

# Regional Economic Development

Weekly Report

10 – 14 February 2020

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**To: Hon Shane Jones**

Minister for Regional Economic Development

**Fletcher Tabuteau**

Under-Secretary to the Minister for Regional Economic  
Development



PROVINCIAL  
DEVELOPMENT  
UNIT

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# 1. Dashboard updates

## 1.1 Proposals received by PDU (as at 10 February 2020)

New proposals received in week ending 10 February 2020	15
Total proposals received to 10 February 2020	1,537

\* Includes applications and expressions of interest

## 1.2 Progress of proposals received by PDU (as at 10 February 2020)

Stage	Count*
Awaiting assessment	127
Being assessed	149
Unsuccessful	791
Approved	470
<b>Total received</b>	<b>1,537</b>

\* These include all proposals that have come through the Provincial Development Unit's application and decision-making process. Application numbers may differ from project numbers as multiple applications may result in a single project or vice versa.

## 1.3 Headline PGF Numbers as at 31 December 2019 (monthly)

Total PGF funding committed	Total funding contracted	Total funding paid to date
\$2,885.5m	\$1,182.5m	\$406.9m

## 1.4 Job numbers as at 31 December 2019 (monthly)

Number of people employed in PGF-supported projects	2,352
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\* Based on information provided by funding recipients on contracted projects.

## 2. Upcoming announcements

Upcoming announcements			
Date	Location	Announcement	Additional Information
17 Feb	Wairoa	Funding for Mahia Road and Rocket Lab	Under-Secretary
28 Feb	Auckland	Infrastructure announcements	Cross Government announcement

## 3. Communications activities

Date	Region	Media projects	Additional information
Commercial Information			

## 4. Schedule of recent and upcoming recommendations

### 4.1 Summary of projects considered at 30 January 2020 Senior Regional Officials (SRO) meeting

Approve		Deferred	Decline
Project title	Region	Description	
Commercial Information			
Whangaroa Ngaio tonga Trust Farm Revitalisation	Northland	SROs approved a grant up to \$ <sup>Commercial Information</sup> from the Whenua Māori portion of the PGF.	
Commercial Information			
Ruahuihui Trust - Ngāpaeruru 1B2B	Manawatū-Whanganui	SROs approved a grant up to \$210,000 from the Whenua Māori portion of the PGF.	
Commercial Information			
Te Rimu Trust - Lime Orchard Development	Tairāwhiti	SROs approved a grant up to \$871,459 from the Whenua Māori portion of the PGF towards The Lime Orchard Development Project subject to conditions.	
Commercial Information - Declined Application			
Commercial Information			
Chatham Islands Electricity Multi-Purpose Lines Vehicle	Canterbury	SROs approved a grant up to \$192,168.79 from the \$6.1m PGF energy package towards the Chatham Islands Electricity Multi-Purpose Lines Vehicle Project.	
Commercial Information - Declined Application			
Omataroa Eco Tours	Bay of Plenty	SROs approved a grant up to \$615,902 from the Whenua Māori portion of the PGF towards the Omataroa Eco Tours Project subject to conditions.	
Commercial Information			

<p>Ngati Awa Group Holdings Limited - new strategic direction for White Island Tour Limited</p>	<p>Bay of Plenty</p>	<p>Commercial Information</p> <p>This means they can pivot the current business in light of the recent eruption and repurpose unspent funds that had been approved.</p>
<p>Commercial Information</p>		

## 5. Priority updates

Project name	Description/ update
<p>Northland Drought</p>	<p>A severe drought has hit parts of Northland, with water levels so low that some town water supplies could run completely dry. Emergency preparations are underway in Kaikohe, which has been severely impacted by record dry conditions in 2019 and the start of 2020. Civil Defence Emergency Management has helped the Far North District Council install three large water tanks at the Returned Services Association building to supply residents and businesses if the town's supply runs out. Without substantial rainfall over the coming weeks, Kaikohe faces the very real prospect of running out of water. PDU Officials are assisting the coordination of a government response to the situation.</p>
<p>Coronavirus impact in Northland</p>	<p>Northland businesses exporting to China are braced for the impact of the coronavirus outbreak. Restrictions imposed on travel and public gatherings in China in an attempt to contain the outbreak are putting the squeeze on New Zealand firms doing business there. Forestry crews across the country have downed tools as contractors close operations due to the virus. This has also affected transport companies whose trucks remain idle as a result of the shutdowns. PDU Officials are working with funding recipients to monitor the impact on their current projects.</p>

