

# Regional Economic Development

Weekly Report

22 - 26 July 2019

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**To: Hon Shane Jones**

Minister for Regional Economic Development

**Fletcher Tabureau**

Under-Secretary to the Minister for Regional Economic  
Development



PROVINCIAL  
DEVELOPMENT  
UNIT

## Contents

1. Dashboard updates.....	3
1.1 Status of applications as at 25 July 2019 .....	3
1.2 Headline Numbers as at 30 June 2019 (monthly) .....	3
1.3 PGF investment to date as at 30 June 2019 (monthly).....	3
1.4 Job numbers as at 31 May 2019 (quarterly).....	3
1.5 Progress of applications and EOI as at 25 July 2019 .....	3
2. Priority updates.....	4
2.1 Office of the Auditor General.....	4
3. Schedule of recent and upcoming recommendations.....	4
3.1 Summary of projects up for consideration in 31 July 2019 Senior Regional Officials meeting .....	4
4. Delivery of projects update.....	7
4.1 Top priority projects of interest.....	7
4.2 Other projects .....	8
4.3 Other Updates .....	9
4.4 Major upcoming project milestones.....	9
5. Policy update .....	10
5.1 Cabinet Papers - Employment strategy and Youth Action Plan; and [redacted] Confidential advice to Government .....	10
5.2 Hold Co.....	11
Appendix 1 – Completed Briefings, Aides Memoire & Reports .....	12
Appendix 2 – Upcoming Cabinet Papers, Briefings, Aides Memoire & Reports .....	13
Appendix 3 – Official Information Act requests .....	14
Appendix 4 – Ministerial Correspondence .....	18
Appendix 5 – Parliamentary Questions .....	22
Appendix 6 – Proactive Release .....	23

# 1. Dashboard updates

## 1.1 Status of applications as at 25 July 2019

<b>New projects this week</b>	15
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<b>Expressions of Interest (EOI)</b>	<b>Applications</b>	<b>Total</b>
413	744	1,157

## 1.2 Headline Numbers as at 30 June 2019 (monthly)

<b>Total PGF funding committed</b>	<b>Total funding contracted</b>	<b>Total value of funding paid to date</b>
\$2,365.04m	\$887.21m	Confidential advice to Government

## 1.3 PGF investment to date as at 30 June 2019 (monthly)

<b>Approved</b>	<b>Unannounced</b>
\$1,353.78m 385 projects	\$133.20m 45 projects

## 1.4 Job numbers as at 31 May 2019 (quarterly)

<b>Number of jobs created</b>	1,023
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## 1.5 Progress of applications and EOI as at 25 July 2019

<b>Stage</b>	<b>Count**</b>
EOI / Application received	172
Evaluation	80
Inactive	261
<b>Unsuccessful</b>	371
Approved (pre-contract)	30
Contracting	32
Executed	211
<b>Total</b>	<b>1,157</b>

\* 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 Office of the Auditor General

<p>The Provincial Development Unit (PDU) continues to work with the Office of the Auditor General (OAG) and Audit New Zealand (Audit NZ) in relation to their work for the Ministry of Business, Innovation and Employment (MBIE) annual audit and their additional review of the Provincial Growth Fund (PGF) / PDU.</p> <p>This work includes sampling a range of PGF investments, and interviews on a range of topics with staff, Senior Regional Officials (SRO) and Independent Advisory Panel (IAP) members. The OAG and Audit NZ's work is expected to be completed in October 2019.</p>	
<b>Contact:</b>	Susan Baas, Manager Risk, Assurance & Governance, <small>Privacy of natural persons</small>

## 3. Schedule of recent and upcoming recommendations

### 3.1 Summary of projects up for consideration in 31 July 2019 Senior Regional Officials meeting

Project title	Region	Description of project	PGF investment sought
<b>Approve</b>			
Rangatahi Pathways to the Trades Initiative (HPR)	Tairāwhiti	Expansion of Pathways to Trades programmes in the construction, engineering and automotive industries to include 20-24 year old rangatahi who are not in education, employment or trades (NEETs).	425,000
Generation Programme (HPR)	Tairāwhiti	Additional funding for an existing HPR project to support two additional cohorts of 12 rangatahi (24) through the training programme.	90,000
ASET Poutama Rangatahi Programme (HPR)	Tairāwhiti	Additional funding for an existing HPR project in order to meet the cost of higher demand for the programme and the very intensive pastoral care requirements of participants.	63,000
The NGEN Room Project (HPR)	Northland	12 month digital technology programme for 16-24 year old rangatahi NEETs, that combines life skills, NCEA credits (level 1-3), and work experience.	990,000

