

<b>Subject</b>	Minutes of the Independent Advisory Panel meeting held at MBIE on Tuesday 8 May 2018, 10am – 4.30pm
<b>Panel members:</b>	Mr Rodger Finlay (Chairperson), Ms Sarah Brown, Mr Neville Harris, Ms Rosie Mercer, Mr John Rae, Dr Charlotte Severne, Mr John Sproat & Dr David Wilson
<b>In attendance:</b>	Mr Ben Dalton (Acting Head of Regional Development Unit), Mr John Doorbar (Director, Regional Development Unit), Ms Jane Frances (Strategic Advisor to Hon Shane Jones), Mr Alex Matheson (Political Advisor to Hon Shane Jones), Mr Robert Pigou (Acting Head of Investments), Ms Alta Kilsby (Secretariat) & Ms Kate Kuska (Secretariat)
<b>Attendees:</b>	Ms AJ Millward, Mr Stuart Taylor, Mr David van der Zouwe, Mr David Smol
<b>Apologies:</b>	

### 1. Panel only time

<b>Reference #</b>	8/05/2018/01
<b>Discussion</b>	<p>Panel only time discussion focused on three key areas:</p> <ul style="list-style-type: none"> <li>(a) The panel's role in providing independent advice.</li> <li>(b) Structural initiatives.</li> <li>(c) Influence on advice provided by the Panel from other government departments, notably Treasury.</li> </ul>

### 2. Meeting Administration

<b>Reference #</b>	08/05/2018/02
<b>Commentary:</b>	<ul style="list-style-type: none"> <li>(a) Register of Interests reviewed by the panel, no additions were declared.</li> <li>(b) The minutes of the IAP meeting held on 10 April 2018 were confirmed as a true and accurate record of the meeting.</li> <li>(c) The panel awaits the formal Letter of Expectation from the Minister as well as the Investment Statement as key inputs to guide future advice on proposals.</li> </ul>

### 3. Chairperson / Ministerial / Head of PDU insights

<b>Reference #</b>	08/05/2018/03
<b>Commentary:</b>	<ul style="list-style-type: none"> <li>(a) The Acting Head of PDU provided a verbal update which supported the written update submitted to the panel. Mr Dalton emphasised the preference to build the capability of the Unit by leveraging existing resources rather than building a new team. The desired end state for the Unit is to garner support from other agencies, particularly at the Regional Engagements level. Mr Dalton added that a</li> </ul>

	<p>key focus will be to drive communication and workflow between the Unit and the field teams.</p> <p>(b) An update on resourcing was provided with Mr Robert Pigou informing the panel that a number of key resources have joined the PDU to support, where necessary, the investment component of advice. Ms Millward GM Strategy &amp; Governance advised that the PDU at full complement, will look to utilise around 70-80 team members.</p>
<b>Actions:</b>	Calendar of engagements to be developed out of the PDU to guide and support the IAP members' travel.

### 3.1 Update on Investment Statement

<b>Reference #</b>	08/05/2018/04
<b>Commentary:</b>	<p>(a) Mr David Smol provided the panel with a verbal update on the progress of the Investment Statement. The intention is to have the Statement in draft form made available to relevant Ministers by the end of May 2018.</p> <p>(b) The panel agrees that grants are the least preferred financial instrument for funding a proposal. Preference is given to the range of financial instruments available from the fund, in this order:</p> <ol style="list-style-type: none"> <li>1. Debt</li> <li>2. Equity</li> <li>3. Underwrite</li> <li>4. Grants</li> </ol> <p>(c) The Chair emphasised the importance of the finalised Investment Statement to guide decisions and advice made by the panel.</p> <p>(d) The panel agreed that the Investment Statement should include messaging as to what success of the PGF looks like in terms of potential allocations.</p>

### 3.2 Discuss and agree process for future advice to Ministers

<b>Reference #</b>	10/04/2018/05
<b>Commentary:</b>	<p>(a) The panel considered the requirement to construct independent advice to the Minister. Options to allow for quality and independent advice to be drafted using an appropriate resource were discussed, and will be further explored during an IAP strategy session to take place mid-June.</p> <p>(b) A process for providing advice from the IAP to the Minister was presented. It is noted that the proposal is partially accepted, with rework to consider;</p> <ol style="list-style-type: none"> <li>i. The panels' need to receive information further in advance in order to review it to an effective level.</li> <li>ii. All information pertaining to an application should be made available as reference documentation so the option to further probe into an application is available. Suggestion is to have this available within the resource centre in Board Books.</li> </ol> <p>(b) Ms Rosie Mercer expressed the interest, supported by the Panel, to work with a senior resource that would assist the Panel in crafting independent advice to the Minister, based on the panels' combined feedback.</p> <p>(c) It is noted that when advice is drafted by the Panel, it is sent to the Lead Minister whose office is then responsible for distributing advice to other relevant Ministers.</p>

