



## BRIEFING

# NORTHLAND ANNOUNCEMENTS – 1 JUNE 2018

<b>Date:</b>	24 May 2018	<b>Priority:</b>	High
<b>Security classification:</b>	Sensitive	<b>Tracking number:</b>	3286 17-18

Action sought		
	Action sought	Deadline
Hon Shane Jones <b>Minister of Forestry and Regional Economic Development</b>	<b>Note</b> the contents of this briefing for the Regional Economic Development Ministers meeting  <b>Agree</b> to invest up to \$7.514 million in the <b>Howard League Unlicensed Drivers</b> licence programme.	29 May 2018
Hon Grant Robertson <b>Minister of Finance</b>	<b>Agree</b> to invest up to \$6.25 million in the <b>Twin Coast Discovery Route</b> (development of seven business cases).	
Hon Phil Twyford <b>Minister of Transport and Housing and Urban Development</b>	<b>Agree</b> to invest up to \$6.65 million in the <b>Trees That Count</b> project.  <b>Agree</b> to invest up to \$1.89 million in the Ngāti Hine 400 Hectare Mānuka planting and training project.  <b>Agree</b> to establish a multi-category appropriation in Vote Transport for Tuawhenua Provincial Growth Fund transport	
Hon David Parker <b>Minister for Economic Development</b>	<b>Note</b> the contents of this briefing for the Regional Economic Development Ministers meeting  <b>Agree</b> to invest up to \$7.514 million in the <b>Howard League Unlicensed Drivers</b> licence programme.  <b>Agree</b> to invest up to \$6.25 million in the <b>Twin Coast Discovery Route</b> (development of seven business cases).  <b>Agree</b> to invest up to \$6.65 million in the <b>Trees That Count</b> project.  <b>Agree</b> to invest up to \$1.89 million in the Ngāti Hine 400 Hectare Mānuka planting and training project.	29 May 2018



Hon Kelvin Davis <b>Minister for Tourism and Crown/ Māori Relations</b>	<b>Note</b> that the Twin Coast Discovery Route (development of seven business cases) is relevant to your Tourism portfolio, and therefore your approval is sought.  <b>Agree</b> to invest up to \$6.25 Million in the Twin Coast Discovery Route (development of seven business cases).	29 May 2018
Hon Willie Jackson <b>Minister for Employment and Associate Māori Development</b>	For information only	
<b>Under-Secretary Fletcher Tabuteau</b> Parliamentary Under-Secretary to the Minister for Regional Economic Development	For information only	
Hon Nanaia Mahuta <b>Minister for Māori Development</b>	For information only	
Hon Meka Whaitiri <b>Associate Minister of Forestry</b>	For information only	

<b>Contact for telephone discussion (if required)</b>				
<b>Name</b>	<b>Position</b>	<b>Telephone</b>		<b>1st contact</b>
Ben Dalton	Acting Head of Provincial Development Unit	Privacy of natural persons	Privacy of natural persons	
Robert Pigou	Head of Investment Management	Privacy of natural persons	Privacy of natural persons	
John Doorbar	Director, Provincial Development Unit	Privacy of natural persons	Privacy of natural persons	
Justine Gilliland	Deputy Director-General, Sector Partnerships and Programmes.	Privacy of natural persons	Privacy of natural persons	
Julie Collins	Head Of Forestry New Zealand (Te Uru Rākau)	Privacy of natural persons	Privacy of natural persons	

**The following departments/agencies have been consulted**



Housing New Zealand, Ministry for Primary Industries; Ministry of Education; Ministry of Social Development, Ministry of Transport; New Zealand Transport Agency, Treasury and Te Puni Kōkiri.

**Minister's Office to complete:**

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

**Comments**

PROACTIVELY RELEASED



## BRIEFING

# NORTHLAND ANNOUNCEMENTS – 1 JUNE 2018

<b>Date:</b>	24 May 2018	<b>Priority:</b>	Urgent
<b>Security classification:</b>	Sensitive	<b>Tracking number:</b>	3286 17-18

### Purpose

1. The purpose of this briefing is to seek Ministers agreement to four proposals for funding from the Provincial Growth Fund and One Billion Trees Programme. This briefing also provides information on the proposals that will form the package of announcements for the event in Northland on 1 June 2018.

