

Subject	Minutes of the SRO meeting held at MBIE offices in Stout Street on Thursday 24 January 2019, 8am-11:30am
Senior Regional Officials Present:	Kathy Mansell, Kay Read, Te Rau Kupenga, Di Grennell, Al Morrison, Karen Adair, Carl Crafar, Robert Pigou (in Karl's absence)
Principal Regional Advisor as observers	Hugh McPhail & Apryll Parata
In attendance	Mark Jacobs (Chair Person), David van der Zouwe, Hannah Buchanan, Paul Swallow, Dipankar Ganguly, Nick Hough, David Broome, Brendan Quinivan, Mel Dawson, Stephen Ruddell, Thomas Perenara, Apryll Parata, Michelle Ellington, Marama Edwards, Amy McElroy, Jocelyn Mikaere, Mark Jacobs, Karyn Stillwell, Monica Butler (administration assistant), Glynis Mussen (Secretariat)
Apologies	Karl Cummins, Ben Dalton, Bryan Wilson

1. Meeting Administration

Reference #	SRO 24/01/2019/01
Commentary	<ul style="list-style-type: none"> Ben Dalton and Bryan Wilson apologies were received Mark Jacobs acting as Chair Person Karen Adair delayed and arrived during item 3.11 Al Morrison delayed and arrived during item 3.11 Meeting delayed until SROs had a quorum of 6 – Kathy Mansell, Te Rau Kupenga, Di Grennell, Carl Crafar, Kay Read and Robert Pigou (Robert and Ben are jointly acting to cover Karl Cummins' absence) No standing conflicts of interests were registered, conflicts with specific proposals are captured within the body of the minutes Te Rau's last meeting in this role as SRO. It was acknowledged by the Officials that without Te Rau's support and involvement in the Tairāwhiti package it would have struggled to get over the line. Apryll Parata will start in this SRO role in February 2019

2. Noting and Discussion Paper

2.1 Te Ara Mahi Update for Senior Regional Officials

Reference #	SRO 24/01/2019/02
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Commentary

- Hannah Buchanan (Te Ara Mahi Programme Manager) updated the SROs on Te Ara Mahi funding as part of the PGF.
- In October 2018 Cabinet **Commercial Information** [REDACTED]
[REDACTED]. The Cabinet paper indicated the following nominal splits:
 - \$60 million targeted to five surge regions – Northland, Tairāwhiti, Hawke’s Bay, Bay of Plenty and Manawatū-Whanganui (or approximately \$12m per region). Up to \$13.275m of the \$60m could be available to fund He Poutama Rangatahi proposals.
 - \$20 million available for non-surge regions; and**Commercial Information** [REDACTED]
- Te Ara Mahi supports achievement of the overall PGF objective ‘lifting productivity potential in the regions’ with a particular contribution to the PGF specific objectives:
 - sustainable economic development (not focusing on number of jobs created);
 - Māori development; and
 - increased social inclusion and participation.
- He Poutama Rangatahi (HPR) is a related programmed focused on improving employment outcomes in the regions, specifically NEETs who need additional support on the pathway to employment and particularly Māori. HPR is now to be funded by the PGF as a subset of Te Ara Mahi.
- The Cabinet paper confirms the PGF decision making framework which is:
 - Proposals under \$1m to be decided by SROs
 - Proposals \$1m- \$10m to be decided by RED Ministers (no tier 1 proposals to be over \$10m)
- Hannah advised that SROs are:
 - the decision makers for all Te Ara Mahi applications under \$1million
 - advisors for Te Ara Mahi applications \$1 - \$10 million i.e. they consider and provide a recommendation to RED Ministers
 - Te Ara Mahi are not commercial investments and thus do not fall under the investment Advisory Panel for recommendations to RED Ministers
 - RED Ministers will receive a briefing with recommendations and a summary spreadsheet with investment proposal details and SRO recommendations and any accompanying comments or notes from SROs.
- SROs queried the timeframe for the **Commercial Information** [REDACTED]. Hannah confirmed **Commercial Information** [REDACTED]
[REDACTED]. Most officials were aware of this proposal before Christmas with workshops underway in the 5 surge regions to identify investment priorities.
- SRO’s asked what other agencies are generating proposals within the communities. Hannah advised PDU are connecting with Education and Social Development Officials and that on the ground and some regions already have skills and employment cross agency forums/governance groups in place – which we will continue to connect with.
- SRO’s asked to be provided with a monthly map showing the regional allocations.
- Recommendations made by SROS today for RED Ministers 29 Jan may form part of the Waitangi Day Prime Minister announcements.

