

Subject	Minutes of the SRO meeting held at MBIE offices in Stout Street on Thursday 2 May 2019, 9:00am-12:00pm
Senior Regional Officials Present	Ben Dalton (Chairperson), Al Morrison, Kathy Mansell, Kay Read, Di Grennell, Karen Adair, Apryll Parata, Bryan Wilson
In attendance:	Marama Edwards, David van der Zouwe, Mark Jacobs, Patsie Karauria, Monica Butler & Glynis Mussen
PDU Investment Proposal Attendees:	Ben Pringle, Melanie Dawson, Joan Ng, Leah MacDonnell, Hilary Pearce, Yen-Ting Liu, Stephen Ruddell, Dipankar Ganguly, Eliot Linforth-Hall, Staci Hare
Apologies	Karl Cummins & Robert Pigou

1. Meeting Administration

Reference #	SRO 2/05/2019/01
Discussion:	<p>1.1 Introduction</p>
	<p>1.2 Apologies</p> <p>Apologies were received for Karl Cummins and Robert Pigou.</p> <p>Kathy Mansell arrived at the meeting at 9:40am.</p>
	<p>1.2 Conflicts of interest</p> <p>Privacy of natural persons</p>
	<p>1.3 Ratification of minutes from 28 March 2019 SRO meeting</p> <p>The SROs approved the minutes from the 28 March 2019 meeting, including the below changes:</p> <p>2.8 Manawatu -Whanganui Bio- Forestry Alliance</p> <p>The minutes contained an error in the amount approved for funding. The SROs approved \$380,500 as per the recommendation in the investment proposal cover sheet <small>Commercial Information</small> Commercial Information as was recorded in the minutes. The minutes have been corrected.</p> <p>SROs had a further discussion about why applications are being presented without OIO and resource consents being either underway or completed. SROs noted this is a significant risk and recommended PDU ensure applicants are aware of this.</p> <p>SROs agreed that the Manawatu-Whanganui Bio-Forestry Alliance letter of offer to have the following condition added:</p> <p>The Provincial Development Unit reserves the right to relinquish this offer if the conditions</p>

in this letter are not satisfied by 19 December 2019.

Di Grennell to discuss the additional condition with the applicant.

NOTE - Kathy Mansell arrived at 9:40am.

2.9 Centre for Maori Innovation & Entrepreneurship, Waikato

Below is the excerpt from the March 2019 minutes

- *SROs approved a grant of \$500,000 from the PGF fund towards the Centre for Maori Innovation & Entrepreneurship subject to rescoping under the regional digital hubs fund and PDU conditions.*
- *The project aligns with PGF eligibility criteria the creation of jobs and building businesses that lead to sustainable economic growth.*

The Chief Policy Advisor at the Ministers Office advised that the Centre for Maori Innovation & Entrepreneurship is unable to be rescoped under the regional digital hubs fund as Waikato is not in a surge region and digital hubs are only funded in surge regions.

The SROs noted the advice from the Minister's Office.

SROs approved that the decision from the March meeting will remain as the proposal aligns with the PGF eligibility criteria but will be now be funded under the general PGF rather than through the regional digital hubs fund.

2. Investment Proposals

2.1 Regional Sector Investment Overviews (David van der Zouwe)

Reference # SRO 2/05/2019/02

- Papers noted as read.
- Papers provide a summary on each region on the approved funding in each tier and sector.

He Poutama Rangatahi and Te Ara Mahi proposals under \$1million for SRO decision

2.2 Nga Pumanawa Tupuna, Wairarapa (HPR) (Melanie Dawson & Leah MacDonell)

Reference # SRO 2/05/2019/03

- Discussion
- SROs approved \$947,800 from the He Poutama Rangatahi portion of the PGF towards the Nga Pumanawa Tupuna project.
 - SROs noted this is collaborative community approach with the support of all three District Councils in the region and the provider has an existing record of delivery in getting young people into employment and has strong linkages to employers, schools and other institutions.

2.3 Eastern Bay Driver & Operator Training Centre in Kawerau, Bay of Plenty (TAM) (Ben Pringle)

Reference# SRO 2/05/2019/04

- Discussion
- SROs approved \$598,600 from the PGF towards Toi EDA's Eastern Bay of Plenty Driver and Operator Training Centre project, comprising:
 - \$308,600 from He Poutama Rangatahi for components targeting rangatahi NEETs aged 15-24; and
 - \$290,000 from Te Ara Mahi for components targeting participants of all working ages. Patsie to coordinate learnings from this application with other similar applications.