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The Food Factory	Top of the South	To establish a stand-alone scale up/ pilot, early commercialisation facility for the region's food and beverage sector. A series of kitchens, each in its own enclosed room and varying in size, will allow entities that have developed products but have not reached full production to test supply logistics, product development, market assumptions & demand in a fully certified and compliant environment.	996,000
Tai Tokerau Northland Economic Action Plan Portfolio Management – Second Year application	Northland	The funding will provide two FTEs to provide support to more than 70 projects on the Tai Tokerau Northland Economic Action Plan (NEAP). It also covers administrative costs and	400,000

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**Decline**

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## 4. Delivery of projects update

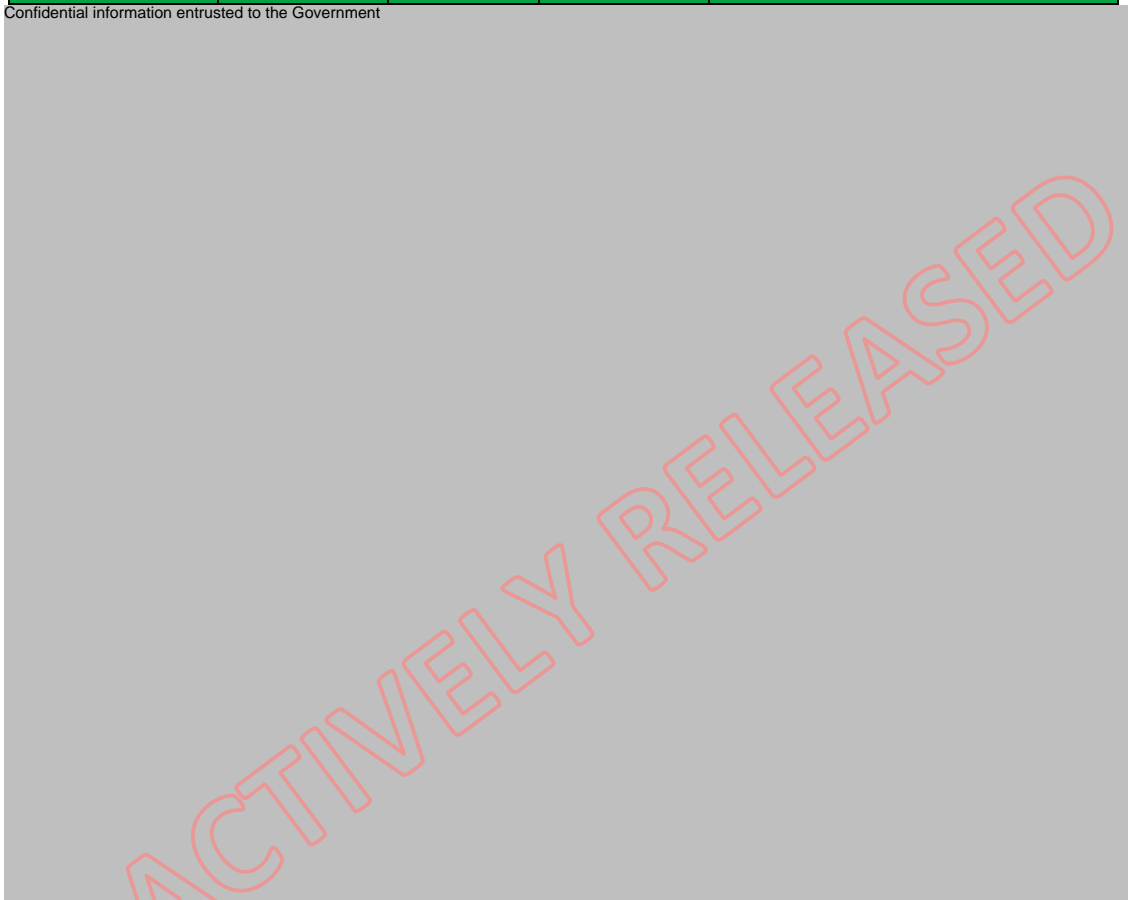
### 4.1 Top priority projects of interest

Project name	Region	Amount	Status	Description/ update
Maori Battalion Museum	Northland		Contracted	PDU officials met with the Confidential advice to Government  the Maori Battalion Museum at a Confidential advice to Government  and officials are working closely office on these.

