

Subject	Minutes of the SRO meeting held at MBIE offices in Stout Street on Thursday 30 May 2019, 9:00am-12:00pm
Senior Regional Officials Present	Ben Dalton (Chairperson), Di Grennell, Al Morrison, Karen Adair (from 9:50am), Apryll Parata, Karl Cummins, Bryan Wilson, Kay Read
In attendance:	Marama Edwards, David van der Zouwe, Alison Thom, Susan Baas, Glynis Mussen, Monica Butler, Isabella Radovanovic
PDU Investment Proposal Attendees:	Hilary Pearse, Ben Pringle, Catriona McKay, Dipankar Ganguly, Michelle Paki, Cliff Fuller
Apologies	Kathy Mansell and Robert Pigou

1. Meeting Administration

Reference #	SRO 30/05/2019/01
Discussion:	<p>1.1 Introduction SROs welcomed Karl back to the group.</p> <p>1.2 Apologies Apologies were received for Kathy Mansell and Robert Pigou.</p> <p>1.3 Conflicts of interest No standing conflicts of interests were registered; conflicts with specific proposals are captured within the body of the minutes.</p> <p>1.4 Ratification of minutes from 2 May 2019 SRO meeting The SROs approved the minutes from the 2 May 2019 meeting, subject to the below alteration: <u>1.3 Ratification of Minutes from 28 March 2019 Meeting, sub-point 2.8 Manawatu - Whanganui Bio- Forestry Alliance</u></p> <div style="background-color: #cccccc; padding: 20px; text-align: center; font-size: 2em; font-weight: bold;">Commercial Information</div>
	<p>1.5 SRO Action Register The SRO action register discussion was deferred until the next SRO meeting.</p>

2. Investment Proposals

2.1 Regional Sector Investment Overviews (David van der Zouwe)

Reference #	SRO 30/05/2019/02
	<ul style="list-style-type: none"> Papers tabled as read.

He Poutama Rangatahi and Te Ara Mahi proposals under \$1million for SRO decision

2.2 Wahine Toa (Hilary Pearse)

Reference #	SRO 30/05/2019/03
Discussion	<ul style="list-style-type: none"> SROs approved funding of \$421,050 from He Poutama Rangatahi PGF for the Wahine Toa programme noting: <ul style="list-style-type: none"> an earlier HPR-funded programme resulted in ^{Comm}% of those participants remaining employed; this is an innovative pilot to increase female participation in forestry industry by targeting rangatahi aged 16-24 who are NEET; and the programme has strong regional and local hapū support. SROs recommended that PGF funding is used to provide additionality.

Te Ara Mahi proposals over \$1million for SRO consideration and recommendation to RED Ministers

2.3 Riverland "We grow people" (Hilary Pearse)

Reference#	SRO 30/05/2019/04
Discussion	<ul style="list-style-type: none"> SROs recommended the approval of \$^{Commercial Information} from Te Ara Mahi allocation of the PGF towards the Riverland "We grow people" proposal. SROs were informed that this application complements another Riverland Tier 2 Application that the IAP recommended for approval to RED Ministers at their 22 May 2019 meeting. SROs noted: <ul style="list-style-type: none"> the funding will provide training and skills and relatively high wages for up to ^{Comm} new permanent FTEs once the expansion is completed; the expansion and infrastructure development phase will employ ^{Comm} people; and the programme has strong regional support.

2.4 Pathway to Trades (Ben Pringle)

Reference#	SRO 30/05/2019/05
Discussion	<ul style="list-style-type: none"> SROs recommended the approval of \$1,686,000 from the He Poutama Rangatahi portion of the PGF towards the Pathways to Trades project for the Te Koru Education and Employment Initiative. SROs noted the proven success of the TradeUp Ltd strong pastoral care model aimed at hard to reach Rangatahi. SROs expressed concern about the uncertainty on how the previous 3 proposals will remain sustainable following the conclusion of the fund. There appears to be no clear government agency who can take the lead on ensuring there is policy striving to build the capability of those at-risk of being unemployed and supporting employers with strong pastoral care models.

Commercial Information - Declined Application

2.6 Whanganui Work Ready Passport Initiative (Catriona McKay)

Reference#	SRO 30/05/2019/07
Discussion	<ul style="list-style-type: none"> SROs approved \$94,500 from the Te Ara Mahi portion of the Provincial Growth Fund towards Whanganui Work Ready Passport. SROs noted that there is a high level of co-funding and that the Trust is investment ready.

SRO Investment Proposals

2.7 Executive Summary of Investment Proposals¹ Projects

Reference #	SRO 30/05/2019/08
Discussion	<ul style="list-style-type: none"> Paper noted as read.

2.8 Historical Maritime Park PGF Development Project (Dipankar Ganguly & Michelle Paki)

Reference #	SRO 30/05/2019/09
Discussion	<ul style="list-style-type: none"> SROs approved up to \$731,771 as a grant from the PGF fund towards the Historical Maritime Park Marine Development on the basis that the project: <ul style="list-style-type: none"> will unlock the region's tourism potential and the additionality is strong for this project; complements other tourism destinations in the region and provides tourists a diverse experience, and has strong local, iwi and regional support. SROs agreed with PDU's recommendation that funding be stage gated to ensure resource consent is achieved within the given timeframe and recommended this be specified in the letter of offer.

