 2 July stating that David Bennett MP, National Party Hamilton East MP has criticised Minister Jones for a lack of PGF funding approved in the Waikato region.</p> <p>The article is linked here: https://www.stuff.co.nz/national/politics/113724610/growth-fund-ruckus-waikato-left-with-scraps-says-mp</p> <p>In addition to the Momentum Hotel Development, there are a number of approved projects for the Waikato region that are yet to be announced:</p> <ul style="list-style-type: none"> • Te Wānanga o Aotearoa Centre for Māori Innovation and Entrepreneurship (\$500K) • Smart Waikato (\$449K) • Historical Maritime Park (\$731K) • Capacity funding for Te Waka, Waikato Regional Economic Development Agency (\$400K) <p>Our recommendation is that the Minister or Under-Secretary attend the opening for the Centre for Māori Innovation and Entrepreneurship on 30 July and that a press release is issued to coincide with this opening, announcing the funding for the projects outlined above.</p>
Confidential advice to Government			
Tairāwhiti Roding	Tairāwhiti	\$137m	<p>The Tairāwhiti Roding hui was well attended last Friday in Gisborne. The PDU NZTA and GDC met with Tier One companies on 28 June in Gisborne to discuss government expectations in context of Social Procurement Outcomes.</p> <p>The desired result of this forum is a common understanding and commitment to identifying and delivering social as well as</p>

			<p>economic value.</p> <p>This will be followed by a breakfast forum in late July/ early August with local subcontractors network to outline the work programme and opportunities for local roads and highways 2 and 35.</p> <p>The inaugural meeting of the Tairāwhiti Roads Contract Board took place on 2 July. Nedine Thatcher-Swann was elected as the Chair and [Privacy of natural persons] as the Community member. The Board received and accepted a report on the work that has occurred to date. The Board comprises representatives from Gisborne District Council, NZTA, the PDU and [Privacy of natural persons] as the Community member.</p> <p>The contract has been signed and pre-conditions have been met.</p>
Contract payments	All		<p>For the period 24 - 30 June, the Monitoring and Reporting team processed a record number of payments to recipients of PDU contracts. Over 30 invoices were processed with a combined total ex-GST of [Confidential information entrusted to the Go].</p>

3. Upcoming announcements

Date	Location	Projects being announced	Additional information
8 Jul	Bay of Plenty (Rotorua + Reporoa)	<ul style="list-style-type: none"> Reporoa Biogas (TBC) Ohaaki Geothermal Field (TBC) 	Site visit to Whakarewarewa forest and Rotorua lakefront
9 Jul	Hawke's Bay (USEC)		Meeting with Ngati Kahungunu
10 Jul	Gisborne	<ul style="list-style-type: none"> Matai Labs Aotearoa Social Enterprise Trust Wood Cluster–Centre of Excellence Riverlands 	Tairawhiti roading update
11 Jul	Ruatoria	<ul style="list-style-type: none"> Waiapu Package – TUR led 	
12 Jul	Whangarei	<ul style="list-style-type: none"> Northland Soft Berries 	Howard League update
16 Jul	Greymouth		Site visits - TBC
18 Jul	Invercargill	<ul style="list-style-type: none"> Stewart Island/ Rakiura Future Opportunities Project Managed Aquifer Recharge Pilot Testing - Oreti River Catchment COIN – Business and Community Led Co-Investment Network (TBC) 	

4. Schedule of recent and upcoming recommendations

4.1 Update on recommendations made in Senior Regional Officials meeting held on 27 June 2019

Project title	Region	Amount	Type	Decision
Pou Tangata - Te Whakairo hei huarahi ki te mahi (TAM)	Manawatū / Whanganui	\$50,000		Approve
Intensive Induction Training for new staff (TAM)	Manawatū / Whanganui	\$39,000	Grant	Approve
Life Talk (HPR) Northland	Northland	\$396,000	Grant	Approve
Confidential advice to Government				
The South Island Regional Driver HUB, (TAM)	West Coast and Canterbury	\$2,172,188	Grant	Approve
New Plymouth Airport Runway Extension Feasibility Study	Taranaki	\$56,762		Approve
Confidential information entrusted to the Government				
Te Tomokanga (The Archway),	Bay of Plenty	\$980,000	Grant	Approved
Confidential advice to Government - Declined				
Confidential advice to Government				
Otago Regional Economic Development (ORED) Portfolio Advisors Otago	Otago	\$400,000 (\$200,000 per year for 2 years)	Grant	Approved
Confidential advice to Government				