	(d) Commercial Information [REDACTED] [REDACTED] [REDACTED]
<b>Action</b>	Draft process for submitting advice to Ministers to be updated, circulated prior to, and agreed at the IAP Strategy session mid-June

#### 4 Role of the IAP in large and complex Expressions of Interest

<b>Reference #</b>	08/05/2018/06
<b>Commentary:</b>	It is the wish of the panel that for large and complex Expressions of Interest, there should be an engagement with the panel prior to the final submission of advice from the PDU. Flagging projects of significance well in advance will assist the panel to make decisions once the proposal is submitted for consideration.

#### 5.1 Inclusive list of investments approved by SROs and Ministers

<b>Reference #</b>	10/04/2018/07
<b>Commentary:</b>	The panel noted the proposal pipeline for SROs consideration during May 2018.  (a) Ms Sarah Brown requested further information on the Commercial Information request, specifically what the funding is for.
<b>Action</b>	PDU to provide information to the panel on the specifics of the Commercial Information request

#### 5.2 Risk awareness

<b>Reference #</b>	10/04/2018/08
<b>Commentary:</b>	A draft risk register was presented to the panel for discussion. It is agreed going forward that the risk register will be actively managed between the IAP Secretariat and the panel. Further risks identified are; <ul style="list-style-type: none"> <li>i. Not managing a conflict of interest appropriately</li> <li>ii. Panel not delivering to expectations of the Minister</li> <li>iii. Failure to distribute money appropriately across different regions</li> <li>iv. Supporting a number of proposals at the project level which may not tie into an overarching strategic direction</li> </ul>
<b>Action:</b>	IAP Secretariat to update risk register post meeting and circulate to the panel for approval

### 5.3 Provincial engagement update

<b>Reference #</b>	10/04/2018/09
<b>Commentary:</b>	The panel discussed recent engagements undertaken in various regions. It is agreed that an engagement register/calendar be managed by the IAP Secretariat with further advice to be agreed on a coordinated travel approach between panel members and the PDU.

Commercial Information - declined project



### 6.2 Northland Rail

<b>Reference #</b>	10/04/2018/11
<b>Commentary:</b>	<p>Privacy of natural persons [REDACTED].</p> <p>Privacy of natural persons [REDACTED]</p> <p>(a) The panel note the application is for the Business Case Development of the North Auckland Rail Line Upgrade</p> <p>(b) Free and frank opinions [REDACTED]</p>
<b>Decision</b>	The panel agrees that the funding amount of \$500,000 be made available to support the business case development of the Northland Rail. Note the application is approved in order to expedite the current timelines of the project.

<b>Action</b>	Draft ministerial advice to be prepared for the panel's review and agreement prior to the RED ministerial meeting on 28 May.
---------------	--

### 6.3 Three Wharves

<b>Reference #</b>	10/04/2018/12
<b>Commentary:</b>	<p>(a) The panel notes the application for the PGF to fund a portion of the upgrade to Russell, Paihia and Opuia Wharves.</p> <p>(b) It is a clear assumption from the panel that the CCTO will cover the OPEX costs of the Three Wharves operation.</p>
<b>Decision</b>	<p>The panel agrees to support the funding request of \$<sup>Commercial In</sup> to the 'Three Wharves' proposal, subject to the following conditions;</p> <ol style="list-style-type: none"> <li>i. Confirmation of the funding instrument being used. It is the panel's preference that a loan be applied to this application</li> <li>ii. Confirmation that the CCTO will cover the ongoing OPEX cost of the wharves</li> <li>iii. Consider funded depreciation for assets</li> </ol>
<b>Action</b>	<p>PDU assessment team to provide clarity on the conditions (set out above)</p> <p>Draft ministerial advice to be prepared for the panel's review and agreement prior to the RED ministerial meeting on 28 May</p>

Commercial Information - declined project

Commercial Information - declined project



The meeting closed at 4.30pm.

\_\_\_\_\_  
Mr Rodger Finlay  
Chairperson

\_\_\_\_\_  
Date