## 4.2 Other projects

Project name	Region	Amount	Status	Description/ update
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Project name	Region	Amount	Status	Description/ update
<b>Te Tomokanga Gateway</b>	Bay of Plenty	\$980,000	Pre-Contract Approval Advised	Te Tomokanga Gateway, also known as 'the cruise ship hub' will be announced via a Press Release next week which will be provided to your office in the next few days for review. The recipients will hold a small stakeholder event to celebrate the opening of the Gateway. An invitation will be sent to Kiri Allan MP and the Minister's office.
<b>Manea Footprints of Kupe</b>	Northland	\$4.6m	Contracted	The Manea Footprints of Kupe project held an Information and celebration event on Friday 26 July in Opononi. The building programme is scheduled to commence in August/ September 2019.



### 4.3 Other Updates

Project name	Region	Description/ update
<b>Matariki X conference</b>	Bay of Plenty	Under-Secretary Fletcher Tabuteau attended the Matariki X conference held by Callaghan Innovation on 26 July and delivered the opening address. The focus of the conference was to promote Māori innovation and economic development across all regions of New Zealand.
<b>Hokianga Reference Group</b>	Northland	The Hokianga Reference held its inaugural meeting on 26 July, at Far North District Council (FNDC) rooms in Kaikohe. The Group provided the Minister with advice and guidance in relation to the PGF, Te Uru Rākau (TUR), Whenua Māori, Digital Connectivity, Te Ara Mahi and He Poutama Rangatahi projects in the Hokianga sub-region.

### 4.4 Major upcoming project milestones

Project name	Description/ update
<b>Manea Footprints of Kupe Centre</b>	Planning phase complete by the end of July 2019.
<b>Old Ghost Road Upgrade – Upgrade 4km of Trail</b>	Planning phase completed by the end of July 2019.
<b>Westport Airport – Critical Infrastructure Resilience</b>	Initiation phase completed by the end of July 2019.
<b>Invercargill Airport Air Cargo and Terminal Development</b>	<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"> <li>18 July Minister may announce the investment in the Airport</li> <li>26 August, Minister will be heading to Invercargill on the inaugural flight from AKL.</li> </ol> <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>
<b>Advanced Aviation Hub</b>	Final Business Case completed by the end of July 2019.
<b>Taranaki – Innovation Precincts</b>	Final Feasibility Study completed by the end of July 2019.
<b>Marsden Aged Care Facility</b>	Final Business Case completed by the end of July 2019.

Project name	Description/ update
Development Phase Study for Tourism Services – Hokitika to Westport (KiwiRail)	Final Development Phase Report 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 Cabinet Papers - Employment strategy and Youth Action Plan;

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#### ***Cabinet Paper: All-of-Government Employment Strategy and Youth Employment Action Plan***

The Minister of Employment is taking a paper to Cabinet Social Wellbeing Committee next week on the public release of an Employment Strategy and its related Youth Employment Action Plan. The Te Ara Mahi team has supported the development of the strategy and action plan, which notes actions the PGF is taking to support local people into local employment, such as establishing Jobs and Skills hubs.

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**Contact:** Isabel Poulson, Manager Strategy & Policy, Privacy of natural persons

## 5.2 Hold Co

You will receive a briefing for your agreement to finalise the appointment process for the board of the company.

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, Privacy of natural persons

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## Appendix 1 – Completed Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Date delivered
0194 19-20	Sarjeant Gallery Te Whare O Rehua Whanganui Redevelopment	Minister Jones	David van der Zouwe	22 Jul
0043 19-20	July 2019 DEV Report Back	Minister Jones	Robert Pigou	22 Jul
0143 19-20	Matariki X	USEC	Nicki Sutherland	23 Jul
0186 19-20	Provincial Growth Fund Limited: Documentation for Board Appointments	Minister Jones + Minister Robertson	Michael Bird	24 Jul
0173 19-20	Sky Waka Gondola Opening	USEC	Kate Styles	25 Jul

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

Tracking number	Title	Minister/ USEC	Signed out by	Due Date
TBC	Event Briefing: Gore District Council	TBC	Kate Styles	29 Jul
0148 19-20	Joint briefing with DOC – Approval sought for a revised approach to deliver the Taranaki Crossing project	TBC	TBC	TBC
TBC	Possible improvements to delegation authorities	Minister Jones	Isabel Foulson	30 Jul
TBC	Briefing: Request for information \$100 mil Whenua Fund	Minister Mahuta	Ben Dalton	12 Aug

