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| Subject | Minutes of the Independent Advisory Panel meeting held at MBIE on Monday 16 July 2018, 12.30pm – 4.30pm |
| Panel members: | Mr Rodger Finlay (Chairperson), Mr Neville Harris, Ms Rosie Mercer, Mr John Rae, Dr Charlotte Severne, Mr John Sproat & Dr David Wilson |
| In attendance: | Mr Nigel Bickle (Acting Head of Regional Development Unit), Ms Jane Frances (Strategic Advisor to Hon Shane Jones), Mr Robert Pigou (Acting Head of Investments), & Ms Kate Kuska (Secretariat) |
| Attendees: | Mr Eliot Linforth-Hall, Mr Nick Hough, Mr Paul Swallow, Mr Alex Matheson & Mr Jerome Wyeth (Consultant) |
| Apologies: | Ms Sarah Brown |

1. Meeting Administration

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| Reference # | 16/07/2018/01 |
| Commentary: | (a) The Chair noted the apology of Sarah Brown |

2. Chairperson / Ministerial / Head of PDU insights

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| Reference # | 16/07/2018/02 |
| Commentary: | <p>(a) Head of PDU Nigel Bickle provided a verbal report back from the RED Ministers meeting held 2 July 2018. Regarding proposals previously considered by the IAP, of note was;</p> <ul style="list-style-type: none"> (i) Confirmation that Te Hiku Sports Hub is an election manifesto commitment (ii) Commercial Information (iii) LINZ Better elevation data project – LINZ to continue to work with the unit to progress application, Ministers suggestion was to garner greater levels of financial support from third parties (iv) Commercial Information <p>(b) Nigel Bickle provided an update on the reach of the PGF in metropolitan areas. Wellington excludes the Kapiti Coast and the Wairarapa. Christchurch includes the Banks Peninsula. Helensville and Wellsford are part of Auckland and excluded for geographic coverage of the fund.</p> <p>(c) Ministers provided insight that the IAP model has been working well to date, and the advice so far has been well received.</p> |

3.1 Gisborne Airport Terminal

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| Reference # | 16/07/2018/03 |
| Commentary: | <p>(a) The panel note the application to the PGF from Eastland Group for the redevelopment of the Gisborne Airport Terminal is a priority project for the region.</p> <p>(b) Agreement amongst panel members that the possibility of the District Council owning the asset (the Terminal) should be considered. It could be operated as a commercial entity with a long term lease and management agreement highlighted in the terms of the lease.</p> <p>(c) Noted that MOT is progressing work on air connectivity in regional New Zealand and the panel are of the view that funding decisions should be held until that work is completed (paper due August).</p> <p>In order to support the project, the IAP would like to see evidence of:</p> <ol style="list-style-type: none"> i. Concept and design drawings to support the application. ii. Potential additionality for freight connections off the back of the redevelopment; as a significant component of activity undertaken, what are the freight logistics and capacity into the future? iii. Funding option preferred would be in the form of a subordinated loan. iv. The employment generated by the Gisborne Airport redevelopment appears to be mostly in the start-up and construction phase of the Terminal redevelopment project; the IAP would like to see more evidence of permanent and sustainable jobs. |

3.2 Mt Titirangi – Puhī Kai Iti Connection

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| Reference # | 16/07/2018/04 |
| Commentary: | <p>(a) The panel note this is the second application to the PGF for the wider Mt Titirangi development programme; it follows the Cook's Landing restoration project presented to the IAP at its 18 June 2018 meeting.</p> <p>(b) The IAP note the projected benefits made by the PDU are based on assumed tourism spend, and uplift in employment numbers would be based on increased tourism.</p> <p>(c) The panel agree that there must be more evidence demonstrated of a 'bookable product' connected to the Mt Titirangi – Puhī Kai Iti Connection project. This would support the potential to generate long term revenue.</p> <p>(d) Panellists note the size of spend relative to other similar projects is high.</p> <p>The panel would support the request for funding conditional on the following:</p> <ol style="list-style-type: none"> i. Further work to be done with applicants to progress a 'bookable product' which would support long term sustainable revenue. |