5. Delivery of projects update

5.1 Top priority projects of interest

Project name	Region	Amount	Description/ update
Confidential advice to Government			
Taranaki Crossing	Taranaki	\$13.5m	The \$13.5 million of potential PGF funding is awaiting a final approval by the Ministers of Regional Economic Development in July/August (TBC) and the Minister of Conservation. There is growing concern in the region that further delays in this project may mean that any physical works cannot begin for spring/summer weather. There is also desire amongst various iwi to get certainty about whether it will proceed so they can develop their own economic aspirations related to the upgrades of the Crossing.

5.2 Other projects

Project name	Region	Amount	Description/ update
Gisborne Airport	Tairāwhiti	\$5.5m	This project is being managed by [Redacted] ^{Pri} _{vac} ^{y of} [Redacted] behalf of Eastland Ports. The project is on schedule with the concrete floor completed and the structural framework including laminated wood and steel completed. There are two stages, stage 1 aiming for completion by October 2019 and stage 2 by June 2020. A notable fact is that 80% of the sub-contractors are local.

Project name	Region	Amount	Description/ update
Confidential advice to Government			
Taranaki Cathedral	Taranaki	\$5m	<p data-bbox="943 949 1362 972" style="text-align: center;">Confidential advice to Government</p> <p data-bbox="906 1070 1401 1330">The Cathedral's AGM is being held in the first week of July when they will discuss next steps. At this stage they are hoping the PDU will change the existing agreement to allow progress on one component of the project.</p>
Kaikoura Marina Redevelopment Programme	Canterbury	TBC	<p data-bbox="906 1352 1401 1697">The Investment Advisory Panel (IAP) is holding its next meeting in Kaikoura on 16-17 July. As part of this visit, the Kaikoura District Council will brief the IAP on the Kaikoura Marina Redevelopment Programme and undertake a site visit. An application to the PGF for this project is imminent.</p>
Confidential advice to Government			

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5.3 Major upcoming project milestones

Project name	Description/ update
Manea Footprints of Kupe Centre	Planning phase complete by the end of July 2019.
Old Ghost Road Upgrade – Upgrade 4km of Trail	Planning phase completed by the end of July 2019.
Westport Airport – Critical Infrastructure Resilience	Initiation phase completed by the end of July 2019.
Invercargill Airport Air Cargo and Terminal Development	<p>Project due to be completed by the end of July 2019.</p> <p>There may be a split of announcements.</p> <ol style="list-style-type: none"> 18 July Minister may announce the investment in the Airport 26 August, Minister will be heading to Invercargill on the inaugural flight from AKL. <p>If the announcement is made on 18 July that the PGF is supporting the development of the airport, it would not be a physical ribbon cutting. The 26 August announcements would include this.</p> <p>Note – the announcement of PGF investment in the airport on 18 July is yet to be confirmed.</p>
Advanced Aviation Hub	Final Business Case completed by the end of July 2019.
Taranaki – Innovation Precincts	Final Feasibility Study completed by the end of July 2019.
Development Phase Study for Tourism Services – Hokitika to Westport (KiwiRail)	Final Development Phase Report completed by the end of July 2019.
Marsden Aged Care Facility	Final Business Case completed by the end of July 2019.
Port Feasibility Study – Greymouth and Westport	Final Feasibility Study completed by the end of July 2019.
Feasibility Study pathway toward sustainable destination	Confidential advice to Government
Undertaking the Feasibility Studies of Three Projects Marine Centre of Excellence, Airport and Marina Project Development	Final Feasibility Studies completed by the end of July 2019.

6. Policy update

6.1 HoldCo

HoldCo

Cabinet has confirmed the names of directors for the PGF Limited Board and has appointed directors to commence their term on 1 August 2019.