### Recommended action

The Provincial Development Unit recommends that you:

- a **Note** that a package of proposals related to jobs, housing and sustainable development for Northland have been developed for a series of announcements on 1 June 2018;

*Noted*

- b **Note** the proposals that have either been approved or are progressing through the approval process that will form part of the package of announcements for 1 June 2018 are included in **Annex 2**;

*Noted*

- c **Agree** to approve funding for four proposals as outlined below:

- i. \$7.514 million over 3 years from the Provincial Growth Fund for the **Howard League Unlicensed Drivers licence programme** to expand on an existing programme which assists driving offenders to get their drivers licences;

*Agree/disagree*

- ii. \$6.25 million from the Provincial Growth Fund for the **Twin Coast Discovery Route (development of seven business cases)**;

*Agree/disagree*

- iii. \$6.65 million over three years from the One Billion Trees investment for the **Trees That Count** proposal that will support the expansion of its Marketplace to connect private and corporate funders with community planting of native trees. This project will also include regional advisers who will increase community participation, engage with landowners who have available land, and provide technical advice for planting trees; and

*Agree/disagree*



- IV. \$1.894,965 million from the One Billion Trees investment for **Ngāti Hine Forestry Trust 400+ hectare mānuka planting and training** project that proposes a training model focussed on providing work experience for 40 people over two years.

*Agree/disagree*

## Privacy of natural persons

**Ben Dalton**  
Acting Head  
Provincial Development Unit

24 / 05 / 2018

Hon Kelvin Davis  
Minister of Tourism

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Hon Grant Robertson  
Minister of Finance

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Hon Phil Twyford  
Minister of Transport and Housing and  
Urban Development

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Hon David Parker  
Minister for Economic Development

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Hon Shane Jones  
Minister for Regional Economic  
Development

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## Financial recommendations relating to Vote Transport

- d **Approve** the establishment of a new Multi-category appropriation “Tuawhenua Provincial Growth Fund – Transport Projects” in Vote Transport, to be administered by the Ministry of Transport and with the Minister of Transport as appropriation Minister, to facilitate a co-ordinated approach to achieving a lift in productivity potential in the regions;
- e **Agree** that the single overarching purpose of this appropriation is to achieve the outcome of a lift in the productivity potential in the regions through transport related projects and studies that enable regions to be well connected from an economic and social perspective;
- f **Agree** that the categories for this appropriation be as follows:

Name	Type	Scope
Regional Projects and Capability	Non-departmental Other Expense	This category is limited to supporting regional development through transport related projects, capability building, and



Name	Type	Scope
		feasibility studies for potential transport related projects.
Enabling Infrastructure Projects	Non-departmental Other Expense	This category is limited to expenses incurred on local transport related infrastructure projects.
Infrastructure Projects	Non-departmental capital	This category is limited to capital expenditure for transport related infrastructure projects.

g **Approve** the following changes to appropriations, to transfer funding from Vote Business, Science and Innovation to Vote Transport for approved regional Transport projects and to enable the Ministry of Transport to enable oversight and evaluation of transport-related projects, with a corresponding impact on the operating and debt balances:

		\$m – increase/(decrease)					
<b>Vote Transport Minister of Transport</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23 &amp; Outyears</b>	
Multi-Category Expenses and Capital Expenditure: Regional Economic Development – Provincial Growth Fund MCA							
Non-departmental Other Expenses:							
Regional Projects and Capability	-	Commercial Info	-	-	-	-	
Enabling Infrastructure Projects	-	Commercial Info	-	-	-	-	
Non-departmental Capital: Infrastructure Projects	-	Commercial Info	-	-	-	-	
<b>Vote Business, Science and Innovation Minister for Regional Economic Development</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23 &amp; Outyears</b>	
Multi-Category Expenses and Capital Expenditure: Regional Economic Development: Provincial Growth Fund MCA							
Non-departmental Other Expenses:							
Enabling Infrastructure Projects	-	Commercial Information	-	-	-	-	
Non-departmental Capital:	-	Commercial Informa	-	-	-	-	



Infrastructure Projects						
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- h **Agree** that the proposed changes to appropriations for 2018/19 above be included in the 2018/19 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- i **Note** that Cabinet previously authorised the Minister of Finance, Minister for Regional Economic Development and Minister of Transport to establish relevant appropriations in Vote Transport [CAB-18-MIN-0045];
- j **Note** that Cabinet previously agreed that any under-expenditure in the multi-category appropriations for the Provincial Growth Fund in Vote Transport be carried forward to following financial years through until 2020/21 to recognise the uncertain timing of project initiation, approval and subsequent expenditure [CAB-18-MIN-0045]; and
- k **Note** that Cabinet previously authorised the Minister of Finance and the Minister for Regional Development to approve jointly any subsequent changes to appropriation required to implement the Provincial Growth Fund [CAB-18-MIN-0045].

