

<b>Subject</b>	Minutes of the Independent Advisory Panel meeting held on Thursday 14 March 2019 between 11:00am – 3:30pm in Wellington
<b>Panel members:</b>	Mr Rodger Finlay, Ms Rosie Mercer, Mr John Rae, Ms Sarah Brown, Mr Neville Harris, Mr John Sproat, Dr David Wilson & Dr Charlotte Severne
<b>In attendance:</b>	Robert Pigou (Head of Provincial Development Unit), David van der Zouwe (Acting Head of Investment Management), Ben Dalton (Head of Regional Development), Jane Frances (Chief Policy Advisor), Alison Thom (Director Regional Development), Jerome Wyeth (Consultant), Isabella Radovanovic (Business Advisor) & Glynis Mussen (Secretariat)
<b>PDU Investment Proposal Attendees:</b>	Privacy of natural persons, Alex Matheson, Jason Hall, Staci Hare, Matt Chisnall & Eliot Linforth-Hall
<b>PDU Investment Proposal Presenters via telephone conference:</b>	Hugh McPhail & Cameron Osmond
<b>Apologies:</b>	

## 1. MEETING ADMINISTRATION

<b>Reference #</b>	14/3/2019/01
<b>Commentary:</b>	<p><b>1.1 Apologies</b> No apologies were received.</p> <p><b>1.2 Register of Interests</b> The Panel actively record conflicts, endorsing the Institute of Directors Code of Practice for Directors.</p> <p>Privacy of natural persons [Redacted]</p> <ul style="list-style-type: none"> <li>Privacy of natural persons [Redacted]</li> </ul> <p><b>1.3 Ratification of minutes from 14 February 2019 IAP meeting</b> Subject to the changes below, the IAP approved the minutes from the 14 February 2019 meeting:</p> <ul style="list-style-type: none"> <li>Commercial Information [Redacted]</li> <li>Correct the spelling in the same paragraph for Commercial Information .</li> <li>Change Privacy of natural persons [Redacted]</li> <li>Privacy of natural persons [Redacted]</li> </ul> <p>Future IAP minutes to state whether PDU personnel attended in person or via telephone conference.</p>

<b>1.4</b>	<b>Matters arising from previous Minutes</b>	
	The Panel discussed the matters arising from the previous minutes, noting:	
	<b>Item No.</b>	<b>Action</b>
		<b>Status Update</b>
	3	The Panel requests further information on loan terms and Commercial Information .
		Draft provided to IAP. Internal document only. Panel comments to be provided to David van der Zouwe.  Completed
	4	The Panel wishes to clarify the PDU's position on personal guarantees in order to secure a loan.
		Robert Pigou verbally advised the PDU Commercial Information .  Completed
	5	The Panel discussed monitoring, evaluation and reporting of the fund and requests an update on: a) How investments are being tracked against a set of regional outcomes. b) How projects are tracked and Commercial Informa Commercial Information .
		Remain open pending further information from PDU.  Open
6	Address the PDU's contract management approach and work toward Commercial Information Commercial Information .	
	Client Relationship Management framework document provided to IAP. Been emailed to SROs and wider PDU for implementation.  Completed	
10	IAP would like the opportunity to provide advice on the EDA legacy of the PGF when paper prepared by EDNZ.	
	PDU yet to sight the EDNZ paper.  Open	
12	Advise IAP any new proposals for the April 2019 announcements.	
	A verbal update was provided at the meeting (see 4.2 – Hawke's Bay Discussion below) noting the Hawke's Bay announcement package has been deferred until May 2019.  Open	
13	Provide feedback on the energy position paper to Jane and Al Morrison.	
	Feedback provided by Charlotte and Rosie on 4 March 2019.  Completed	
14	Letter sent to RED Ministers of Commercial Information	
	Letter sent 18 February 2019.  Completed	
15	Provide Panel with the February final PDU/IAP recommendations document as	
	Copy provided on 15 February and process established for going forward.	

	provided to RED Ministers.	Completed
16	New advice to Cabinet on Hold Co provided to panel by PDU.	Sent to panel 8 March 2019 Completed
17	Confirm Sarah Brown's and Charlotte Severne's attendance at RED Minister meetings	Sarah confirmed attendance for RED Ministers meeting on 25 March. Invitation to be extended to Charlotte when next RED Ministers meeting date finalised.  Open

## 2. HEAD OF PDU UPDATE

<b>Reference #</b>	14/3/2019/02
<b>Commentary:</b>	<p>Robert Pigou provided an update on the PDU primary focuses, which include:</p> <ul style="list-style-type: none"> <li>• addressing outstanding contracts with increased focus on contract execution;</li> <li>• normalisation of the client relationship management framework;</li> <li>• focusing on non-surge regions to Commercial Information ; and</li> <li>• Commercial Information .</li> </ul> <p>Robert undertaking radio and media announcements regarding PDU year one achievements, PDU composition and its future.</p> <p>Commercial Information</p> <p>Commercial Information</p> <p>IAP confirmed the next meeting will be held in Northland in April.</p>