PDU will now consult with appointed directors on the management agreement between PDU and the company board. Over the next few weeks, PDU will be doing policy work to confirm the Crown funding capital structure for PGF Limited, Confidential advice to Government and the financial powers restrictions under the Crown Entities Act. Confirming the financial powers for PGF Limited is required for the Order in Council to include PGF Limited in schedule 4A of the Public Finance Act.

Contact:

Isabel Poulson, Manager Strategy & Policy, Privacy of natural persons

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Appendix 1 – Completed Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Date sent
4017 18-19	PGF announcements and visits 2-3 July 2019	Minister Jones	Ben Dalton	28 Jun
4063 18-19	Under-Secretary Tabuteau visit to Woodville 3 July 2019	USEC	Kate Styles	1 Jul
4064 18-19	Event Briefing: July Recess Week Two	Minister Jones	Ben Dalton	4 Jul

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Appendix 2 – Upcoming Cabinet Papers, Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Due Date
TBC	July DEV Report Back 2019	Minister Jones	TBC	8 Jul
TBC	Event Briefing: July Recess Week Three	Minister Jones	TBC	11 Jul
TBC	Event Briefing: Sky Waka Gondola Opening	Minister Jones	Kate Styles	13 Jul
TBC	RED Ministers Meeting Pack	RED Mins	David van der Zouwe	16 Jul

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Appendix 3 – Official Information Act requests

Ministerial OIA						
Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
OIA023	Privacy of natural persons	25 Jun	16 Jul	25 Jul	Consultation	Any briefings or communications you as Undersecretary or your office has received in regarding to the 11 Marae Connectivity projects announced as part of the Wairoa/ Hawkes Bay PGF Press Release on 10 June 2019
OIA295		4 Jul	17 Jul	24 Jul	Consultation	Briefing: Options for engaging third parties to support the Provincial Growth Fund provided to the Minister on 6 May 2019. Provincial Growth Fund: Loan Approval Process and Delegated Authority for PGF Loans report provided to the Minister on 27-May.

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Departmental OIAs

Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
1819-1691	Privacy of natural persons	22 May	13 June	5 July	Review	All information relating to the feasibility study undertaken by the Ministry for Business, Innovation and Employment for KiwiRail on freighting logs by rail from Te Wera and Stratford to New Plymouth, and Port Taranaki.
1819-1779		10 June	1 July	8 July	Review	There is an extensive list of approved projects on the PGF website. Could you please tell me which of those involved grants or low interest loans on private land – and whether in each case the land is Māori owned? Treat this as a request under the Official Information Act if need be.
1819-1790		30 May	21 June	28 June	Consultation	I have now re-read the Cabinet papers publicly released about the Provincial Growth Fund. I can find no reference to the exclusion of Porirua City or more generally, metropolitan Wellington. I would therefore request the Cabinet reference and associated minute. I would also like advice provided by officials that support this Government position - specifically the policy rationale. I do this under the Official Information Act. It may be that I simply haven't accessed the right Cabinet papers but I would appreciate a link to the appropriate records.

Departmental OIAs

Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
1819-1799	Privacy of natural persons	13 Jun	4 Jul	11 Jul	In sign-out	I am requesting under the Official Information Act for the PDU to provide the following information: -Contracts for approved projects under the provincial growth fund and the amount of money that has been allocated to them. - Contract terms of each approved project including milestones, time-frames and payment schedules, and/or loan terms.
1819-1800		13 Jun	4 Jul	11 Jul	Drafting	I am requesting under the Official Information Act the PDU provides the following information: -How many jobs have been created to date through the Provincial Growth Fund? (include date from when this figure was recorded) -How many of these are made up of permanent full-time workers? -How many workers are permanent full-time workers? -How many of these workers are on contracts? - How many workers are migrants on a working visa? I would also like a breakdown of the jobs created by region.
1819-1838		19 Jun	10 Jul	17 Jul	Consultation	Can you advise me what applications were made to the Provincial Growth Fund and what were approved/accepted, for all applications relating to the Kāpiti Coast District?