## 6. Delivery of projects update

### 6.1 Top priority projects of interest

Project name	Description/ update
Dolomite Point Redevelopment	The preferred supplier for the final design (architectural, engineering and civil) is <b>Commercial Information</b> . The Request for Proposal (RFP) for the environmental investigations and approvals is now in the evaluation process and the RFP for the visitor experience final design has been published on the Government Electronic Tenders Service website.
	<b>Amount:</b> \$25.600m   <b>Region:</b> West Coast   <b>Status:</b> Contracted
Rotorua Lakefront Development	The first stage of construction works is underway and on schedule. The trail pits have been completed and the main cement stabilisation works will commence later this month. The site establishment of the playground area has been completed, and major services excavations commenced in late <b>Commercial Information</b> . The design of the next stages of the programme will commence in the next month, including confirming the commercial building location.
	<b>Amount:</b> \$19.900m   <b>Region:</b> Bay of Plenty   <b>Status:</b> Contracted
Government Garden Cultural Quarter	The museum project is on schedule and <b>Commercial Information</b> has been appointed as the pre-construction contractor. The stage one building consent package has been lodged, with construction due to start in late <b>Commercial Information</b> . Non-heritage and non-structural deconstruction has been underway since <b>Commercial Information</b> and is nearing completion in preparation to hand over the site to <b>Commercial Information</b> . The developed design is complete, with all detailed design phases due for completion in <b>Commercial Information</b> . The Rotorua District Council continues to update stakeholders and the wider community through public talks and online video logs about the museum.
	<b>Amount:</b> \$15.000m   <b>Region:</b> Bay of Plenty   <b>Status:</b> Contracted
Gisborne Airport Terminal Redevelopment Project	PDU officials met with the funding recipient last week, who advised <b>Commercial Information</b> <b>Commercial Information</b> <b>Commercial Information</b> . This will not affect the grand opening of the airport terminal which is due to take place in <b>Commercial Information</b> .
	<b>Amount:</b> \$5.500m   <b>Region:</b> Tairāwhiti   <b>Status:</b> Contracted

## 6.2 Other projects

Project name	Description/ update
Phase 3: Whakarewarewa Forest Project Capital Investment and Construction	Commercial Information [REDACTED] [REDACTED] [REDACTED]. An expression of interest for the design and build of the new visitor centre and natural play space will be released by [REDACTED]. The next stage of the cultural overlay work is underway; this involves gathering mana whenua stories to inform the art, digital media and interpretation which will be shared across the forests.
	<b>Amount:</b> \$1.500m   <b>Region:</b> Bay of Plenty   <b>Status:</b> Contracted
Makauri Aquifer Poverty Bay	Commercial Information [REDACTED] [REDACTED]
	<b>Amount:</b> \$542,500   <b>Region:</b> Tairāwhiti   <b>Status:</b> Contracted
Sheet Metalcraft - Engineering Equipment	The CNC lathe and the CNC milling machine have been installed by the recipient. These machines will help them to increase throughput and productivity for their business. This project created [REDACTED] jobs.
	<b>Amount:</b> \$132,500   <b>Region:</b> Southland   <b>Status:</b> Contracted
Tapuae Roa: Maori Enterprise and Education Stocktake	Commercial Information [REDACTED] [REDACTED] [REDACTED] [REDACTED]
	<b>Amount:</b> \$100,000   <b>Region:</b> Taranaki   <b>Status:</b> Contracted
Ōhaeawai Visitors Centre	Commercial Information [REDACTED] A feasibility study in respect of the Ōhaeawai Visitors Centre was completed last year [REDACTED] [REDACTED] [REDACTED]
	<b>Amount:</b> \$100,000   <b>Region:</b> Northland   <b>Status:</b> Contracted
Commercial Information [REDACTED]	