*Approve/Do not approve*

Hon Grant Robertson  
**Minister of Finance**

*Approve/Do not approve*

Hon Phil Twyford  
**Minister of Transport**

*Approve/Do not approve*

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



## Background

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2. Following a speech by Prime Minister Jacinda Ardern in Northland on 5 February 2018, officials have been progressing a package of investments to overcome the inequality in Northland, particularly in regards to unemployment, poverty, housing, imprisonment rates, and youth not in education or training (NEETS).
3. The annual median household and personal income levels for people in Northland are the lowest across New Zealand. Northland's median household income, at \$46,900, is \$18,000 below the national median. Median household and personal incomes in the Far North and Kaipara areas are the lowest in all of New Zealand's regions. Income inequality is especially significant among Māori from Northland, as their median personal income is lower than other Māori nation-wide.
4. To address this inequality, investment in Northland is required. Youth will play an important role in shaping Northland's future, both economically and socially. The development of skills and education will help prepare Northland's future workforce. Northland's unique environmental landscape provides the opportunity to off-set sustainable development, especially in the tourism sector and primary industries.
5. In order for these sectors to be successful, investment in housing and transport is also required. Adequate housing will provide positive health outcomes for whānau. While improved transport systems will ensure efficient links between services, business and communities.

### *Investment proposals*

6. This briefing provides an overview of projects which require approval to form a package of announcements on 1 June 2018. This package will support the commitments made by the Prime Minister at Waitangi and as well as creating opportunities for sustainable and inclusive growth in Northland.
7. The investments are focused on providing a sustainable future for Northland, both socially and economically. These investments align with the partnership approach Government has signalled to address unemployment and poverty amongst whānau, and to provide rangatahi/taitamariki with skills and training opportunities in sectors which are related to Northland's natural environment. New Government initiatives will also provide appropriate housing, ensuring that whānau are protected and have decent place to live. Other announcements related to transport will also help support a growing and connected economy. Making the movement of goods to and from Northland more efficient, reliable and safe.
8. The investments include projects that will be funded from the Provincial Growth Fund; One Billion Trees Programme; He Poutama Rangatahi; Housing New Zealand; Māori Housing Network, led by Te Puni Kōkiri; the Ministry of Social Development; and the Tertiary Education Commission.

### *Transport sector funding*

9. Due to the complexity of the transport sector funding arrangements for Crown entities and State-owned enterprises and the need to consult with those parties, the appropriation structure for this sector was not previously finalised. The recommendation to establish a new multi-category appropriation for Vote Transport has been included in this paper. This will allow funding for the Twin Coast Discovery Route package and an additional \$Commercial Information for other





transport projects in the Provincial Growth Fund pipeline. This \$<sup>Commercial Information</sup> will not be drawn down until projects are approved.

## Structure of this briefing

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10. Sixteen proposals form the package of announcements for 1 June 2018. The investment proposals have been categorised as follows: employment, sustainable development and housing.
11. Four proposals require approval from Regional Economic Development Ministers. The four proposals are outlined below and summarised in **Annex 1**. The twelve proposals that have either been approved or are progressing through the approvals process are included in **Annex 2**.

## Four proposals seeking agreement from Regional Economic Development Ministers

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### *Employment*

12. **Howard League Unlicensed Drivers Programme (annex 1, 1.1):** Provincial Growth Fund investment of \$7.514 million over 3 years, is sought to expand on an existing programme which assists driving offenders to get their drivers licences. Last year across New Zealand, the programme assisted 500 mainly Māori youth (not in employment, education or training) to get their driver's licenses, and further enhance their likeliness of work-readiness.

### *Sustainable development*

13. **Twin Coast Discovery Route package (annex 1, 1.2):** Provincial Growth Fund investment of \$6.25 million to explore the viability of a package of projects to improve transport safety, connectivity and amenities. This will encourage an increase of visitor numbers and support business growth (many of which rely on connections to markets in Auckland and beyond).
14. **Trees That Count (annex 1, 1.3):** One Billion Trees investment of \$6.65 million over three years to support the expansion of its Marketplace to connect private and corporate funding with community planting of native trees. This project will also consist of regional advisers who will increase community participation, engage with landowners who have available land, and provide technical advice for planting trees. Trees That Count also aims to count every native tree planted and record them on their Tree Counter and to develop tracking and analytical information that can be used to validate Te Uru Rākau's official one billion tree counter.
15. **Ngāti Hine Forestry Trust 400+ hectare mānuka planting and training (annex 1, 1.4):** One Billion Trees investment of \$1.89 million for a 400+ha Mānuka plantation on Ngāti Hine Forestry Trust land, using a training model focussed on providing work experience for 40 people over two years. Participants will be equipped with skills to enter Northland's forestry workforce. A 400+ ha manuka plantation will be established for the benefit of the Trust's almost 5000 beneficial owners supporting their aspiration for indigenous forestry.



## Proposals that have either been approved or are progressing through the approval process

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16. Twelve proposals that form part of the Northland announcements are set out below and **Annex 2** provides further information.