Action: PDU to provide SROs as part of their monthly meeting pack a map showing regional allocations and fund distribution based on the preceding month’s decisions. SROs asked the PDU to be provided with a spreadsheet detailing Te Ara Mahi decisions, with information specifically on amount funded and reasons for funding.

3. Investment Proposals

3.1 Muriwhenua Incorporation - Te Mingi Barge Site Feasibility Study deal (Tai Tokerau/Northland)

Reference # SRO 24/01/2019/03

Discussion

- SROs unanimously approved up to \$257,000 from the PGF fund towards Te Mingi Barge Site Feasibility Study with the following conditions:
 - resolution of project governance;
 - **Commercial Information** contribution from the applicant for the feasibility study; and
 - the first phase of the study will include the investigation into forecast log supply projections and the likelihood of resource consent being attained – with the study and project to cease immediately if either matter deems the project as not feasible.
- The SROs noted this proposal strongly aligns with the PGF's objectives of lifting productivity potential of regions; and aligns with the Northland Economic Action Plan's focus on strategic investment to improve regional connectivity, resilience and safety.
- The SROs noted the original amount applied to the PGF was \$**Commercial Inform**.

Waipoua River Road Upgrade

- Paul Swallow, Investment Director Northland, provided an update on the Waipoua River Road Upgrade project, which SROs agreed on 22/11/18 to fund up to \$**Commercial Inform** toward the \$**Co m** **Commercial Info** cost at that time
- The SROs noted:
 - the full estimated cost of \$**Commercial Information** for the Waipoua River Road Upgrade has been included in a \$**Commercial Information** roading package for Kaipara, which if approved will ensure the road upgrade will be completed;
 - **Commercial Information** will not be contributing any funding toward the upgrade;
 - that RED Ministers will consider the Kaipara roading package at their meeting on 29 January 2019; and
 - if approved by Ministers, that the \$**Commercial Inform** approved by SROs in November will be superseded.
- The SROs agreed that funding the Waipoua River Road Upgrade project as part of the Kaipara Roothing Package was a good outcome.

Commercial Information - declined project

Commercial Information - declined project

Commercial Information - declined project

3.4 Transforming Te Apiti into a major tourism destination (Manawatu-Whanganui/Horowhenua)

Reference #	SRO 24/01/2019/06
Discussion	<ul style="list-style-type: none"> • SROs unanimously approved the request for \$100,000 grant from the PGF for the 'Transforming Te Apiti into a major tourism destination' feasibility study subject to: <ul style="list-style-type: none"> ○ PDU agreement of project deliverables; ○ PDU agreement of the consultant contracted to undertake the work; and ○ PDU agreement to the project management governance including proposed gateways/key milestones to be established by CEDA. • The SROs note: <ul style="list-style-type: none"> ○ that a complementary but independent application – Te Apiti; Nga Whenua o te Atua has also been submitted to the SROs; and ○ there is strong alignment with regional priorities with full support of local government stakeholders (Palmerston North City Council, Manawatu District Council, and Tararua District Council).

3.5 Fast Tracking Escea Fireplaces into Wood Fire Manufacture (Otago)

Reference #	SRO 24/01/2019/07
Discussion	<p><i>Conflict of interest declared by Mark Jacobs</i></p> <ul style="list-style-type: none"> • SROs unanimously approved a grant capped at \$96,000 subject to: <ul style="list-style-type: none"> ○ Robert Pigou (Head of Investment Management, PDU) being satisfied with Commercial Information ○ completion of due diligence ○ any cost overrun on this project to be met by applicant. • SROs noted this application meets PGFs investment criteria for Tier One feasibility studies that will lead directly to increased production.

