

<b>Subject</b>	Minutes of the SRO meeting held at MBIE offices in Stout Street on Thursday 28 March 2019, 9:00am-12:30pm
<b>Senior Regional Officials Present</b>	Ben Dalton (Chairperson), Al Morrison, Kathy Mansell, Kay Read, Di Grennell, Karen Adair, Apryll Parata, Bryan Wilson
<b>In attendance:</b>	Marama Edwards, David van der Zouwe, Jane Frances, Patsy Karauria, Alison Thom, Michelle Paki, Monica Butler & Glynis Mussen
<b>PDU Investment Proposal Attendees:</b>	Ben Pringle, Susan Collins, Jocelyn Mikaere, David Caselli, Melanie Dawson, Mark Patterson, Nick Hough, Yen-Ting Liu, Stephen Ruddell, Privacy of natural persons, Jason Hall, Eliot Linforth-Hall, Bridget Sullivan, Mark Jacobs, Jason Hall & Matt Chisnall
<b>Apologies</b>	Karl Cummins

## 1. Meeting Administration

Reference # SRO 28/03/2019/01

### Discussion: 1.1 Introduction

Welcome to Bryan Wilson as an official SRO.

Jane Frances discussed issues related to the allocation of the remaining \$<sup>Commercial</sup> of the PGF.

There is no support for feasibility studies unless they are one component of the project. Feasibility studies should only be undertaken if there is a reasonable likelihood it will lead to the project proceeding.

Two key areas of focus for PDU are on the finalisation and execution of contracts and client relationship management which includes media announcements on milestones and "red ribbon" moments as projects progress.

PDU are working with the regional teams on the 2019 communications plan. Announcements are being focused on delivery with consideration being given to undertaking regional announcements which centre on the progress on projects within the region. Karyn Stillwell is the PDU Communications contact and can assist with media briefings/communications for SROs. Karyn to be kept informed of planned SRO communications/media activities.

*Action: Criteria and guidelines for potential applications to be made available on the website.*

*SRO's to receive Pipedrive report by region and sector/industrial grouping for projects that are still to be assessed.*

### 1.2 Apologies

Apologies were received for Karl Cummins.

### 1.2 Conflicts of interest

No standing conflicts of interests were registered; conflicts with specific proposals are captured within the body of the minutes.

### 1.3 Ratification of minutes from 28 February 2019 SRO meeting

The SROs approved the minutes from the SRO 28 February 2019 meeting.

## 2. Investment Proposals

### Te Ara Mahi (He Poutama Rangatahi) proposals under \$1million for SRO decision

#### 2.1 School of Hard Knocks, Bay of Plenty (Ben Pringle)

Reference #	SRO 28/03/2019/02
Discussion	<ul style="list-style-type: none"> <li>SROs approved \$713,740 from the He Poutama Rangatahi portion of the Provincial Growth Fund towards the School of Hard Knocks project subject to PDU completion of due diligence.</li> <li>The applicant, Social Good Ltd, has run three previous School of Hard Knocks (SOHK) programmes, and secured sustainable education, training and employment pathways for <sup>Comm</sup> per cent of participating rangatahi NEETs.</li> <li>The project has strong regional support with partnerships between Rugby New Zealand, NZ Police, local iwi, education providers and employers.</li> <li>Commercial Information</li> </ul>

#### 2.2 Kawerau Pathways to Work (Kawerau District Council) – Cadetships, Bay of Plenty (Ben Pringle)

Reference#	SRO 28/03/2019/03
Discussion	<ul style="list-style-type: none"> <li>SROs approved \$311,000 from the He Poutama Rangatahi portion of the PGF towards the Kawerau Pathways to Work – Cadetships and Industry Training Support Services project.</li> <li>This project comprises two NEET related initiatives to support Industrial Symbiosis Kawerau's (ISK) Pathways to Work plan, aimed at connecting local workers with local employers including: <ul style="list-style-type: none"> <li>an industry-based cadetship programme for 20 rangatahi NEETs per annum; and</li> <li>an industry training support service to ensure the progression and success of rangatahi NEETs offered apprenticeship placements.</li> </ul> </li> <li>ISK is partnering with Tuwharetoa ki Kawerau Health, Education and Social Services (TKKHESS) to deliver its Pathways to Work plan. TKKHESS has submitted a parallel proposal (2.3 below) which is complimentary to this project.</li> </ul>