### 6.3 Te Ara Mahi (TAM)/He Poutama Rangatahi (HPR) updates

Te Ara Mahi	
<p>The PDU Skills and Employment Director met with Minister Nash's Small Business representatives this week to discuss initiatives underway through Te Ara Mahi (TAM) and the Sector Workforce Engagement Programme (SWEP) in support of Small and Medium Enterprises (SMEs). The representatives were very supportive of the TAM and SWEP approaches and it was noted that a considerable amount of work is well underway around coordination and facilitation, including enabling SMEs to get the right people with the right skills at the right time.</p>	
<b>Contact:</b>	Stephen Ruddell, Principal Advisor, Te Ara Mahi, <small>Privacy of natural persons</small>

### 6.4 Major upcoming project deliverables – due this month

Contract Title	Region	Condition
Camera Obscura	Northland	Construction due to commence.
Twin Coast Discovery Route	Northland	Business cases to be finalised and published on NZTA's website.
He Poutama Tai Tamariki	Northland	Te Tuhononga Papori programme to commence.
Kaitiaki Regional Digital Hub	Northland	Opening event expected to take place.
Kai for Kaipara Water Phase 1B	Northland	Feasibility study to be completed.
Whakathea Mussel Farm	Bay of Plenty	Blessing of factory site to take place.
Manawatū-Whanganui Rural Innovation Lab Pilot (RIL)	Manawatū-Whanganui	Final report due to be submitted to the Ministry.
Westport Airport Critical Infrastructure	West Coast	Construction progresses on reinforcement work to Westport Airport Seawall.
Porters Ski Field	Canterbury	Construction to start on mountain bike track now consent has been granted.
Invercargill Inner City Redevelopment	Southland	Demolition work due to commence.

## 7. Policy Updates

### 7.1 Policy

#### Upper North Island Supply Chain work programme to May 2020

Ministry of Transport Deputy Chief Executive Nick Brown presented to Auckland Council's Planning Committee this week, supported by The Treasury and independent consultancy Sapere. Mr Brown emphasised the scope and timeline that Cabinet has given Officials for this project, noting that the Ports of Auckland is not viable as the key import port in the long term, and that a report back to Cabinet is required by late May.

Key points raised by councillors included:

- Support for the evidence-based approach being taken
- Concern about the timeframe, particularly given the time it will take Auckland Council to agree a formal Council view, and how it might impact on engagement with iwi
- While being aware of Cabinet's position, a desire for the analysis to consider the status quo option, and potentially a "hybrid" status quo involving a functional port at the current site but with a reduced capacity and footprint
- A keenness to hear directly from Ministers on the issue
- Questions and concerns about how increased freight movements in and out of Auckland might impact on passenger transport, and on specific parts of the transport network (for example, the implications of needing to expand the Waitakere Tunnel).

Committee Chair Chris Darby emphasised that the views expressed at the meeting could not be taken as a formal Council position. He will discuss with his officials how a formal position might be developed.

**Contact:** Isabel Pouison, Manager Strategy and Policy, Privacy of natural persons

## Appendix 1 – Completed Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Date sent
2157 19-20	Provincial Growth Fund Limited Subscription Agreement for Shareholding Ministers' Approval	Jones, Robertson, USEC	David van der Zouwe	10 Feb

## Appendix 2 – Upcoming Cabinet Papers, Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Due Date
Commercial Information				
Commercial Information				
Commercial Information				
TBC	Event Briefing: Rocket Lab	USEC Nash	Kate Styles	
TBC	Briefing: Regional Economic Development Ministers meeting 20 February 2020	RED Mins	David van der Zouwe	
TBC	Event Briefing: Porters Ski Field	USEC	Staci Hare	
TBC	Event Briefing: QE Health and Wai Ariki Hot Pools and Spa	USEC	Nicki Sutherland	

## Appendix 3 – Official Information Act requests

Ministerial OIA					
Tracking Number	Name	Date received	Due to Minister's Office	Status	Request
OIA399	Privacy of natural persons	13 Dec	21 Jan	Minister's Office	Copies of reports listed in 38188, 38187 and 38186
OIA409		3 Feb	20 Feb	Scoping	Briefings & Papers re. PQ 43170 (2019), PQ 43171 (2019) & PQ 43309 (2019)
OIA412		10 Feb	24 Feb	Scoping	All correspondence etc. re: \$69.7mil PGF Northland Rail Swanson-Whangārei, Kauri etc.
OIA413		10 Feb	28 Feb	Scoping	All advice etc. re PGF announcement of \$109m for Northland rail kauri/otiria