### *Employment projects*

17. **Ngati Rangi and Department of Corrections Mānuka Oil (annex 2, 2.1)**: Provincial Growth Fund investment of \$69,800 for a feasibility study regarding establishing a business eco-system based on mānuka/kanuka products. This programme will also be used as a platform to education and train participants. This proposal is currently being considered by Senior Regional Officials (SROs). A decision is expected by 28 May 2018.
18. **He Poutama Taitamariki (annex 2, line 2.2)**: He Poutama Rangatahi (HPR) funding of \$2.5 million for 2018/19, to enhance and expand the Taitamariki 500 (T500) model of intensive wrap around support matched to the individual needs of NEETs. HPR funding enables the programme to step up its ambition levels so that support can be provided to an additional Commercial
19. NEET young people in the north with the most complex needs, and enables the T500 model to be made available to non-beneficiary NEETs, including 15-17 year old NEETs. HPR also provides additional flexibility to the support that can be provided to employers, to enable them to invest more confidently in taking on NEETs as part of their workforce.
20. **Mangatoa Station (annex 2, line 2.3 note: endorsed but awaiting final sign-off)**: The announcement of \$959,800 of HPR funding over two years, for delivery of a project to support 30 NEET youth from Kaikohe move into sustained employment in forestry through on-site training and work experience at Landcorp's Mangatoa Farm Station. HPR funding will enable Kaikohe's Te Kotahitanga E Mahi Kaha Trust to provide the 30 NEET with intensive pastoral care. The station's 460 hectares of pine forest will be used as a training block to prepare participants for real work in the Northland primary sector.
21. **Tupu Ake (silviculture) project (annex 2, line 2.4) note endorsed but awaiting final sign-off**: HPR funding of \$983,400 over two years for a pastoral care package to help support Whangarei youth NEET into silviculture training. The pastoral care component of the programme will ensure that whānau are helping their taitamariki to succeed. As participants gain confidence and experience, they will be transitioned into full-time employment with support from the Northland Wood Council and Hancock's Forest Management.

### *Sustainable development projects*

22. **Hundertwasser Arts Centre with Wairau Māori Art Gallery (annex 2, 2.10)**: Provincial Growth Fund investment of \$9.94 million for the establishment of a community-driven gallery dedicated to Hundertwasser's original works, contemporary Māori fine art, a fully programmed education centre, and retail facilities.
23. **North of Auckland Rail Line upgrade business case (accelerated rail package) (annex 2, 2.11)**: Provincial Growth Fund investment of \$500,000 to conduct a business case into upgrading the North Auckland rail line (NAL). This business case will analyse the cost and benefits of upgrading the NAL. It will also determine the likely freight and passenger revenue that a NAL would attract.



24. **Stage One Assessment and Science Delivery Plan for Kauri Sanctuary at Ngāti Rehia (annex 2, 2.12):** Provincial Growth Fund investment of \$288,000 for a feasibility study into a staged long term partnership between the Ngāti Rēhia, SCION and the Government. The proposal is set into two stages where stage one is the feasibility study into a potential kauri sanctuary and stage two, if planting kauri proves feasible, the proposal potentially offers the opportunity to establish a sanctuary and plantation with stringent biosecurity controls to ensure that kauri dieback does not occur within the plantation area. The plantation could be used for research into the effectiveness of kauri dieback control methods and into growth characteristics of kauri in the plantation environment. This proposal is currently being considered by Senior Regional Officials (SROs). A decision is expected by 28 May 2018.

# Commercial Information

28. **He Korowai Trust - Te Ara Mauwhare (pathways to home ownership) (annex 2, 2.8):** He Korowai Trust in Kaitiāia is being funded \$<sup>Commercial Information</sup> by Te Puni Kōkiri to support low income whānau who would not otherwise be able to consider home ownership into a 'rent-to-buy' arrangement. Te Ara Mauwhare is a Government trial to explore various pathways for supporting whānau Māori into home ownership. The rapidly declining rate of whānau Māori home ownership means that innovative approaches are needed. In addition to supporting whānau into home ownership, the trial will inform other Government priority programmes such as Kiwibuild. The first Te Ara Mauwhare trial will be announced.
29. **Ōtangarei Papakāinga (annex 2, 2.9):** Te Puni Kōkiri and the Ministry of Social Development are jointly funding the construction with grants totalling \$<sup>Commercial Information</sup>. This project is in response to the need for urgent transitional housing supply in Te Tai Tokerau and particularly in Whangārei, as part of the Government's 'Winter 2018' priority. In particular there is an immediate need for 2-bedroom units to support homeless Kaumātua and single parents with children. The proposal is to develop a fit for purpose and supported emergency housing papakāinga in Otangarei, a predominantly State housing suburb of Whangārei going through a community redevelopment and will see five houses (including one for a support worker), and a common



use house for residents constructed on land leased from Housing New Zealand before October 2018.

## Next steps

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30. Following decisions by Ministers, an Event Briefing for announcements on 1 June will be prepared and provided to Ministers on 30 May 2018.

## Annexes

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Annex One: Projects seeking approval

Annex Two: Projects approved.