Departmental OIAs

Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
1819-1863	Privacy of natural persons	21 Jun	12 Jul	19 Jul	Consultation	<p>I am interested in loans (not grants) to private businesses that have been announced as part of the Provincial Growth Fund.</p> <p>Please provide, for each loan:</p> <ul style="list-style-type: none"> - The recipient of the loan. - The size of each loan. - A brief explanation of the purpose of each loan (i.e. expanding a warehouse etc). - The interest rate for each loan. - Whether the cost of capital for each business receiving a loan has been calculated, and whether this a factor in determining the interest rate of the loan. <p>Finally, in more general terms, how is the rate of interest for each loan determined? This question can be answered generally, rather than with specific explanations for each loan.</p>

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Departmental OIAs

Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
1819-1896	Privacy of natural persons	27 Jun	18 Jul	25 Jul	Consultation	<p>We are interested in what, if any, progress has been made towards the establishment of a dry dock in New Zealand that is larger than the dry dock in Auckland. We request any information in respect of this. We specifically request any information since 2017 in respect of a possible dry dock in Whangarei or a dry dock Picton (Shakespeare Bay). This includes any written information of any type, including but not limited to, memos, briefings, Cabinet Papers, Cabinet Committee papers, letters, emails, designs and aide memoires. We specifically and additionally request the recollections of Robert Pigou of his conversations with officials and colleagues in the seven days prior to 27 June 2019, to the extent that they relate to dry docks.</p>

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Departmental OIAs

Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
1920-0018	Privacy of natural persons	3 Jul	25 Jul	31 Jul	Consultation	<p>I request the following information relating to the Provincial Growth Fund within the boundaries of the Kāpiti Coast District Council territorial authority:</p> <ul style="list-style-type: none"> • How many applications are currently under consideration by the Provincial Growth Fund in Kāpiti? • How many applications have been approved in Kāpiti but are waiting for a public announcement to be made (as of 2 July 2019)? • How many applications have been declined in Kāpiti? • How many applications have been received from the Kāpiti Coast District Council and how many of this are still under consideration, have been approved, or been declined?
1920-0014		3 Jul	23 Jul	30 Jul	Scoping	<p>All held information including; Expression of Interests, the funding application and it's supporting documents i.e. Letters of Support, all project planning documents, and all held correspondence between MBIE and all parties related to the 'Nga Pumanawa Tupuna' project which was funded \$948,000 through He Poutama Rangatahi announced 2 July 2019 by Hon Willie Jackson.</p>

Appendix 4 – Ministerial Correspondence

Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2445	Privacy of natural persons	17 Jun	8 Jul	Support for unsuccessful PGF application for at-risk youth hostel/programme
SJ2481		19 Jun	10 Jul	Response to their scientific research proposal being rejected by PGF
SJ2453		17 Jun	10 Jul	PGF work will result in "ghost towns" - new forestry will drive out farmers
SJ2456		17 Jun	10 Jul	Opposition to the Te Rau Aroha PGF proposal to take water from the Hāparapa
SJ2466		19 Jun	16 Jul	Pop-up business training course - could it be brought to Northland?
SJ2465		19 Jun	16 Jul	Desire to develop a Māori-led solar energy enterprise
SJ2461		19 Jun	16 Jul	Reject the application from Dunedin City Council for Harbour Basin project
SJ2458		18 Jun	16 Jul	Waste reduction - single use coffee cups - research and feasibility
SJ2522		24 Jun	22 Jul	Kawakawa Rail River Foreshore / Ashby's Boat Yard
SJ2510		24 Jun	22 Jul	STHW 38 Sealing
SJ2490		24 Jun	22 Jul	Housing Crisis
SJ2528		24 Jun	22 Jul	Maternity Services for Lumsden

Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2539	Privacy of natural persons	25 Jun	25 Jul	Westland dairy company
SJ2475		19 Jun	10 Jul	The Cathedral Project site development plan update
SJ2480		19 Jun	10 Jul	Ngati Pouro formula
SJ2544		3 Jul	24 Jul	Te Rimu Trust Barge Port Proposal
SJ2554		3 Jul	24 Jul	Regional Development New Plymouth
SJ2559		3 Jul	24 Jul	Opotikis wellbeing about to take a setback
SJ2588		3 Jul	24 Jul	Hawkes Bay Regional Water Security Programme PGF application
SJ2638		3 Jul	24 Jul	eMana Limited
SJ2623		3 Jul	24 Jul	New invention to reduce plastic waste in the environment
SJ2625		3 Jul	24 Jul	I can help with the plastic.
SJ2626		3 Jul	24 Jul	Trash video