#### 2.3 Kawerau Pathways to Work (Tuwharetoa ki Kawerau Health, Education & Social Services) – Work Ready On-ramps, Bay of Plenty (Ben Pringle)

Reference#	SRO 28/03/2019/04
Discussion	<ul style="list-style-type: none"> <li>SROs approved \$658,000 from the He Poutama Rangatahi portion of the PGF towards the Kawerau Pathways to Work project noting the PDU condition to be added to the contract. Funding comprises: <ul style="list-style-type: none"> <li>\$<sup>Commercial Inform</sup> from He Poutama Rangatahi; and</li> <li>\$<sup>Commercial Inform</sup> from Te Ara Mahi.</li> </ul> </li> <li>This proposal comprises initiatives that support Industrial Symbiosis Kawerau's (ISK) Pathways to Work plan (2.2 above) and comprises: <ul style="list-style-type: none"> <li>an industry-facing partnership between TKKHESS and four local secondary schools to improve pathways to work, training or further education for 30 Kawerau-based school-leavers per annum;</li> <li>a work ready on-ramps programme, providing 'fit to learn' and 'fit to work' courses that support <sup>Comm</sup> participants per annum into sustainable employment; and</li> <li>a post-placement support service, providing ongoing pastoral care for pathways to work graduates who are engaging with employment, education or training.</li> </ul> </li> </ul>

Commercial Information - declined project

Prejudice to Negotiations

PROACTIVELY RELEASED

**2.6 Southland Youth Futures, Southland (Melanie Dawson)**

Reference #	SRO 28/03/2019/07
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Discussion	<ul style="list-style-type: none"> <li>The SROs do not agree with the PDU's recommendation to support funding for the Southland Youth Futures project and recommend the project be declined \$1,550,000 funding.</li> <li>SROs consider the PGF is not the correct funding mechanism for this project and consider it is better suited to being funded through the Ministry of Education, the Tertiary Education Commission or another MSD provider.</li> </ul>
Commercial Information - declined project	
<b>2.8 The Manawatu-Wanganui Bio-forestry Alliance ("The Alliance"), Manawatū-Whanganui/ Horowhenua (Nick Hough)</b>	
Reference #	SRO 28/03/2019/09
Discussion	<p>Privacy of natural persons</p> <ul style="list-style-type: none"> <li>SROs believe there is merit in the project and were supportive of the project objectives and potential outcomes of new investment in the region, end to end utilisation of wood; increased utilisation of iwi land and generation of new jobs. However, SROs expressed concerns about the high risks of the project particularly the: <ul style="list-style-type: none"> <li>level of investment the company could raise without seeking foreign capital and thus requiring OIO approval;</li> <li>level of support from MPI; and</li> <li>environmental impact of burning coal with bark. One PGF criteria is mitigation of climate change effects.</li> </ul> </li> <li>SROs approved in principle grant funding of \$380,500 subject to PDU conditions and the following information being provided to the PDU: <ul style="list-style-type: none"> <li>details of where capital is being sourced and whether OIO will be required;</li> <li>advice from MfE on the burning of wood and coal being consistent with government climate change policies;</li> <li>confirmation and clear advice from SMEs in MPI;</li> <li>provision of Forestry report from Mark Jacob; and</li> <li>alignment of Spotlight report.</li> </ul> </li> <li>Providing this information is to the PDU's satisfaction, SROs recommend proceeding with grant funding for this project.</li> <li>Bryan Wilson left the SRO meeting.</li> </ul>
<b>2.9 Centre for Maori Innovation &amp; Entrepreneurship, Waikato (Nick Hough)</b>	
Reference #	SRO 28/03/2019/10
Discussion	<ul style="list-style-type: none"> <li>SROs approved a grant of \$500,000 from the PGF fund towards the Centre for Maori Innovation &amp; Entrepreneurship subject to rescoping under the regional digital hubs fund and PDU conditions.</li> <li>The project aligns with PGF eligibility criteria through the creation of jobs and building businesses that lead to sustainable economic growth.</li> </ul>