## 3. PROPOSALS FOR PGF FUNDING

Commercial Information - withdrawn proposal

Commercial Information - withdrawn proposal

Commercial Information - declined project

PROACTIVELY RELEASED

**3.3 Maruawai Project (Stages 1 and 2) (Hokonui Moonshine Museum and Distillery) (Southland)**

Privacy of natural persons

**Reference #**

14/3/2019/05

**Commentary:**

The IAP agree with the recommendation of the PDU to support the Maruawai Project with a \$1,648,000 grant subject to the conditions recommended by PDU relating to securing co-funding and funding being released in tranches once due diligence has been completed. The grant consists of two projects, namely:

1. \$729,000 for the Hokonui Heritage Centre Trust for the Hokonui Moonshine Upgrade Project; and
2. \$919,000 for the Gore District Council for the Maruawai Visitor Centre Project.

Free and frank opinions

[Redacted text]

The proposed benefits from the two redevelopment projects are well aligned with the PGF criteria, in

particular providing a substantial tourism attraction for Gore which is strongly supported by local rūnanga and relevant local authorities.

### 3.4 Hawke’s Bay Regional Freshwater Assessment and SkyTEM

(Privacy of natural persons, Staci Hare, Hugh McPhail & Cameron Osmond)

**Reference #**

14/3/2019/06

**Commentary:**

The Hawke’s Bay Regional Council is seeking \$2,604,000 grant for two components of an interrelated project being \$450,000 grant for the Regional Freshwater Assessment Project and \$2,154,000 for SkyTEM.

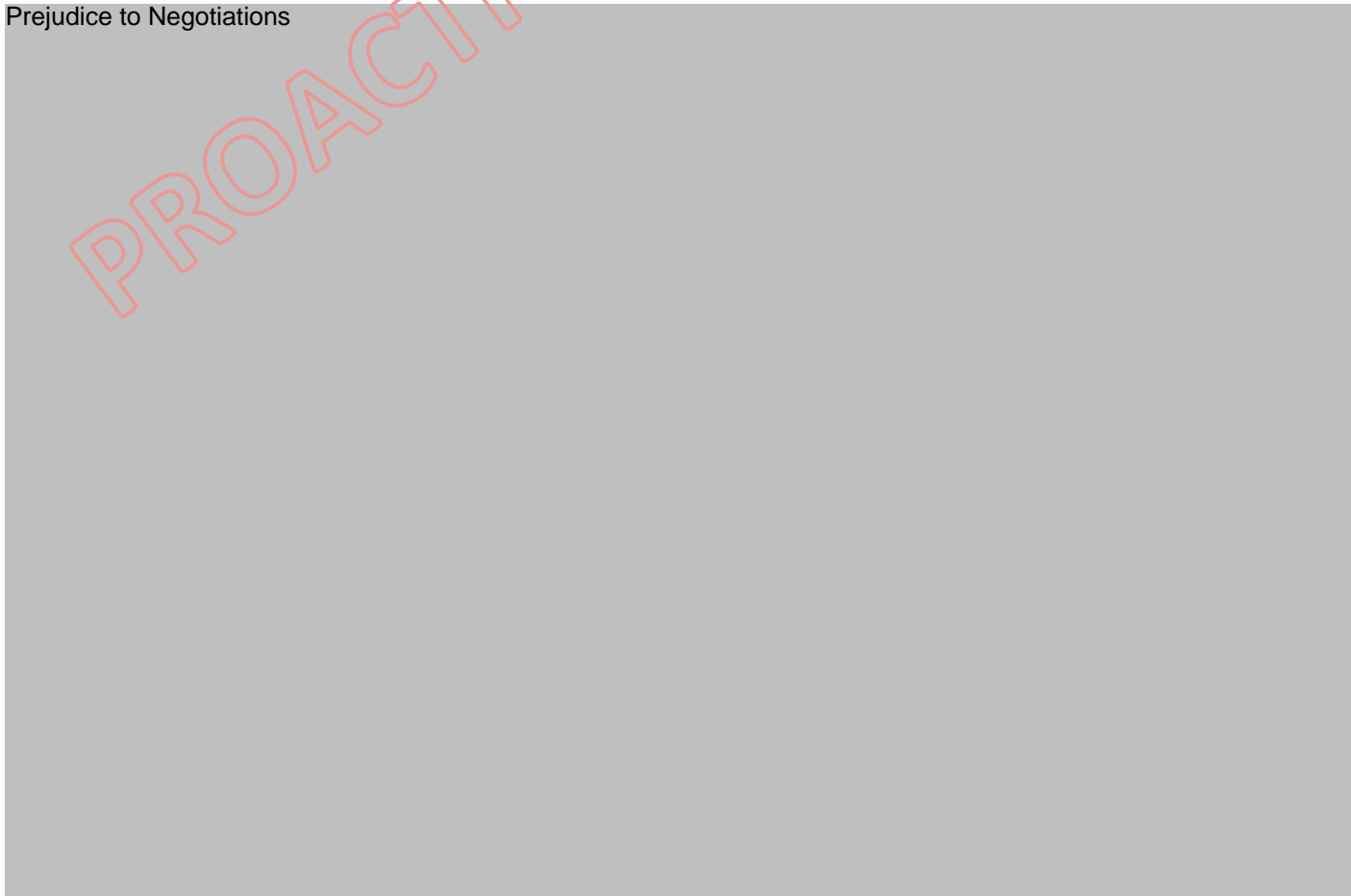
The IAP recommend that the Regional Freshwater Assessment Project is granted \$450,000 of PGF funding. This project will provide valuable information and lay the groundwork for future projects that increase economic output and make better use of under-utilised land (including Māori land)