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**Annex 1: Projects seeking approval from Regional Economic Development Ministers**
**Employment package**

#	Project name	Project description and benefits	What is the announcement	Risks	Total cost of project	Appropriation and amount to be approved	PDU/1BT assessment	Recommendation
1.1	Howard League – Unlicensed Drivers’ Programme Provincial Growth Fund (PGF)	<p>PGF funding is sought to expand on an existing programme that assists offenders to get their driver’s licences.</p> <p>The programme is currently run in Northland, Hawke’s Bay and West Auckland, and last year assisted 500 mainly young Māori NEETs to obtain their driver’s licences and greatly enhance their work-readiness.</p>	PGF Investment to expand an existing programme that assists NEETs (including offenders) to obtain licences in preparation for work-readiness.	<p>Commercial Information</p> <p>[REDACTED]</p> <p>Having said that, the 3 year impact of licencing alone will overall contribute to the PGF objectives.</p> <p><i>Ability to scale up and procure instructors</i></p> <p>Currently the Howard League manages a literacy programme in 17 correctional facilities established and implemented over 1 year meaning they have the ability and experience to scale up.</p> <p><i>Ability to procure instructors</i></p> <p>The Howard League does not view this as a risk based on their knowledge and experience in the field. Seven candidates have</p>	\$Commercial Information	\$7,514,000	<p><b>Co-funding</b></p> <p>Commercial Information</p> <p>[REDACTED]</p> <p><b>Alignment to PGF criteria</b></p> <p><i>Increased Economic Benefit</i></p> <p>Increased economic benefit will be indirect. Lack of driver licencing has been identified as a key barrier to work readiness.</p> <p><i>Additionality</i></p> <p>There is sufficient latent demand (i.e. unlicensed NEETS) that this project will meet the additionality criteria such as increased employment. This is an existing model and looking to expand. Factoring that 50% of the prison population is Māori, would have a strong economic benefit to Māori.</p> <p><i>Alignment with regional plans</i></p> <p>Alignment with individual regional plans is not as relevant for the application as it</p>	Officials recommend that \$7,514,000 from the PGF be allocated towards the Howard League unlicensed driver project.

#	Project name	Project description and benefits	What is the announcement	Risks	Total cost of project	Appropriation and amount to be approved	PDU/1BT assessment	Recommendation
				<p>been identified. The selection process occurs using Howard League's extensive networks. To date this process has proved to be a successful approach.</p> <p><i>Managing PGF exposure</i></p> <p>PGF exposure will be managed by including stop/go points at the end of each year and funding for the subsequent year will only be available upon successful delivery of the prior year.</p> <p>It is also worth noting that there are existing programmes in Northland similar to this proposal that support unlicensed drivers.</p>			<p>is a national programme.</p> <p><b>Management and Governance</b></p> <p>Howard League has a track record of successfully running driver licencing initiatives of this nature.</p> <p>They manage other programmes in relation to offenders, and have the governance and policy structures to manage this new project.</p>	

**Sustainable Development Package**

#	Project name	Project description	What is the announcement	Risks	Total cost of project	Appropriation and amount to be approved	PDU/1BT assessment	Recommendation
1.2	Twin Coast Discovery Route (TCDR) Provincial Growth Fund	The project is seeking PGF grant funding of 'up to' \$6.250,000, to be confirmed as part of normal Transport Agency project costing. This is a necessary step to seek funding for implementation, valued indicatively at \$Commercial Information, of a development programme to significantly upgrade the Twin Coast Discovery Route (TCDR), Northland. This stage of the programme is an application seeking funding to develop seven business cases, concentrating on different components of the TCDR, and up to 12 township plans. These business cases will determine the expected cost of the implementation phase. This application follows the development of the Twin Coast Discovery Route Programme Business Case	Announcement of funding for the next step (which is development of seven business cases) from the PGF.	<p>Some projects are not currently in the Regional Land Transport Plan (RLTP) and will need to be included through a variation paper.</p> <p>RLTP's cannot be varied until the NLTP has been approved, so this is unlikely to take place before the end of the calendar year. There is a risk the Regional Transport Committee will not agree to vary the RLTP and include these projects.</p> <p>Commercial Information</p> <p>The Transport Agency Board has yet to endorse the Programme Business Case put forward last year, and will need to endorse any proposed activity on the state highway network.</p>	Commercial Information	PGF up to \$6.25 million	<p><b>The applicant</b> has provided the PDU with further detail regarding the elements that contribute to the \$Commercial Information requested:</p> <ol style="list-style-type: none"> <li>How this request forms part of the broader TCDR Programme</li> <li>Confirmed that if funding is approved, the NZTA will quickly work to develop project plans and detailed costings for the business cases which will inform and refine the PGF Funding sought to <b>complete the business cases.</b></li> </ol> <p>The programme business case for the entire TCDR identified work valued at \$Commercial Information. Potential NLTF Funding is estimated to be \$Commercial Information. Until the detailed business cases have been produced, the PDU is unable to indicate Commercial Information.</p> <p><b>implementation of the proposed package of components of the TCDR.</b></p>	Officials recommend that \$6,250,000 from the PGF be allocated to Twin Coast Discovery Route.