**2.10 Stage One of the Big Daddy Adventure Park – Cromwell, Otago (Yen-Ting Liu)**

Reference #	SRO 28/03/2019/11
Discussion	<ul style="list-style-type: none"> <li>• SROs approved a \$20,000 grant towards an Economic Impact Assessment for Stage One of the Big Daddy Adventure Park project noting this assessment is in response to the IAP's feedback on the original application where the IAP recommended the project be withdrawn in its current form pending further information addressing: <ul style="list-style-type: none"> <li>○ the level of support from Otago Regional Council and whether the Council consider this project a regional priority; and</li> <li>○ clarification of the tourism market for this product.</li> </ul> </li> <li>• The SROs note there is no guarantee to further PGF funding at the construction phase.</li> </ul>

Commercial Information - declined project

**2.12 Wairarapa Community Water Storage (Wakamōkai), Kāpiti/Wairarapa (Privacy of natural persons )**

Reference #	SRO 28/03/2019/13
Discussion	<ul style="list-style-type: none"> <li>• SROs approved \$800,000 grant to the Wairarapa Community Water Storage Project subject to PDU approving the scope and consultants.</li> <li>• The PDU considers the project aligns with the Water Storage Principles and Wairarapa Water Limited (WWL) accept and agree with the PGF position that water storage projects should not intensify ruminant agriculture, and that this will be a key requirement for the project as it develops.</li> <li>• This funding is for the next phase of prefeasibility and it is expected that WWL will seek further support from the PGF should the outcomes from the prefeasibility phase be positive. The total amount of expected funding to be sought from the PGF is \$Commercial Information.</li> <li>• The IAP was consulted on this project at the IAP 14 February 2019 and the project received support from the IAP.</li> <li>• This Project also aligns with the Wairarapa Regional Economic Plan, with water being one of the three key areas of focus and has strong regional support.</li> </ul>

Commercial Information - declined project

Commercial Information - declined project

Commercial Information - declined project

Commercial Information - declined project

Commercial Information - declined project

### 3. Noting and Discussion Papers

#### 3.1 PGF Portfolio Analysis

Reference #	SRO 28/03/2019/17
Discussion	<ul style="list-style-type: none"> <li>Paper was noted as read.</li> </ul>

### 4. General Business

#### 4.1 Far East Coast Sawmill approved proposal (Al Morrison)

Reference #	SRO 28/03/2019/18
Discussion	<ul style="list-style-type: none"> <li>Al briefed SROs on a proposal which was approved in June 2018 as a loan for \$500,000 for Far East Coast Sawmill.</li> <li>Due to the transaction costs involved in a loan of this size SROs were subsequently asked through an out of cycle process to approve this as a grant.</li> <li>The decision was not recorded.</li> </ul>

	<ul style="list-style-type: none"> <li>• AI is seeking approval from SROs for this to be approved as a grant of \$500,000.</li> <li>• Approved by SROs.</li> </ul>
<b>4.2 Southland Co-Investment Network</b>	
Reference #	SRO 28/03/2019/19
Discussion	<ul style="list-style-type: none"> <li>• At the SRO meeting on 22 November 2018, SROs approved funding initially up to \$250,000 for Year 1, with the condition that funding conditions are reassessed and revisited by the PDU after this time to ensure that success can be adequately tracked.</li> <li>• As the application approached contracting, the co-funding partners have raised concerns that the \$250,000 approved for Year 1, affects their ability to commit to a three-year project.</li> <li>• SROs were asked to consider approving the 22 November 2018 decision on the Southland Co-Investment Network to accord with the sum applied for \$550,000.</li> <li>• SROs approved by round robin email to modify the 22 November 2018 decision to now read: <ul style="list-style-type: none"> <li>• <i>“SROs approve funding up to \$550,000 for Years 1 to 3, with the condition that funding conditions are reassessed and revisited by the PDU to ensure that success can be adequately tracked”.</i></li> </ul> </li> </ul>

PROACTIVELY RELEASED