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Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2628	Privacy of natural persons	3 Jul	24 Jul	PGF Investment to address NZ plastic challenges
SJ2643		3 Jul	24 Jul	Plastic Waste Solutions: 174 - 176 Neilson St Onehunga Auckland
SJ2646		3 Jul	24 Jul	Provincial Growth Funds Waste Plastics Solution: PLASTOIL
SJ2649		3 Jul	24 Jul	Waste disposal
SJ2615		3 Jul	24 Jul	Start-up business funding for recycling enterprises
SJ2620		3 Jul	24 Jul	A submission to GDC re the formation of a Spatial Plan.
SJ2604		3 Jul	24 Jul	Create a job not take a job
SJ2590		3 Jul	24 Jul	Regional Economic Development
SJ2486		20 Jun	25 Jul	PGF Investment in Gisborne
SJ2535		25 Jun	25 Jul	Christian Science Monitor article

Appendix 5 – Parliamentary Questions

Written Parliamentary Questions				
Tracking Number	From	Date received	Due to Minister's Office	Question
PQ 24360 (2019)	Hon Simon Bridges	3 Jul	5 Jul	What is the total financial value of approved Western Bay of Plenty applications as a percentage, if any, in comparison to other approved applications received by other regions by the Provincial Growth Fund since October 2017?
PQ 24362 (2019)	Hon Simon Bridges	3 Jul	5 Jul	What is the number of applications, if any, received by the Provincial Growth Fund from Western Bay of Plenty based applicants that have been denied since October 2017?
PQ 24363 (2019)	Hon Simon Bridges	3 Jul	5 Jul	What is the percentage of approved Western Bay of Plenty applications, if any, in comparison to other applications received by other regions by the Provincial Growth Fund since October 2017?
PQ 24364 (2019)	Hon Simon Bridges	3 Jul	5 Jul	What is the total value of declined applications, if any, received by the Provincial growth fund from Western Bay of Plenty based applicants since October 2017?
PQ 24365 (2019)	Hon Simon Bridges	3 Jul	5 Jul	What were the specific details of every declined application, if any, received by the Provincial growth fund from Western Bay of Plenty based applicants since October 2017?
PQ 24366 (2019)	Hon Simon Bridges	3 Jul	5 Jul	What is the number of approved applications, if any, received by the Provincial growth fund from Western Bay of Plenty based applicants since October 2017?
PQ 24367 (2019)	Hon Simon Bridges	3 Jul	5 Jul	What is the total value of approved applications, if any, received by the Provincial growth fund from Western Bay of Plenty based applicants since October 2017?

Written Parliamentary Questions

Tracking Number	From	Date received	Due to Minister's Office	Question
PQ 24369 (2019)	Hon Simon Bridges	3 Jul	5 Jul	How many applications, if any, have been made to the provincial growth fund whose applications were from Western Bay of Plenty?
PQ 24368 (2019)	Hon Simon Bridges	3 Jul	5 Jul	What were the specific details of every approved application, if any, received by the Provincial growth fund from Western Bay of Plenty based applicants since October 2017?

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Appendix 6 – Proactive Release

Documents for Proactive Release			
Name / Document Type	Quantity	Due for release	Status
Applications	257	From 8 July	Preparing
Funding Agreements	257	From 8 July	Preparing
Independent Advisory Panel Meeting Papers	2 document sets	From 8 July	Preparing
Regional Economic Development Ministers Meeting Papers	3 document sets	From 8 July	Preparing
Regional Economic Development Weekly Reports	5	From 8 July	Preparing
Provincial Growth Fund Position Paper - Airports	1	From 8 July	At Minister's Office
Provincial Growth Fund Position Paper – Feasibility Studies	1	From 8 July	At Minister's Office
Unlocking Tairāwhiti's Economic Potential: Tairāwhiti Roading Package	1	From 8 July	At Minister's Office

Documents Released This Week	
Tracking Number	Request