

<b>Subject</b>	Minutes of the Independent Advisory Panel meeting held on Thursday 14 February 2019 between 8:30am – 3:30pm
<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 (Acting Head of Provincial Development Unit), David van der Zouwe (Acting Head of Investment Management), Karyn Stillwell (Manager, Engagement and Communications) & Glynis Mussen (Secretariat)
<b>Attendees:</b>	Yen-Ting Liu, <b>Commercial Information</b> , Alex Matheson, Jason Hall, Kate Styles, Ben Dalton, Jane Frances, Jerome Wyeth (Consultant) & Isabella Radovanovic
<b>Apologies:</b>	

## 1. MEETING ADMINISTRATION

<b>Reference #</b>	14/2/2019/01
<b>Commentary:</b>	<p><b>1.1 Committee Only Time</b></p> <p>Committee only time focussed on:</p> <ul style="list-style-type: none"> <li>• <b>Commercial Information</b></li> <li>• The recruitment process for the new Head of Provincial Development Unit.</li> <li>• The IAP's ongoing commitment to support the PDU and new Head of the Provincial Development Unit in making robust decisions, particularly through the execution of contracts, project management and communications.</li> <li>• <b>Commercial Information</b></li> </ul> <p><b>1.2 Apologies</b></p> <p>No apologies were received.</p> <p><b>1.3 Register of Interests</b></p> <p>The following updates were provided by Panel members:</p> <ul style="list-style-type: none"> <li>• <b>Privacy of natural persons</b></li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> </ul> <p><b>1.4 Ratification of minutes from 15<sup>th</sup> January 2019 IAP meeting</b></p> <p>The IAP approved the minutes from the 15 January 2019 IAP meeting noting one change to <b>Privacy of na</b> <b>Privacy of natural persons</b> 15/1/2019/05 which should read: <b>Privacy of natural persons</b></p>

**Privacy of natural persons**

**1.5 Matters arising from previous Minutes**

Secretariat provided a list of actions from previous minutes dating back to September 2018. The Panel discussed and noted the following:

Minute ref: 16/10/2018/02

Action: The Panel requests further information around application of accounting standards to the PGF, and specifically which part of the Public Finance Act results in the Crown accounting in this manner

Status update: Resolved.

Minute ref: 16/10/2018/02

Action: **Commercial Information**

Status update: Final paper to be available end of February 2019 when agreed with Treasury. Panel requested a copy of an early working draft.

*New Action: David van der Zouwe to provide the Panel with an early working draft.*

Minute ref: 16/10/2018/15

Action: 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 how the PDU can be satisfied that the projects are meeting stage gate ways properly

Status update: Further detailed information to be provided.

**1.6 Future Role of PDU**

Robert Pigou provided the Panel with a verbal presentation on his view on the future role of the PDU and the key areas of focus. The key areas for focus are:

- Delivery especially contract execution and funding disbursed  
client relationship management
- project governance arrangements
- sector based investments, further packages in surge and investment in non-surge regions
- **Commercial Information**

Robert provided further information regarding the Whenua Maori Fund advising applications to this fund are required to meet the PGF criteria and applications between \$1m-\$20m will go to the IAP for recommendations to RED Ministers.

The Panel thanked Robert for his succinct update.

## 2. PDU INSIGHTS

**Reference #**

14/2/2019/02

**Commentary:**

Robert Pigou briefed the Panel on the PGF fund reports as provided to the Panel at the meeting. These were:

1. A New Zealand map summarising PGF funds committed by geographical region as at 31 January 2019.
2. A table detailing PGF funds committed as at 31 January 2019 in each region and within each sector in that region. This was provided to assist IAP in assessing future applications and the spread over the

regions and sectors to date.

3. A table detailing possible future investment proposals which are not in Pipedrive.

The reports were discussed by the Panel, particularly noting the improved standard of reporting.

### 3. PROPOSALS FOR PGF FUNDING

Commercial Information - deferred project

Commercial Information - withdrawn proposal

Commercial Information - deferred project

PROACTIVELY RELEASED

## Commercial Information - deferred project

## 3.4 Wairarapa Community Water Storage (Wakamoekau) Project PGF Application

<b>Reference #</b>	14/2/2019/06
<b>Commentary:</b>	<p>The Panel considers the Wakamoekau Project has the potential to deliver significant economic and social benefits to the Wairarapa region. This is a priority project for Wairarapa with strong local support from key agencies and iwi and clear alignment with regional economic development priorities.</p> <p>The proposal aligns with the Cabinet endorsed PGF investments for water principles and Wairarapa Water Limited have confirmed they accept that water storage projects should not intensify ruminant agriculture.</p> <p>The Panel support the recommendation that Wakamoekau Project is granted \$800,000 to enable the pre-feasibility phase to be completed. The Panel recognise this pre-feasibility phase can be approved by PGF Senior Regional Officials, but the IAP would like their support noted for this project as further investment will be sought should the pre-feasibility phase be positive.</p> <p>The total amount of funding sought for the development and construction phase is expected to be between \$<small>Commercial Inform</small> depending on funds secured locally. The merits of the project and in particular, its alignment with the PGF investment principles for water storage, would need to be carefully assessed at that stage before the IAP would recommend any further PGF funding for the project.</p>