#	Project name	Project description	What is the announcement	Risks	Total cost of project	Appropriation and amount to be approved	PDU/1BT assessment	Recommendation
1.3	Trees that count One Billion Trees	To build on and boost the Project Crimson Trust's 'Trees That Count' initiative to increase the rate of indigenous tree planting. This will be done through resourcing the Trees that Count's digital Marketplace, which connects private donors to landowners and community groups seeking to plant trees. It will also provide technical support for planting, and resources to encourage public and private sector investment to both increase planting.	Funding approval from PGF for three years to scale up the Project Crimson Trust's Trees That Count programme, mobilising New Zealanders to plant indigenous trees that will count for the Government's One Billion Tree programme.	Commercial Information	Total cost of the project is \$[Commercial Information] over three years. Co-funders include [Commercial Information] (\$[Commercial Information] per annum), the [Commercial Information] (\$[Commercial Information] per annum), and [Commercial Information] and [Commercial Information] for trees (\$[Commercial Information] per annum).	One Billion Trees \$6.65m over three years	This programme meets 1BT and PGF objectives. It will grow the Trees That Count Marketplace which connects private and corporate funding with tree planting communities. This reduces reliance on public funding for community based native tree planting, and has the potential to reach some native tree planters and community groups who would not otherwise have access to support to plant trees.  The Marketplace gives everyday New Zealanders a mechanism to fund native tree planting and contribute to the One Billion Trees programme.	MPI: Recommend Ministers approve this proposal.
1.4	Ngati Hine Forestry Trust 400+ha manuka Planting and Training One Billion Trees	This training programme will see 40 trainees (20 in 2019, and 20 in 2020) provided training, paid work experience, and pastoral care to develop a 400+ ha manuka plantation that will generate income and employment in the Northland region.  <i>Benefits</i> By developing work ready forestry trainees	Funding approval from PGF for 400ha Manuka plantation on Ngati Hine Forestry Trust land. This will use a training model focussed on work experience (40 people over 2 years) that will also increase the workforce in Northland's forestry industry.	There are minimal risks due to payments being made at milestones. Should the training programme not meet objectives, payments can cease. There is a good lead in time to tender for contracts and attract trainees to begin in January 2019.  The Ngāti Hine Forestry Trust has the capacity and capability to support the training	Commercial Information	\$1,894,965	This programme meets 1BT and PGF objectives. It improves the use of Māori assets and supports Māori aspirations for indigenous forests, and delivers much needed trainees in a surge region and in the priority sector of forestry.	MPI: Recommend Ministers approve this proposal.



#	Project name	Project description	What is the announcement	Risks	Total cost of project	Appropriation and amount to be approved	PDU/1BT assessment	Recommendation	
		<p>this project will support anticipated and sustained growth in the Northland forestry sector. Anecdotal evidence tells us that there are immediate workforce shortages and that at least 100 additional workers are required over the next 3 years. This investment will establish a substantial commercial Manuka plantation from which to support apiculture (honey and oil), generate cash flow for re-investment in the Ngāti Hine Forestry Trust assets, and support increased diversification of land on the Ngāti Hine Forest Trust land blocks.</p> <p>The establishment of the manuka plantation will support land owner aspirations to increase indigenous forestry on their lands and the training will support Ngāti Hine trainees to connect to their whenua and whanaunataunga as well as support their kaitiakitanga of these lands.</p>		<p>programme. Governance will come from the Ngāti Hine Forestry Trust members of the joint management committee with Crown Forestry.</p>					