The IAP recommend that the SkyTEM project is supported by the PGF in the form of a Commercial Information provided the following conditions are met:

- Commercial Information [Redacted]
- Commercial Information [Redacted]

These two projects form part of the Regional Water Security Package established by Hawke’s Bay Regional Council and IAP advice has been provided separately on the Tukituki and Heretaunga Projects.

Prejudice to Negotiations



Prejudice to Negotiations

**3.7 Wood Cluster – Centre of Excellence (Tairāwhiti)  
(Eliot Linforth-Hāll)**

**Reference #** 14/3/2019/09

**Commentary:** The IAP recommends that that the Wood Cluster -Centre of Excellence Project is supported by the PGF subject to the conditions recommended by the PDU, in particular that each project needs to be presented to the PDU, supported by a detailed business case with match funding by ECT.

The IAP also recommends:

- **Commercial Information** [REDACTED]
- **Commercial Information** [REDACTED]
- further work is undertaken to understand the market for these manufactured and processed wood products and that this be a key focus as each individual project is assessed by the PDU; and
- **Commercial Information** [REDACTED]

The project has the potential to lift regional productivity by significantly increasing the processing of logs felled in Tairāwhiti and diversifying the overall Tairāwhiti forestry industry with a number of direct and indirect economic and employment benefits. The project strongly aligns with regional economic priorities and has strong local support with forestry being identified as a priority in the Tairāwhiti Economic Action Plan.

## 4. SUPPLEMENTARY DOCUMENTS

### 4.1 Hawke's Bay Discussion (Alex Matheson)

<b>Reference #</b>	14/3/2019/10
<b>Commentary:</b>	<p>Alex Matheson briefed the panel on the Hawke's Bay announcement and proposed package.</p> <p>The Hawke's Bay Minister announcement package has been postponed from 5 April until mid-late May 2019 for further consideration of the transport and water storage elements of the proposed package put forward by the region.</p> <p><b>Commercial Information</b> [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>A Panel discussion was held about possible future large proposals in the region and the possible shape of the Hawke's Bay packages in 2020 when compared to other surge regions.</p> <p><b>Free and frank opinions</b> [REDACTED]</p> <p>[REDACTED]</p>

### 4.2 Provincial Growth Fund Portfolio Analysis

<b>Reference #</b>	14/3/2019/11
<b>Commentary:</b>	<p>PGF distribution documents were tabled.</p> <p>The documents provided the IAP with a snapshot of funds committed by sector and the distribution by sector within each region. This assists in identifying future focus areas.</p> <p><b>Commercial Information</b> [REDACTED]</p>

### 5.0 General Business

<b>Reference #</b>	14/3/2019/12
<b>Commentary:</b>	<p><b>Otago Packages</b></p> <p>The proposed Dunedin Waterfront investment proposal was discussed by the IAP. Concerns were raised regarding the proposed level of funding being sought from the PGF. The IAP would consider support of funding in line with what was agreed for the Rotorua <b>Commercial Information</b> [REDACTED] Redevelopment Project.</p> <p><b>Conversion of Waste to Energy</b></p> <p>This is a focus area for the Government and affects every region within New Zealand. Numerous government and local organisations are looking at various conversion of waste to energy options. The Ministry for Environment are increasing the Waste Minimisation Fund to manage potential conversion of waste to energy funding applications.</p> <p>Robert advised the PDU are establishing a group to look further into this. Rodger suggested involving David W and John R from the IAP.</p>

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**Mr Rodger Finlay**

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**Date**

**Chairperson**

PROACTIVELY RELEASED