3.6 Turbocharging Tapuae Roa (Taranaki)

Reference #	SRO 24/01/2019/08
Discussion	<ul style="list-style-type: none"> • SROs unanimously approved a grant of \$530,000 of the \$Commercial Inform PGF funding applied for. The \$530,000 is for 3 of the 6 series of actions for the project. These are: <ul style="list-style-type: none"> ○ \$Commercial Inform for development of the Taranaki Story (\$Commercial Inform rather than \$Commercial Inform, this is based on cost comparison for a similar project within the Waikato region) ○ \$Commercial Inform for Tapuae Roa Action: Visitor Sector ○ \$Commercial Inform for Tapuae Roa Action: Investment ○ The combination of these series will contribute to sustainable economic development opportunities and will seek to drive a new wave of economic activity. • Decline funding for 3 of the 6 series of actions due to the minimal alignment to the PGF's objective of creating sustainable economic development activities. These are: <ul style="list-style-type: none"> ○ Commercial Information ○ Commercial Information ○ Commercial Information

	<ul style="list-style-type: none"> SROs noted the applicant has had four previous projects approved by the PGF.
3.7 New Zealand School of Applied Bio-diversity (Taranaki)	
Reference #	SRO 24/01/2019/09
Discussion	<ul style="list-style-type: none"> SROs unanimously approved \$^{Commercial Info} of PGF funding towards a feasibility study for the New Zealand School of Applied Bio-Diversity Project subject to: <ul style="list-style-type: none"> the applicant providing further details on the hourly rate for Project Leader; and the applicant providing evidence of support from local Iwi. The SROs noted this is a legacy project for the Taranaki region and at a very early stage
3.8 Waiorua Bay Lodge Development (Kapiti)	
Reference #	SRO 24/01/2019/10
Discussion	<ul style="list-style-type: none"> SROs unanimously approved up to \$635,000 through a stage gate process with first stage of \$^{Commercial Info} for scoping with approval from the Head of Investment Management on project scope, including architectural requirements and cost estimates, and subject to PDU conditions. The SROs recommend the applicant continue to work with Te Puni Kōkiri and Iwi. SROs noted the project has strong alignment with regional priorities; it would increase utilisation and returns of the Maori asset base and would improve the economic benefits of an existing tourism destination.
Te Ara Mahi Proposals Under \$1million for SRO Decision	
3.9 The Initiate Programme (Hawkes Bay)	
Reference #	SRO 24/01/2019/11
	<ul style="list-style-type: none"> SROs unanimously approved \$780,434 from the Te Ara Mahi portion of the PGF towards the Development Hub's Initiate Programme. SROs note: <ul style="list-style-type: none"> the Development Hub's vision is to support wāhine into employment, education or training through its own pre-employment programme, namely the Initiative Programme ^{Comm}% of past participants in the Initiate Programme have achieved sustainable long-term employment thus contributing to regional economic outcomes strong support from local businesses, the Matariki sub-group and MSD and has strong relationship with Hastings District Council
3.10 Smart Waikato Secondary School Employment Partnerships Project (Waikato)	
Reference #	SRO 24/01/2019/12
Discussion	<ul style="list-style-type: none"> SROs unanimously approved \$449,300 total over ^{Commercial} years from the Te Ara Mahi portion of the PGF toward Smart Waikato's Secondary School Employer Partnerships Extension project, subject to a condition of approval from the Head of Investment Management on due diligence. SROs note: <ul style="list-style-type: none"> the aim is to improve student retention, achievement and education-to-employment transitions and to ultimately address future workforce gaps and skills issues in Waikato. TPK support this application the proposal has strong alignment with regional plans that as a local initiative MoE are keen to support Smart Waikato and MoE does not typically fund an engagement relationship building activity such as this, especially in terms of student pathway, at Years 9 and 10. this application came to SRO's in 2018 with deferral until the Cabinet paper on Skills &

Capability was presented to Cabinet. The SROs had agreed this is a laudable application in the education and training space, particularly as it focuses on the population which are at risk of becoming NEETs.

