



## RED MINISTERS – SUMMARY OF RECOMMENDATIONS

<b>Date:</b>	31 August 2018	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	0673 18-19

Hon Shane Jones <b>Minister for Regional Economic Development</b>	<b>Agree</b> to the recommendations outlined in this briefing	3 September 2018
Hon Grant Robertson <b>Minister of Finance</b>		3 September 2018
Hon Phil Twyford <b>Minister of Transport</b>		3 September 2018
Hon David Parker <b>Minister for Economic Development</b>		3 September 2018
Fletcher Tabuteau <b>Parliamentary Under-Secretary to the Minister for Regional Economic Development</b>	<b>Note</b> the contents of this briefing for the RED Ministers on 2 July 2018	3 September 2018

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Nigel Bickle	Head of Provincial Development Unit	Privacy of natural persons	✓



## Recommendations

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It is recommended that Regional Economic Development Ministers:

### ***Projects recommended for approval***

1. **Note** that the Provincial Development Unit (PDU) has assessed seven proposals seeking a total of up to \$<sup>Commercial Information</sup> of funding from the Provincial Growth Fund (PGF).

*Noted*

2. **Note** the total funding sought from the PGF is \$<sup>Commercial Information</sup>

*Noted*

### **Gisborne Airport Terminal Redevelopment Project – Tairāwhiti**

3. **Note** that the PDU and the Independent Advisory Panel (IAP) recommend that RED Ministers support funding for \$5.5 million from the PGF towards the Gisborne Airport Terminal Redevelopment Project.

*Noted*

4. **Note** that Regional Economic Development Ministers considered this proposal at their last meeting and requested further information on timelines for the project. PDU officials have requested, and have been given this information which is included in the paper.

*Noted*

5. **Agree** to support funding for \$5.5 million from the PGF towards the Gisborne Airport Terminal Redevelopment Project subject to conditions.

*Agree / Disagree*

6. **Agree** that the PDU prepare an investment agreement on terms and conditions to be negotiated, by way of a loan, for the Gisborne Airport Terminal Redevelopment Project.

*Agree / Disagree*

**Commercial Information - Withdrawn Application**



**Putauaki Trust Roding and Related Infrastructure – Stage 1 project – Bay of Plenty**

10. **Note** that PDU and the IAP recommend that Ministers support funding for \$2 million from the PGF towards Putauaki Trust Roding and Related Infrastructure – Stage 1 project.

*Noted*

11. **Agree** to approve \$2 million from the PGF to be allocated towards Putauaki Trust Roding and Related Infrastructure – Stage 1 project.

*Agree / Disagree*

12. **Agree** that the PDU prepare an investment agreement, by way of a grant, for the Putauaki Trust Roding and Related Infrastructure – Stage 1 project.

*Agree / Disagree*

13. **Agree** the PGF funding is not a pre-commitment to other aspects of the Putauaki Industrial Land Development Project

*Agree / Disagree*

**Rotorua Lakefront Development – Bay of Plenty**

14. **Note** that the PDU and the IAP recommend that RED Ministers support funding for \$19.9 million from the PGF towards the Rotorua Lakefront Development.

*Noted*

15. **Agree** to support funding for \$19.9 million from the PGF towards the Rotorua Lakefront Development.

*Agree / Disagree*

16. **Agree** that the PDU prepare an investment agreement, by way of a grant, for the Rotorua Lakefront Development.

*Agree / Disagree*

**Rotorua Whakarewarewa Forest Park – Bay of Plenty**

17. **Note** that the PDU and the IAP recommend that RED Ministers support funding for \$7.926 million from the PGF towards the Rotorua Whakarewarewa Forest Park.

*Noted*

18. **Agree** to support funding for \$7.926 million from the PGF towards the Rotorua Whakarewarewa Forest Park.

*Agree / Disagree*

19. **Agree** that the PDU prepare an investment agreement, by way of a combination of a grant and loan, for the Rotorua Whakarewarewa Forest Park.

Commercial Information

*Agree / Disagree*

20. **Direct** PDU officials to determine the mix of grant and loan in the investment agreement.

*Agree / Disagree*



### Napier to Wairoa variation for storm damage – Hawke’s Bay

21. **Note** that in February 2018, RED Ministers agreed to fund \$5 million from the PGF to reinstate the Napier to Wairoa line bringing it up to a safe operating standard that is suitable for lower speed forestry traffic.

*Noted*

22. **Note** that in early March 2018, a localised weather event occurred in the area between Bayview and Tutira, with the Esk River breaking its banks. The event caused significant storm damage to the line and accordingly an additional \$1.2 million is sought from the PGF to fund these repairs. The total cost of the project is now \$6.2 million.

*Noted*

23. **Note** that PDU and the IAP recommend that RED Ministers support funding for \$1.2 million from the PGF towards addressing storm damage on the Napier to Wairoa line.

*Noted*

24. **Agree** to support funding for \$1.2 million from the PGF towards addressing storm damage on the Napier to Wairoa line.

*Agree / Disagree*

25. **Agree** that the PDU prepare an investment agreement, by way of a grant, for KiwiRail to repair the storm damage on the Napier to Wairoa line.

*Agree / Disagree*

### North Auckland Rail Business case – engineering and knowledge works – Northland

26. **Note** that June 2018, Senior Regional Officials agreed to fund \$500,000 from the PGF for Ministry of Transport (MOT) to procure consultants to carry out a business case to test the economic costs and benefits of the proposed upgrade of the North Auckland Line (NAL).

*Noted*

### 27. Commercial Information

the business case budget does not include the funding required to undertake engineering and geotechnical investigation of the existing line, or the tunnels or of the alignment to Marsden Point.

*Noted*

28. **Note** that MOT is seeking \$<sup>Commercial Information</sup> from the PGF to undertake engineering and geotechnical investigation of the existing NAL, the tunnels and the alignment to Marsden Point.

*Noted*

29. **Note** that PDU and the IAP recommend that RED Ministers support funding for \$2.23 million from the PGF towards an engineering and geotechnical investigation of the NAL.

*Noted*

30. **Agree** to support funding for \$<sup>Commercial Information</sup> from the PGF towards an engineering and geotechnical investigation of the NAL.

*Agree / Disagree*

31. **Agree** that the PDU prepare an investment agreement, by way of a grant, for MOT to commission an engineering and geotechnical investigation of the NAL.



Nigel Bickle  
Head of Provincial Development Unit  
**MBIE**

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Hon Grant Robertson  
**Minister of Finance**

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Hon Shane Jones  
**Minister for Regional Economic  
Development**

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Hon Phil Twyford  
**Minister for Transport**

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Hon David Parker  
**Minister for Economic Development**

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