PROACTIVELY RELEASED

**Annex 2: Projects approved to inform the package of announcement**
**Employment package**

#	Project name	Project description	What is the announcement	Risks	Total cost of project	Approved by and date of approval
2.1	Ngati Rangī and Department of Corrections Manuka Oil Project	Feasibility study for a sustainable business using available natural resources, local infrastructure and facilities to produce marketable manuka/kanuka products, and that links directly to qualifications and training programmes.	PGF investment of up to \$82,595 in a feasibility study.		\$ Commercial Information Other funders include Department of Corrections - \$ Commercial Information	SROs are considering this proposal and a decision is expected by 28 May 2018.
2.2	He Poutama Taitamariki (HPT)	<p>HPR funding of \$2.5 million for 2018-19, will enable a major enhancement and expansion of the T500 model of intensive wrap around support matched to the individual needs of NEETs in Northland. It will empower the programme to step up its ambition levels to provide support for 750 NEET rangatahi with the most complex needs, and, importantly, enables the T500 model to be made available to non-beneficiary NEETs, including 15-17 year old NEETs. HPR also provides additional flexibility to the support that can be provided to employers, so they can invest more confidently in taking on NEETs as part of their workforce.</p> <p>In simple terms HPT pairs the needs and aspirations of young people and matches them with work and training opportunities on offer. For young people who are deemed ready for employment or higher level education, the HPT team will source work or training opportunities and match young people to them. HPT also includes 12 months of ongoing wrap-around support for both the</p>	<p>Rebranding T500 as He Poutama Taitamariki not only reflects the expanded ambition of the programme but also to reflects the uniquely Northland specific programme (Taitamariki is used in the north in preference to rangatahi) will take on the new name He Poutama Taitamariki.</p> <p>In this new and improved phase we will see more young people (15 – 24 year olds) in training, employment, education and seeking to improve their lives.</p>	<p>Insufficient provider capacity would see a delay and potentially affect the number of young people we could support.</p> <p>Availability in specialised support services (health and social) due to complex nature of the needs of taitamariki disclosed/displayed in the trial phase.</p> <p>Finding and retaining NEETs, particularly non-beneficiary NEETs.</p> <p>Mitigations in place include:</p> <p>MBIE and MSD oversight of HPT evaluation and monitoring system to ensure regular monitoring of progress.</p> <p>Increasing flexibility of pastoral care provision to match (evolving) individual needs</p> <p>Northland Skills and Employment Steering Group oversight to ensure cross-agency accountability and support.</p>	\$ Commercial Information from HPR for 2018/2019 Commercial Information	<p>Cabinet paper on funding HPR and Minute of 20/12/17; Correspondence between Minister of Employment and Minister of Finance (26 April 2018).</p> <p>MoU on joint approach to delivery to be signed by MSD DCE of Service Delivery and the Head of Regions and Project Delivery (PDU) by 24 May 2018.</p>

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		<p>young person and the business or training provider.</p> <p>HPT also provides a solution for participants who are not work ready called KODE (Kaupapa Opportunities Dreams and Experiences) Plus. KODE Plus work intensively with young taitamariki who need it the most, with the ultimate aim of progressing them in to work or training once they have had an opportunity to overcome barriers.</p>				
2.3	Mangatoa Station	<p>Facilitate <sup>Comme</sup> NEETS into sustainable employment using Mangatoa Station as the vehicle to provide training and work experience. This will include clearing of gorse, fencing, establishing a nursery and potentially riparian planting. In addition, the Station's 460 hectares of pine forest will be used as a training block to prepare participants for work in the Northland forestry sector. In 2020, there will be 4000-5000 hectares of Northland forest coming on stream every year for 5 years, which will need to be thinned.</p>	<p>Funding for a 2 year project to facilitate <sup>Comme</sup> young people (NEETs) from Kaikohe into employment linked to local work activities on Landcorp's Mangatoa Station and in local forests.</p>	<p>The employment practices of Silviculture NZ Ltd are under scrutiny by the Labour Inspectorate. Mitigation strategies are being put in place by MSD and the Labour Inspectorate to minimise the risk. This is currently being worked through with the project team.</p>	<p>HPR funding of \$<sup>Commercial Information</sup> over two years.</p>	<p>Approved on behalf of the Northland SRO on 23 May 2018.</p> <p>Progressing through final sign-off with MBIE CE which is expected to be completed by 28 May 2018.</p>
2.4	Tupu Ake	<p>This project will support a total of <sup>Comme</sup> young (15-24) NEETs into silviculture and sustainable employment over a two year period (<sup>Comme</sup> in year one and <sup>Comme</sup> in year two).</p> <p>The project will provide training and employment in silviculture as well as on site work experience.</p> <p>The project will provide manaaki tangata for the participants and their whānau in a full wrap</p>	<p>Funding for a pastoral care package to support Taitamariki (NEETs) into silviculture and to sustain them throughout the work, including qualification training and building resilience in order to maintain employment. Includes a pastoral care component of whānau to ensure that the success of the taitamariki.</p>	<p><b>Health and Safety incidents</b> – FPS Forest Industry has excellent processes and is recognised as a leader in the industry of health and safety.</p> <p><b>Taitamariki might not complete</b> – the programme is designed to encourage maximum engagement e.g. pastoral care of participant and whānau.</p> <p><b>Unsupported by local community and/or industry</b> –</p>	<p>HPR funding of \$<sup>Commercial Information</sup> over two years.</p>	<p>Approved on behalf of the Northland SRO on 23 May 2018.</p> <p>Progressing through final sign-off with MBIE CE which is expected to be completed by 28 May 2018.</p>

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		<p>around service.</p> <p>As participants gain in confidence and experience they will be transitioned into full time employment with the company undertaking the project and with support from the Northland Wood Council and Hancock's Forest Management.</p> <p>A workforce plan will be developed to support the planned transition into sustained work.</p>		<p>Project is in partnership with Northland Wood Council, Hancock Forest Management (leaders in the industry) and Te Matarau (representatives of 6 iwi hapu in region with approximately 100,000 tribal members).</p>		

