

Regional Economic Development

Weekly Report

15 – 19 July 2019

To: Hon Shane Jones

Minister for Regional Economic Development

Fletcher Tabureau

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 17 July 2019

New projects this week	20
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Expressions of Interest (EOI)	Applications	Total
408	734	1,142

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 17 July 2019

Stage	Count**
EOI / Application received	163
Evaluation	90
Inactive	255
Unsuccessful	360
Approved (pre-contract)	30
Contracting	31
Executed	213
Total	1,142

* Approved projects also includes out of process projects that are managed by other PGF agencies. Application numbers and project numbers may differ, as an application may result in multiple projects.

2. Priority updates

2.1 Commercial Information

Commercial Information

Commercial Information

Contact: Aaron Hape, Principal Advisor, Privacy of natural persons

3. Upcoming announcements

Date	Location	Projects being announced	Amount	Additional information
26 Jul	Manawatū-Whanganui			Sky Waka Official Opening USEC attending

4. Delivery of projects update

4.1 Top priority projects of interest

Project name	Region	Amount	Status	Description/ update
Confidential information entrusted to the Government				
Kaipara Rooding Contract	Northland	\$14,460m	With applicant	The contract queries have been worked through with Kaipara District Council. The contract is up for the Council's resolution to sign at its next meeting on 29 August.

4.2 Other projects

Project name	Region	Amount	Status	Description/ update
Opuke Thermal Pools and Spa	Canterbury	\$7.5m	With Investment	Methven Adventures Limited has now signed the loan agreement for the construction of the Opuke Thermal Pools and Spa at Methven.
Determining a Pathway Toward a Sustainable Destination and District	Canterbury	\$711,548	With applicant	Mackenzie District Council has now signed the Development Phase Funding Agreement for this project. The work is expected to be completed by March 2020.

Project name	Region	Amount	Status	Description/ update
Centre of Māori Innovation	Waikato	\$500k	With applicant	The launch of the PGF-funded Centre of Māori Innovation and Entrepreneurship is scheduled for Tuesday 30 July 2019. An invitation for the event has been sent through to Minister Jones' office.
NZ Chinese Association Ventnor Memorial	Northland	Confidential	With applicant	Confidential advice to Government
Kopu Marine Servicing and Business Precinct	Waikato	\$270k	Contracted	Thames Coromandel District Council have now completed the business case for the Kopu Marine Precinct. Confidential advice to Government
Sugarloaf Wharf	Waikato	\$558k	Contracted	Discussions have progressed regarding Te Ariki Tahī – Sugarloaf Wharf and how this application works together with the Kopu Marine Precinct. Officials will seek further direction from Ministers. Confidential advice to Government

4.3 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.

5. Policy update

5.1 Centres of Vocational Excellence

The Minister of Education is lodging a Cabinet Paper on Centres of Vocational Excellence (COVEs) for consideration at Cabinet Social Wellbeing Committee next week.

COVEs are one of seven changes to be introduced as part of the reform of vocational education. Their primary role is to drive innovation and excellence in vocational teaching and learning by strengthening links with industry and communities.

While much of the design work is still to be undertaken, we anticipate that there will be links with the skills and employment programme the PDU is leading, in particular jobs and skills hubs and Regional Investment Portfolios for Employment (RIPEs).

We will continue to work with the Ministry of Education and the Tertiary Education Commission to support their next steps, share lessons learned, and reduce duplication.

Contact:	Isabel Poulson, Manager Strategy & Policy, <small>Privacy of natural persons</small>
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5.2 Hold Co

The PDU is working to confirm the Crown funding capital structure for PGF Limited, Confidential information entrusted to the Government and the financial powers restrictions under the Crown Entities Act. This work is required to inform the Order in Council process and the management agreement between the company's board and PDU.

Contact:	Isabel Poulson, Manager Strategy & Policy, <small>Privacy of natural persons</small>
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Appendix 1 – Completed Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Date delivered
0047 19-20	Imprest Supply Submission: Vote Business, Science and Innovation – Regional Economic Development Portfolio	Minister Jones	Karen Walfisch	12 Jul
0126 19-20	He Poutama Rangatahi Funding announcement for Pathway to Trades project in Tauranga	Minister Jackson	Stephen Ruddell	15 Jul
0092 19-20	Ministerial Satisfaction Survey	Minister Jones	Karen Walfisch	15 Jul
0068 19-20	Further recommendations for Confidential advice proposal	RED Mins	David van der Zouwe	17 Jul
0069 19-20	PGF Proposals for Review	RED Mins	David van der Zouwe	17 Jul
0082 19-20	Miro Berry Further Recommendations	RED Mins	David van der Zouwe	17 Jul
0041 19-20	Te Ara Mahi Proposals for Review	RED Mins	David van der Zouwe	17 Jul
0141 19-20	Leaderbrand Produce Limited loan terms notification	RED Mins	David van der Zouwe	17 Jul
0142 19-20	Cawthron Institute Trust Board loan terms notification	RED Mins	David van der Zouwe	17 Jul
0105 19-20	Omeo Loan Notification	RED Mins	David van der Zouwe	17 Jul
0008 19-20	Application by Confidentiali to fund a business case and engineering design study	RED Mins	David van der Zouwe	17 Jul
0055 19-20	Update on the PDU's approach to a Confidential advice to	RED Mins	David van der Zouwe	17 Jul