	<ul style="list-style-type: none"> SROs were very supportive of this project noting there is an acute nationwide shortage of qualified drivers/operators including in the Eastern Bay of Plenty (EBOP) and this project closely aligns with the EBOP workforce/economic development priorities.
Te Ara Mahi proposals over \$1million for SRO consideration and recommendation to RED Ministers	
2.4 He Poutama Taitamariki, Northland (HPR) (Hilary Pearse & Stephen Ruddell)	
Reference#	SRO 2/05/2019/05
Discussion	<ul style="list-style-type: none"> SROs recommended the approval of \$2,500,000 from He Poutama Rangatahi funding for He Poutama Taitamariki (HPT) and referred this application to the RED Ministers for a decision. SROs noted this programme is relevant to other regions and recommended the learnings be shared. The application is to continue the co-funding for HPT which is a joint pilot programme with <small>Commercial</small> in Northland. The programme seeks to improve employment outcomes for over 750 young people who are NEETs and most at risk of long term unemployment and poor social outcomes. If the programme results in sustained success at a large scale, the goal will be to seek separate funding to fund the programme in its entirety.
SRO Investment Proposals	
2.5 Executive Summary of Investment Proposals¹ Projects	
Reference #	SRO 2/05/2019/06
Discussion	<ul style="list-style-type: none"> Paper noted as read.
Commercial Information - declined project	
Commercial Information - declined project	
Commercial Information - declined project	

¹ Note Does not include Te Ara Mahi Proposals

Commercial Information - declined project

Commercial Information - declined project

Commercial Information - declined project

Commercial information - declined project

Commercial Information - declined project

PROACTIVELY RELEASED

Commercial Information - declined project

Commercial Information - declined project

Commercial Information - declined project

Commercial Information - declined project

Commercial Information - declined project

PROACTIVELY RELEASED

2.18 Accelerate25 – Delivery of Manawatu-Whanganui Economic Action Plan, Manawatu-Whanganui (Staci Hare)	
Reference #	SRO 2/05/2019/19
Discussion	<ul style="list-style-type: none"> SROs approved EDA funding of \$200,000 from the PGF towards the Accelerate25 Delivery Action Plan project on the basis that funding will assist with the acceleration of development and implementation of growth strategies for the Manawatū – Whanganui region over the 2 year timeframe.

Commercial Information - withdrawn proposal

3. Out of Cycle Decisions & Variations to Decisions

3.1 Invercargill Airport Air Cargo and Terminal Development

Reference #	SRO 2/05/2019/21
Discussion	<ul style="list-style-type: none"> SROs approved a grant of \$500,000 from the PGF fund towards the Invercargill Airport Air Cargo and Terminal Development via an out of cycle review and decision in April 2019. The SROs noted the draft PDU briefing on airport policy principles which provided background guidance on alignment with PGF principles regarding investments in airports.

3.2 Tairāwhiti Rail Tourism and Gisborne-Wairoa Tourism

Reference #	SRO 2/05/2019/22
Discussion	<ul style="list-style-type: none"> The funding contractor has changed. The contract was to be with Commercial Information but the contracted body now will be Commercial. SROs noted this change. <p>NOTE: Marama Edwards and Kay Read left the meeting.</p>

4. Noting and Discussion Papers

4.1 PGF Portfolio Analysis

Reference #	SRO 2/05/2019/23
Discussion	<ul style="list-style-type: none"> Papers were noted as read.

4.2 Draft Loan Investment Principles

Reference #	SRO 2/05/2019/24
Discussion	<ul style="list-style-type: none"> David van der Zouwe briefed the SROs on the draft document. The document sets out the principles for the PGF around determining the arm's length interest rate applied to debt investments.

5. Verbal Update

5.1 Manawatu-Whanagnui Bio-Forestry Alliance

Reference #	SRO 2/05/2019/25
Discussion	<ul style="list-style-type: none"> Update was deferred.

6. General Business

6.1 Te Waka Waikato EDA Proposal

Reference #	SRO 2/05/2019/26
Discussion	<ul style="list-style-type: none"> • In April 2019 SROs were asked to review and make a decision on the Te Waka Waikato EDA proposal. The application sought funding to engage a PGF portfolio position and project support position to assist in the delivery of the Waikato Regional Economic Development Programme. • The decision was deferred due to concerns expressed by SROs about the level of iwi representation and clarification around Taupo being covered by this proposal. • Confirmation was received at the meeting that both issues have now been resolved. • SROs approved funding from the PGF of up to \$400,000 over two years, with \$200,000 in the first year. • The funding will assist with the acceleration of the development and implementation of growth strategies for the Waikato region.

Commercial Information - declined project

Free and frank opinions

Meeting closed at 11:30am