## 4. SUPPLEMENTARY DOCUMENTS

## 4.1 Hawke's Bay Update

<b>Reference #</b>	14/2/2019/07
<b>Commentary:</b>	<p>Alex Matheson presented a paper providing an update on Hawke's Bay. This included:</p> <ul style="list-style-type: none"> <li>Highlights from the Under-Secretary Tabuteau Visits to Hawke's Bay in December 2018 and January 2019</li> </ul> <p>Mr Tabuteau met with regional businesses, iwi and local-body leaders. It was noted that water storage and use is a significant economic development constraint for the region, along with roading and logistics, and access to both seasonal and skilled workers. The Under-Secretary advised that projects that improve productivity potential for the whole region will be prioritised for consideration by the PGF.</p> <p>A programme is underway for the Under-Secretary and Senior PDU staff to visit the Central Hawke's Bay District.</p> <ul style="list-style-type: none"> <li>Overview of Hawke's Bay Package</li> </ul>

The Panel discussed the upcoming April package announcement for Hawke's Bay and Hawke's Bay proposals being developed or in pipedrive.

*Action: Alex to advise the IAP of any other proposals for the April 2019 package announcement.*

#### 4.2 Provincial Growth Fund position paper on Energy

##### Reference #

14/2/2019/08

##### Commentary:

Jane Frances discussed the drafted investment principles which were developed to aid in decision making and assessment, and to inform applicants on what PGF priorities are in this area.

The PGF will invest in energy projects that support increased productivity in the regions and will prioritise investment in clean energy technology infrastructure in **Commercial Information** and other regions that have natural advantages in energy, with preference being given to proposals that support multiple objectives of the PGF.

RED Ministers will consider the detailed position papers at the next RED Ministers meeting. Following Ministers agreement these papers will be adopted by the PDU and proactively released.

**Commercial Information**

[Redacted]

**Commercial Information**

[Redacted]

#### 4.3 Media Briefing

##### Reference #

14/2/2019/09

##### Commentary:

Karyn Stillwell briefed the Panel on upcoming media announcements. List of possible announcements has been provided to the Secretariat for circulation to the IAP (Panel to note the confidentiality of this document).

A MBIE led media announcement is being planned towards the end of March on accountability, decision making and transparency of PDU work. The PDU will be providing collateral around PGF key data to date.

PDU is proactively releasing redacted PGF documents including funding applications, cover sheets, minutes and agreements and this will include IAP minutes, memos, cover sheets and agendas.

Panel members were shown the IAP page on the growregions.govt.nz website (where proactive information on the IAP is located) <https://www.growregions.govt.nz/about-us/governance/independent-advisory-panel/>.

Panel to advise Karyn of any newsworthy stories and interviewees they meet during their regional stakeholder visits.

#### 5.0 General Business

##### Reference #

14/2/2019/10

Commercial Information - withdrawn proposal

**Commercial Information**

- **Gisborne Airport**

Robert Pigou advised the PDU will be submitting a paper next week to RED Ministers seeking to modify the **Commercial Information**

- **Investment Proposal Coversheets**

IAP provided feedback on PDU Investment Proposal coversheets, asking the PDU to:

- Confidential advice to Government
- Confidential advice to Government

- **Final PDU and IAP recommendations as provided to RED Ministers**

Copy to be provided to the Panel.

- **Hold Co**

The Panel requested a copy of the new PDU advice to Cabinet on Hold Co.

- **Red Minister Meetings**

Rodger Finlay invited Sarah Brown to attend the RED Minister meeting on 14 March and Charlotte Severne to attend the RED Minister meeting in April (date to be confirmed).

*Actions: Rodger Finlay send a letter on behalf of the Panel to RED Ministers on **Commercial Information***

*Secretariat to send the Panel the final PDU and IAP recommendations document*

*PDU to provide the Panel with the new advice to Cabinet on Hold Co*

*Secretariat to confirm Sarah's and Charlotte's attendance at RED Minister meetings*

The meeting closed at 3:00pm

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**Mr Rodger Finlay**  
Chairperson

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**Date**