Te Ara Mahi (He Poutama Rangatahi) Proposals Under \$1million for SRO Decision

Commercial Information - withdrawn proposal

3.12 Whāngarei Youth Space Start (Northland)

Reference # SRO 24/01/2019/14

Discussion

- SROs unanimously support and approved \$880,000 (over 5 years) from the He Poutama Rangatahi portion of Te Ara Mahi funding towards Whāngarei Youth Start Project.
- SROs noted this project has a high level of regional support.
- Northland has a higher than average rate of NEETS and in particular Maori NEETS. The programme aims to give young rangatahi at high risk of long term employment soft and hard skills and to assist them into sustainable employment. The target group is aged between 16–25 and is predominantly Maori.

Prejudice to Negotiations

3.14 Eco Toa (Northland)

Reference # SRO 24/01/2019/16

Discussion

- SROs unanimously approved in principle up to \$^{Commercial Inform} from the He Poutama Rangatahi portion of Te Ara Mahi for Eco Toa Programme.
- SROs note:
 - that PDU will work with MSD and MPI to review the wage subsidies and other costs prior to finalisation of a contract;
 - the Eco Toa application has strong regional support and benefits for the local community;
 - the programme focuses on forestry and ecological restoration which are both labour

	demands within the Northland region.
Te Ara Mahi Proposals between \$1 million-\$10 million for SRO consideration and recommendations to RED Ministers	
3.15 Te Koru Education and Employment Initiative Project (Tairāwhiti)	
Reference #	SRO 24/01/2019/17
Discussion	<ul style="list-style-type: none"> The SROs unanimously agreed to recommend that RED Ministers approve the First Choice Employment Services' application for a \$^{Commercial Information} grant from the Provincial Growth Fund. SROs noted the strong employment outcomes achieved by this provider previously and the proven success with drug and alcohol support.
3.16 Accelerating our Capability Programme (Northland)	
Reference #	SRO 24/01/2019/18
Discussion	<p><i>Conflict of interest previously declared by Ben Dalton.</i></p> <ul style="list-style-type: none"> SROs unanimously agreed to recommend that RED Ministers approve the Te Kotahitanga e Mahi Kaha Trust's application for a \$3 million grant, to be released in stages over ^{Commercial} years. SROs recommend PDU engagement with MPI. SROs noted: <ul style="list-style-type: none"> the original application was for \$^{Commercial Information} that there will be strong linkages with the MSD programme Te Taitamariki.
3.17 Regional Career Coordinators (5 roles Horticulture & Viticulture) (Bay of Plenty, Hawkes Bay, Otago, Manawatū – Whanganui, Te Tau Ihu)	
Reference #	SRO 24/01/2019/19
Discussion	<ul style="list-style-type: none"> Recommendation from the PDU is to approve an application for Te Ara Mahi funding of \$^{Commercial Information}. SROs unanimously approved \$999,000 from the Te Ara Mahi funding subject to final due diligence. This amount is within the SRO decision making delegations, and therefore this proposal will not require RED Minister decision. ^{Commercial Information} to fund the additional amount. SROs noted the PDU to facilitate engagement with the viticulture industry at the Top of the South which needs improvement. <p><i>Action: PDU to remove application from RED Ministers Meeting scheduled for 29 January 2019</i></p>
3.18 Pacific Employment Support Service (Waikato, Manawatū-Whanganui, Otago, Southland, Bay of Plenty, Hawkes Bay)	
Reference #	SRO 24/01/2019/20
Discussion	<ul style="list-style-type: none"> SROs unanimously agreed to recommend that RED Ministers approve the Ministry of Pacific Peoples' application for \$^{Commercial Information} grant from the Provincial Growth Fund. SROs noted the importance of: <ul style="list-style-type: none"> engagement with other relevant agencies to ensure success procurement processes to ensure local providers had the opportunity to be considered for this programme. SROs strongly agreed that MPP are to engage with MSD as an urgent priority (before RED Ministers meeting scheduled on 29 January).

	<i>Action: PDU to urgently contact MPP to facilitate engagement with MSD</i>
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4. General Business

Reference #	SRO 24/01/2019/21
Discussion	<i>Waitangi Day</i> <ul style="list-style-type: none">• Two of the Waitangi day announcements are PDU flagship days. Great achievement for the PDU.

PROACTIVELY RELEASED