Commercial Information - Declined Application

Commercial Information - Declined Application

¹ Note Does not include Te Ara Mahi Proposals

Commercial Information - Declined Application

PROACTIVELY RELEASED

2.15 Development Plan for Governance Structure for West Coast Ports	
Reference #	SRO 30/05/2019/16
Discussion	<ul style="list-style-type: none">• SROs approved \$100,000 as a grant towards the Development Plan for Governance Structure for West Coast Ports.• SROs noted the recommendation of the investigative work undertaken by the PGF-funded feasibility study and that this new grant funding will go towards determining options for managing West Coast Ports under one ownership and governance structure.• SROs also noted that additionality comes from the development of the ports and enhancing productivity.

3. Noting and Discussion Papers

3.1 PGF Portfolio Analysis (David van der Zouwe)

Reference # SRO 30/05/2019/17

Discussion

- Papers were noted as read.

3.2 Feasibility Studies and Business Case position paper

Reference # SRO 30/05/2019/18

Discussion

- SROs discussed the draft PDU Feasibility Studies and Business Case Position Paper.
- The draft paper outlines adjusting the PGF criteria relating to applications for funding of feasibility studies and business cases, which will come into effect from 1 July 2019.
- From 1 July 2019, applications to the PGF should be for substantive projects that commence within the timeframes of the PGF. Substantive project proposals can include feasibility elements within the overall project, as long the substantive project will commence in the timeframes of the PGF.
- SROs discussed ensuring regions are receiving the correct messaging regarding the eligibility of feasibility studies.
- SROs requested clarification from Ministers on feasibility studies.

4. Verbal Update

4.1 Risk and Assurance update (Susan Baas)

Reference # SRO 30/05/2019/19

Discussion

- Susan Baas briefed SROs on current PDU risk and assurance work.

External Audit

- AuditNZ is currently completing the 2018/19 annual audit of MBIE which includes the PDU and also comprises the review of 40 PGF investments.
- An additional review of the PDU is also currently being undertaken by AuditNZ focussing on governance, accountability, risk management, evaluation and process review.

PDU Risk and Assurance Work Programme

- Currently revising the 2019/20 risk register and seeking input from a SRO.
- Al Morrison expressed interest in assisting, ensuring the SRO perspective is considered.

Conflicts of Interest

- Please ensure any potential conflicts are declared and reviewed at each SRO meeting.

SRO letters of appointment

- Final letters of appointment will be provided to SROs by mid-June.

Evaluation of the PGF

- Evaluation of the PGF will comprise a near term early evaluation of the PGF in 2020, coupled with medium/long term evaluation that will be completed when the impacts of the PGF can be properly assessed. SROs suggested the following measures be incorporated:
 - impact on Maori development;
 - impact on relationships between central government and local government and governance groups; and
 - impact on inter-agency relationships with acknowledgement that these relationships

	are relatively informal and difficult to document and measure.
4.2 SRO Budgets and funding to retain professional support for application preparation (Apyll Parata)	
Reference #	SRO 30/05/2019/20
Discussion	<ul style="list-style-type: none"> SROs also requested clarification from PDU regarding whether there is the provision of a discretionary fund for SROs to access to enable applicants to be provided with professional assistance in the preparation of their proposals.

5. General Business

5.1 Martinborough Dark Skies (Cliff Fuller)

Reference #	SRO 30/05/2019/21
Discussion	<ul style="list-style-type: none"> SROs approved \$100,000 as a grant towards the Martinborough Dark Sky Reserve international certification project. The Martinborough Dark Sky Reserve proposal went to SROs via email for an out-of-cycle decision. No quorum was achieved. Karen Adair clarified that this is not an application for a feasibility study; it is an economic growth plan. This plan will enable the certification of a dark sky reserve, and look at the opportunities associated with a dark sky, garnering council and community support. SROs noted that there is strong iwi and regional support and ongoing consultation with Mackenzie District Council, governors of the Aoraki Mackenzie International Dark Sky Reserve. SROs expressed concern around the capacity of the selected consultant, given their involvement with existing PGF projects. SROs requested a risk management plan be created, documenting the risk of objection to the transformation of Martinborough into a dark sky reserve.

5.2 Runanga Miners Hall Funding Proposal (Al Morrison)

Reference #	SRO 30/05/2019/22
Discussion	<ul style="list-style-type: none"> At the SRO 30 August 2018 meeting, SROs approved the Runanga Miners' Hall application at the level of ^{Comm}% contribution from the PGF". The PDU recommended the approval of ^{Comm}% of the overall project cost, equalling \$408,120". Costs for this Project have since increased, resulting in an increase to the ^{Comm}% funding value. SROs confirmed that the decision was to fund the \$408,120 as recommended.

5.3 Regional Data Hubs (Alison Thom)

Reference #	SRO 30/05/2019/23
Discussion	<ul style="list-style-type: none"> Alison Thom clarified the purpose of the Regional Digital Hubs initiative, how the Hubs will be established, the criteria for funding and how decisions for funding will be governed. Alison to provide SROs a position paper outlining Regional Digital Hub initiatives and processes.

5.4 Te Uru Rakau Training Day	
Reference #	SRO 30/05/2019/24
Discussion	<ul style="list-style-type: none">SROs discussed the value of a training day for TPK and PDU field staff concerning the 1BT commercial and grant schedule, and how it works.

Meeting closed at 11:55am

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