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

Tracking number	Title	Minister/ USEC	Signed out by	Due Date
TBC	Whanganui Sargent Art Gallery	Minister Jones	David van der Zouwe	19 Jul
TBC	Event Briefing: Sky Waka Gondola Opening	USEC	Kate Styles	23 Jul
TBC	Event Briefing - Matariki X	USEC	TBC	23 Jul
TBC	DEV Report Back	Minister Jones	Robert Pigou	TBC
0148 19-20	Joint briefing with DOC – Approval sought for a revised approach to deliver the Taranaki Crossing project	TBC	TBC	TBC
0075 19-20	Confidential advice to Decision	RED Mins	David van der Zouwe	TBC
0186 19-20	Provincial Growth Fund Limited: Documentation for Board Appointments	Minister Jones + Minister Robertson	Michael Bird	TBC

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	23 Jul	25 Jul	Review	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
OIA301		8 Jul	23 Jul	30 Jul	Consultation	<p>Please provide information of tax payers funds used in the funding or development of kiwifruit orchards or purchasing Sungold (G3) licence within the last 24 months and those planned for the next 24 months. This may be under the provincial growth fund or another Maori development strategy.</p> <p>Details requested include,</p> <ul style="list-style-type: none"> • How many orchards per region • \$\$ involved per region • Hectares involved per region • Funding model, Gift, Interest free loan, Interest bearing loan Hectares of Sungold (G3) License involved

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 Jun	5 Jul	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.
1819-1790		30 May	15 Jul	19 Jul	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.
1819-1838		19 Jun	10 Jul	31 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?

PROACTIVELY RELEASED

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	Review	<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>

PROACTIVELY RELEASED

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	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.
1920-0014		3 Jul	23 Jul	30 Jul	Consultation	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.

PROACTIVELY RELEASED

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	Drafting	<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?

PROACTIVELY RELEASED

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
SJ2453		17 Jun	10 Jul	PGF work will result in "ghost towns" - new forestry will drive out farmers
SJ2461		19 Jun	16 Jul	Reject the application from Dunedin City Council for Harbour Basin project
SJ2522		24 Jun	22 Jul	Kawakawa Rail River Foreshore / Ashby's Boat Yard
SJ2510		24 Jun	22 Jul	STHW 38 Sealing
SJ2528		24 Jun	22 Jul	Maternity Services for Lumsden
SJ2539		25 Jun	25 Jul	Westland dairy company
SJ2544		3 Jul	24 Jul	Te Rimu Trust Barge Port Proposal
SJ2554		3 Jul	24 Jul	Regional Development New Plymouth
SJ2557		3 Jul	24 Jul	RGF for recycled plastic waste material
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

Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2623	Privacy of natural persons	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
SJ2628		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.
SJ2590		3 Jul	24 Jul	Regional Economic Development
SJ2535		25 Jun	25 Jul	Christian Science Monitor article
SJ2658		9 Jul	30 Jul	New Community based equity system completed, referred to you from 3 missed meeting request late last year
SJ2686		9 Jul	30 Jul	Plastic waste – treatment and disposal
SJ2667		9 Jul	30 Jul	Recycling in Northland
SJ2669		9 Jul	30 Jul	Plastic recycling

Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2688	Privacy of natural persons	9 Jul	2 Aug	Te Wananga Whare Tapere o Takitimu - Potential Growth Fund Application
SJ2655		9 Jul	2 Aug	Job Training, Low Cost Housing, Export, Regional Development
SJ2559		9 Jul	2 Aug	Say No to Waikato's request for funds
SJ2647		9 Jul	2 Aug	World Series Shearing (WSS)
SJ2697		15 Jul	6 Aug	Otago Field Days
SJ2699		15 Jul	6 Aug	Far North Development Suggestions
SJ2714		15 Jul	6 Aug	TuMaira solar waiu factory
SJ2731		15 Jul	6 Aug	Container pools
SJ2740		15 Jul	6 Aug	Rural mental health retreat proposal
SJ2746		15 Jul	6 Aug	Kiwirail Stratford- Okahakura railway
SJ2744		15 Jul	6 Aug	Oceans NZ Blog Post on Plastic Waste
SJ2734		15 Jul	6 Aug	Dunedin Waterfront Development
SJ2748		17 Jul	8 Aug	Waste Plastic to Diesel Equipment
SJ2751		17 Jul	8 Aug	The Koura Rua at Port Gisborne
SJ2752		17 Jul	8 Aug	Growing mass bamboo over all of Northland - Maximum Carbon Sequestration Method
SJ2757		17 Jul	8 Aug	Proposed wind farm will generate enough power for a city the size of Napier

Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2760	Privacy of natural persons	17 Jul	8 Aug	Patea Taranaki
SJ2761		17 Jul	12 Aug	Proposed Waste to Energy Plant on the West Coast
SJ2768		17 Jul	12 Aug	Buller District waste to energy project

PROACTIVELY RELEASED

Appendix 5 – Parliamentary Questions

Written Parliamentary Questions				
Tracking Number	From	Date received	Due to Minister's Office	Question

PROACTIVELY RELEASED

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 – Feasibility Studies	1	From 8 July	At Minister's Office

Documents Released This Week	
Tracking Number	Request
3076 18-19	Provincial Growth Fund Investment in Airports
DEV-18-SUB-	Unlocking Tairāwhiti's Economic Potential: Tairāwhiti Roding Package