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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
OIA301	Privacy of natural persons	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"> <li>• How many orchards per region</li> <li>• \$\$ involved per region</li> <li>• Hectares involved per region</li> <li>• Funding model, Gift, Interest free loan, Interest bearing loan Hectares of Sungold (G3) License involved</li> </ul>
OIA297		22 Jul	29 Jul	29 Jul	Scoping	I would like to request under the OIA any information and communications regarding the Meeting with Stephen Tindall regarding Lanzatech on 6-June.
OIA296		22 Jul	15 Aug	22 Aug	Scoping	I would like to request under the OIA any information and communications regarding the Minister's Meeting with PEPANZ on 14-May.

## 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	Sign-out	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	Review	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?

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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	8 Aug	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	Review	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.



## 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	Review	<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"> <li>• How many applications are currently under consideration by the Provincial Growth Fund in Kāpiti?</li> <li>• How many applications have been approved in Kāpiti but are waiting for a public announcement to be made (as of 2 July 2019)?</li> <li>• How many applications have been declined in Kāpiti?</li> <li>• 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?</li> </ul>
1920-0128		26 Jul	15 Aug	22 Aug	Scoping	<p>I would like to request information pertaining to a Provincial Growth Fund Project; Maungatapere Berries/Onyx Capital Limited. I would like to request all information and documentation that was presented to the Government, Minister of Regional Economic Development, Provincial Growth Fund, Provincial Growth Unit and its staff from the Applicant (Maungatapere Berries/Onyx Capital Limited) that was used to assess the project.</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
SJ2539		25 Jun	25 Jul	Westland dairy company
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

## Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2667	Privacy of natural persons	9 Jul	30 Jul	Recycling in Northland
SJ2669		9 Jul	30 Jul	Plastic recycling
SJ2688		9 Jul	2 Aug	The 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

## Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2752	Privacy of natural persons	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
SJ2760		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
SJ2803		26 Jul	9 Aug	Singapore Trash Video
SJ2802		26 Jul	9 Aug	The Floatel Solution - application criteria
SJ2801		26 Jul	9 Aug	Proposed new residential rehab for Northland: Arapohue Healing and Recovery Centre
SJ2799		26 Jul	9 Aug	Provincial Growth Fund or Provincial Conflict?
SJ2791		26 Jul	30 Jul	Major PGF investment to help address NZ's plastics challenges
SJ2790		26 Jul	9 Aug	Northland rubbish issues
SJ2789		26 Jul	9 Aug	Daniel's Business Plan
SJ2784		26 Jul	8 Aug	Miro LP letter
SJ2780		26 Jul	8 Aug	Sent for and on behalf of Mayor Little - Progress update
SJ2787		26 Jul	8 Aug	Waste to Energy
SJ2817		26 Jul	12 Aug	Queenstown Bed Tax

### Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2808	<small>Privacy of natural persons</small> [REDACTED]	26 Jul	12 Aug	Our Sons and Regional Economic Development

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## Appendix 5 – Parliamentary Questions

Written Parliamentary Questions				
Tracking Number	From	Date received	Due to Minister's Office	Question
PQ 27456 (2019)	Matt King	22 Jul	26 Jul	When will detailed information be released about the Minister's decision to give a loan of \$2.37 million to Onyx Capital?
PQ 27458 (2019)	Matt King	22 Jul	26 Jul	Will the first phase of Onyx Capital Limited expanding its operations create 45 full-time local jobs, or will these jobs be created by all stages of the expansion?
PQ 27459 (2019)	Matt King	22 Jul	26 Jul	How will value for money be measured on the Provincial Growth Fund's loan of \$2.37 million to Onyx Capital Limited?
PQ 27460 (2019)	Matt King	22 Jul	26 Jul	How much value for money will be attained from the Provincial Growth Fund's loan of \$2.37 million to Onyx Capital Limited?
PQ 27462 (2019)	Matt King	22 Jul	26 Jul	What conditions, if any, exist that mean Onyx Capital Limited is unable to source funding (of the level provided by the Provincial Growth Fund) through a commercial lender?
PQ 27461 (2019)	Matt King	22 Jul	26 Jul	What documents, if any, has the Minister received in relation to his decision to give a loan of \$2.37 million to Onyx Capital Limited?

## 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

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