3.3 National Algae Research and Development Centre

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| Reference # | 16/07/2018/05 |
| Commentary: | <p>(a) The panel strongly believes that the application for the National Algae Research & Development Centre in principle meets the criteria of the fund, and is pleased to see a research and development initiative apply to the PGF.</p> <p>(b) Noted that the applicant (Cawthron Trust) has emphasised it is seeking Crown funding to ensure the pilot project is not influenced in any way by commercial interests.</p> <p>The IAP support this application conditional on</p> <ul style="list-style-type: none"> i. Confirmation that the Crown could retain some form of ownership of the commercial asset, intellectual property, and/or infrastructure associated with the project. ii. The complementarity of similar research initiatives that are being undertaken by national facilities (such as NIWA). It is important to ensure that PGF funding for this project complements existing and future interests in algae research. iii. Due diligence completed by the PDU to provide responses to the above mentioned points. |

3.4 Commercial Information - application declined

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| Reference # | 16/07/2018/06 |
| Commentary: | <p>Commercial information - Application declined</p> |

3.5 Commercial Information - application declined

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| Reference # | 16/07/2018/07 |
| Commentary: | <p>Commercial Information - Application declined</p> |

Commercial Information - Application declined

3.6 Predator 2050

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| Reference # | 16/07/2018/08 |
| Commentary: | <p>(a) The panel would like to understand further the <small>Commercial Inform</small> and departmental support for the PF2050 Program; respective to note (d) in the cover sheet which states; <i>“The CEO of PF2050 advises that the project is strongly supported by the Director General of the Department of Conservation”</i></p> <p>(b) The panel would like further understanding of;</p> <ul style="list-style-type: none"> - the sustainable nature of jobs over time - why the <small>Commercial Information</small> is not funding this initiative - the regional economic benefits outlined more clearly, particularly in the surge regions <p>(c) Agreed that no advice to be written at this stage, pending responses to the above queries</p> |
| Action: | <p>PDU to provide an update on the above queries Note: Post meeting follow up confirms political and departmental support for the PF2050 programme of work.</p> |

4 Papers for discussion

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| Reference # | 16/07/2018/09 |
| Commentary: | <p><i>PGF Sector Investment Approach</i></p> <ul style="list-style-type: none"> (a) Paper presented showing strawman outline of potential PGF allocation (illustrative only) (b) Jane Frances spoke to the paper and highlighted some key points; (1) a large portion of the fund is already committed in principle, which implies we should be looking for more co-investment, (2) it will be useful to develop strategies around the larger sectoral spends (rail/infrastructure/air connectivity), (3) the aim is to have Ministers comfortable with the sectoral approach, and then narrow it to focus on the regional split which will allow informed decisions (c) Key focus areas for the surge regions are; Engineering, ICT, Robotics & Data Processing, Construction, Wood processing, Horticulture processing, Agriculture processing, Fishing, Aquaculture and Energy <p><i>Water storage – sustainable productivity enhancements</i></p> <ul style="list-style-type: none"> (a) Paper presented highlighting the estimate of funds <small>Commercial Infor</small> suggested to be allocated from the PGF to water storage projects (b) Discussion around current opportunities for water storage development in surge regions (c) Note that the PDU and MPI are working together to proactively identify opportunities around water storage, and proposals for such funding will return to the IAP in the future <p><i>Digital connectivity package</i></p> |

- (a) The panel note that a suggested allocation from the PGF toward the digital connectivity package is \$100m, which would address backhaul and service quality.
- (b) Some solutions to address regional connectivity would require a more bespoke solution and the panel agrees that ways to provide faster and better connectivity in remote areas can be community driven solutions.
- (c) The panel emphasises that its priority is volume of connectivity or “last mile connectivity”, with a focus on community benefits. Acknowledged that metrics around poverty could assist us with metrics around connectivity goals.
- (d) The panel would like to understand further the stage gates around the digital connectivity package to be certain that this is a truly regional and surge regional programme. A real emphasis must be given to ensuring that jobs and productivity remain a focus for the programme.

West Coast report

- (a) Report presented by Privacy of natural persons, Privacy of natural persons and Privacy of natural persons highlighting initiatives from the region to form part of the wider West Coast Action Plan
- (b) It is acknowledged that the region requires strong stewardship to deliver on its Action Plan and to coordinate substantive regional packages out of the PGF.

The meeting closed at 4.30pm.

Mr Rodger Finlay
Chairperson

Date

PROACTIVELY RELEASED