PROACTIVELY RELEASED

**Sustainable Development package**

#	Project name	Project description	What is the announcement	Risks	Total cost of project	Approved by and date of approval
2.10	Hundertwasser Arts Centre with Wairau Māori Art Gallery	<p>The Hundertwasser Arts Centre with Wairau Māori Art Gallery is a community-driven project and the preferred public option as voted for by Whangarei District Council residents/ratepayer referendum for the reconstruction of the derelict Harbour Board building in Whangārei's Town Basin.</p> <p>The Centre will be a unique and interactive work of art, featuring the Southern Hemisphere's largest living, forested roof. The world-class visitor destination includes galleries dedicated to original Hundertwasser works and contemporary Māori fine art, a Fully programmed education centre, a restaurant, a retail outlet and more.</p>	Support of up to \$ <sup>Commercial Information</sup> from the Provincial Growth Fund to establish the Centre.	<p><b>Announcement risks:</b></p> <p>Previous government support for this project has already been announced, along with funding from MBIE's tourism policy team, and to the Regional Cultural and Heritage Fund.</p> <p>The recipient is planning a sod-turning event on 2 June, which Ministerial presence will be requested at.</p>	<p>\$<sup>Commercial Information</sup></p> <p>Other funders include: <b>Commercial Information</b></p>	Approved by PGF Ministers and the Prime Minister in April 2018
2.11	North Auckland Rail Line Upgrade - Business Case (Accelerated Rail Package)	<p>The project will conduct a business case into upgrading the North Auckland (rail) Line (NAL). The NAL runs from Auckland to Otiria in the Far North. It has a branch line to Dargaville in the West</p> <p>The business case will analyse the costs and benefits of upgrading the NAL. It will consult with KiwiRail, the Northland business community, local government, Northland Inc and Iwi. It will determine the likely freight and passenger business that an upgraded NAL would attract. It will also determine the aspirations of the Northland community for the future of the NAL.</p> <p>The business case will consider the merits of constructing a</p>	PGF investment of up to \$500,000 for a business case to investigate rail options in Northland.		\$ <sup>Commercial Information</sup>	Approved by SROs on 21 May 2018.

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		<p>branch line to Northport at Marsden Point.</p> <p>The business case will produce costings and technical requirements for an upgrade of the NAL, including the branch line to Marsden Point. It will also produce revenue forecasts and an indication of required future subsidies.</p> <p>The business case will inform decisions around the future of the NAL.</p>				
2.12	Stage One Assessment and Science Delivery Plan for Kauri Sanctuary at Ngāti Rēhia	<p>The Stage 1 Assessment and Science Delivery Plan for a Kauri Sanctuary at Ngāti Rēhia incorporates 5 key pillars for delivering outcomes:</p> <ol style="list-style-type: none"> <li>1. Relationship establishment between Ngāti Rēhia and Crown</li> <li>2. Evaluation of kauri dieback risks and a sanctuary site assessment at Ngāti Rēhia</li> <li>3. A proposed management plan</li> <li>4. Identification of Ngāti Rēhia's science and forestry objectives</li> <li>5. Early stage local capability development</li> </ol> <p>Benefits include:</p> <p>Ngāti Rēhia working alongside Crown Research Institute to assess whenua</p> <p>Assessment of whenua for tree growth and development.</p>	<p>A feasibility study researching the possibility of establishing a kauri plantation resulting in a staged and long term partnership between the Ngāti Rēhia, SCION and the Government.</p> <p>If feasible, a long-term project could include the establishment of a kauri sanctuary that has stringent biosecurity controls to ensure that kauri dieback (<i>Phytophthora agathidicida</i> (PA)) does not occur within the plantation area. The plantation could be used for research into the effectiveness of PA control methods, into the growth characteristics of kauri in a plantation environment.</p>	<p>Impact on current relationships with Iwi:</p> <ul style="list-style-type: none"> <li>• Free and frank opinions</li> </ul> <p>Kauri dieback disease:</p> <ul style="list-style-type: none"> <li>• Currently no seedling stock can be guaranteed to be free of kauri dieback. However, research is underway that may offer a solution within the next 18 months.</li> <li>• Sampling for the occurrence</li> </ul>	\$288,000 as indicated in the proposal from SCION.	SROs are considering this proposal and a decision is expected by 28 May 2018.

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				<p>of kauri dieback disease is not 100% accurate i.e. false negative results occur. There is no scientific protocol established for large scale sampling of green field sites.</p> <ul style="list-style-type: none"> <li>• Even with careful management of known vectors (people, animals, vehicles, water runoff) the site may still become infected with kauri dieback disease.</li> </ul> <p>Capacity of Ngāti Rēhia:</p> <ul style="list-style-type: none"> <li>• <b>Commercial Information</b></li> </ul>		

PROACTIVELY RELEASED