

COVER SHEET

4.1 Preliminary PGF allocation	Noting
Background & context:	Recommendation(s):
<p>Based on the types of applications the PDU has received to date and the areas that Ministers expect investment to occur in, a strawman of how the PGF could be allocated across the different sectors has been developed.</p> <p>One of the roles of the IAP is to consider the overall balance of PGF investments. In order to determine amounts to be invested through various strategies (for example digital connectivity and water storage), it is worthwhile to consider these in the context of the overall spread of investments.</p> <p>Key points to note based on the accompanying spreadsheet:</p> <ul style="list-style-type: none"> a) The bulk of funding decisions are expected to happen in the first two years of the fund b) The key elements of 2018 investment are forestry, existing regional initiatives, tourism, digital connectivity and training & development c) As the sector investment engagement strategy gets underway, investments that involve transforming sectors will increase d) Over 2019, it is likely that priorities for investment would shift to focus on rail, ports and the sector transformation investments. Training and development would remain important while funding for the other key sectors for 2018 would decrease e) By 2020, most of the fund would be spent and the focus will be on delivering projects. <p>Questions for the IAP to consider;</p> <ul style="list-style-type: none"> a) Does the allocation roughly look right across sectors? b) The fund is overallocated under this strawman – where would the IAP recommend pulling back investments? c) Where would the IAP suggest increasing investment? What has been omitted? d) Is this approach useful for guiding investment decisions? 	<p>We recommend that the IAP:</p> <ul style="list-style-type: none"> a) Note the accompanying spreadsheet is an illustrative strawman only and is based on the PDU’s understanding of existing applications and the Ministers’ expectations of the sectors in which investments will occur. b) Note that two papers considered at the 16 July IAP meeting are strategies for the PGF’s investment in water storage and digital connectivity, and this document may support discussion around allocation. c) Discuss the questions for the IAP’s consideration outlined in the Background & context area of this brief

The purpose of this briefing is to discuss the approach used to guide investment allocation across sectors.

Supporting proposal:	
Appendices:	Preliminary PGF Allocation (xls.)
Sponsor(s):	Nigel Bickle
Manager/Author of paper:	Jane Frances

PROACTIVELY RELEASED