



## BRIEFING

### Manfield National Driver Training Centre

<b>Date:</b>	27 November 2018	<b>Priority:</b>	Medium
<b>Security classification:</b>	Sensitive	<b>Tracking number:</b>	1868 18-19

Action sought		
	Action sought	Deadline
Hon Grant Robertson <b>Minister Finance</b>	<b>Agree</b> to the recommendations outlined in this briefing.	6 December 2018
Hon Phil Twyford <b>Minister of Transport</b>		6 December 2018
Hon David Parker <b>Minister for Economic Development</b>		6 December 2018
Hon Shane Jones <b>Minister for Regional Economic Development</b>		6 December 2018
Fletcher Tabuteau <b>Parliamentary Under-Secretary to the Minister for Regional Economic Development</b>	<b>Note</b> the contents of this briefing.	6 December 2018

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Robert Pigou	Head of Investment, Provincial Development Unit	Privacy of natural persons	✓
Nicholas Hough	Investment Manager	Privacy of natural persons	

The following departments/agencies have been consulted
N/A

**Minister's office to complete:**

Approved

Noted

Seen

See Minister's Notes

Declined

Needs change

Overtaken by Events

Withdrawn

**Comments**

PROACTIVELY RELEASED



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#### Purpose

This briefing requests that you review the terms of the Provincial Growth Fund (PGF) decision for the Manfield National Driver Training Centre project.

On 5 November 2018, RED Ministers approved total funding of \$2,852,000, comprising \$<sup>Commercial Information</sup> loan for capital expenditure and \$<sup>Commercial Information</sup> loan for operating expenditure for the Manfield National Driver Training Centre project.

The Provincial Development Unit (PDU) requests the review of the terms attached to the proposed funding component of \$<sup>Commercial Information</sup> for operating expenses, and that RED Ministers agree to fund the operating expenses as a grant rather than a loan.



**Recommended action**

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** the contents of the briefing to inform your decision making on the Manfield National Driver Training Centre proposal.

*Noted*

- b **Agree** to fund the operating expenditure component of \$ <sup>Commercial Information</sup> [redacted] as a grant rather than a loan.

*Agree / Disagree*

- c **Agree** that all other terms and conditions attached to the approval dated 5 November 2018 remain unchanged.

*Agree / Disagree*

Privacy of natural persons  
 [redacted]

Robert Pigou  
 Head of Investment, Provincial Development Unit  
**Ministry of Business, Innovation and Employment**

Hon Grant Robertson  
**Minister of Finance**

27 / 11 / 2018

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Hon Phil Twyford  
**Minister for Transport**

Hon David Parker  
**Minister for Economic Development**

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

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## Background

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1. On 5 November, RED Ministers considered a request for \$2,862,000 of PGF funding for Manfield National Driver Training Centre.
2. Manfeild Trust's proposal is to extend the National Driver Training Centre's Class 1 drivers training program to incorporate Class 2 to 5 (the full range of driver training). The proposal is directly aimed at the region's logistics and road transport industries and is relevant for regional economic development more broadly.
3. Ministers were supportive of this project, which would make a strong contribution to human capital and skills in Manawatu-Whanganui. The Independent Advisory Panel (IAP) reported that they had recommended meeting the sought funding to \$<sup>Commercial Information</sup> for capital expenditure, but not the operating costs of \$<sup>Commercial Information</sup>.
4. Ministers agreed with the suggestion from officials and the IAP that the applicant should receive the full \$2.862 million, with the minutes noting that the full amount be provided through a loan. Given the skills development objective of the proposal in an area of priority to the Government, Ministers were comfortable with the loan being provided on concessionary commercial terms.
5. The agreed action was for the PDU to work with the applicant to finalise the structure of PGF investment, comprising \$<sup>Commercial Information</sup> loan for Capital Expenditure and \$<sup>Commercial Information</sup> loan for Operating Expenses.

## Comment

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6. Free and frank opinions  

7. The project has significant community and industry support. The PDU believes that by providing the operational expenditure as a grant rather than a loan we are best positioning the applicant to be successful.

## Next Steps

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8. If you agree to the proposal to provide a grant rather than a loan for the Operating Expenses of \$<sup>Commercial Information</sup>, the PDU will negotiate with the applicant to ensure appropriate controls are in place to manage the distribution of funds against KPI performance indicators.