PROACTIVELY RELEASED

**Departmental OIA**

Tracking Number	Name	Date received	Due to Minister's Office	Due to requestor	Status	Request
1920-0428	Privacy of natural persons	9 Sep	15 Oct	22 Oct	Minister's Office	All correspondence and material between Eastland Community Trust, Provincial Growth Unit and the Minister relating to the Wood Cluster Centre of Excellence between 1 January 2019 and 1 September 2019.
1920-0227		13 Aug	1 Nov	8 Oct	Gathering Information	Ruapehu Alpine Lifts - questions
1920-0227		13 Aug	1 Nov	8 Nov	Gathering Information	Ruapehu Alpine Lifts - questions
1920-0707		31 Oct	21 Nov	17 Jan	Decision Sent	Information relating to PGF investment in Dunedin creative digital industry.
1920-0745		7 Nov	28 Nov	5 Dec	Gathering Information	Documents relating to the Waioura Trust application for grants relating to Kapiti Island or any other application to the PGF relating to Kapiti Island.
1920-0891		2 Dec	13 Jan	21 Jan	Gathering Information	Projects funded by the PGF that are over budget and want more funding
1920-0901		16 Dec	11 Mar	18 Mar	Drafting	Documents relating to the following grant of PGF funding
1920-1030		24 Dec	13 Feb	13-Feb	Drafting	All docs sent to the Minister in relation to that estimates 10'000 jobs
1920-1091		17 Jan	10 Feb	17-Feb	Scoping	Documents relating to reinstatement of the former Southerner train service
1920-1203		4 Feb	26 Feb	4 Mar	Gathering Information	Copy of the Wairarapa Water Ltd funding application

### Departmental OIA

Tracking Number	Name	Date received	Due to Minister's Office	Due to requestor	Status	Request
1920-1154	Privacy of natural persons	17 Dec	27 Feb	5 Mar	Scoping	Copies of PDU protocols, processes, NDAs and other documents

### Appendix 4 – Ministerial Correspondence

#### Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ3649	Privacy of natural persons	21 Jan	Commercial information	Think big project for the bottom of the South Island
SJ3663		26 Jan		Commercial Information
SJ3718		26 Jan		Emergency business support due to delay in programme and Coronavirus

## Appendix 5 – Parliamentary Questions

### Written Parliamentary Questions

Tracking Number	From	Date received	Due to Office	Question
PQ 1079 (2020)	Privacy of natural persons	12 Feb	14 Feb	How many data breaches, if any, have taken place within the Regional Economic Development portfolio since October 2017 that did not reach a threshold sufficient to inform Ministers?
PQ 1263 (2020)		12 Feb	14 Feb	What 'clean energy projects' are being directly funded by the provincial growth fund as referenced in WQ - Reply 43474 (2019)?
PQ 1317 (2020)		12 Feb	14 Feb	Further to his answer to Reply 43457 (2019), when did the Provincial Development Unit provide him with the estimate
PQ 31 (2020)		12 Feb	14 Feb	Have any restrictions such as website filters or commercial use prohibition been placed on any of the Marae connected under the Marae connectivity programme; if so, what?
PQ 33 (2020)		12 Feb	14 Feb	What is the average connection speed at each Marae connected under the Marae connectivity programme?
PQ 34 (2020)		12 Feb	14 Feb	How many people, by Marae, are being serviced by the Marae connectivity programme?
PQ 38 (2020)		12 Feb	14 Feb	What is the cost to date, broken down by Marae of the Provincial Growth Fund's Marae connectivity programme?
PQ 598 (2020)		12 Feb	14 Feb	Has it been estimated how busy the rail line north of Whangārei, between Kauri and Otiria, will be once it reopens; if so, what are those estimates?
PQ 725 (2020)		12 Feb	14 Feb	What communications, if any, was the Minister's office involved in around any purchase of land from Northland Regional Council for the designated rail corridor to Marsden Point, listed by date, type of communication and title?
PQ 872 (2020)		12 Feb	14 Feb	Further to his answer to Reply 41912 (2019), were Messrs Brian and Henry at the event, notwithstanding they were not invited?
PQ 920 (2020)	12 Feb	14 Feb	How many employees or contractors, if any, at the Provincial Development Unit as at 1 January 2020 were on remuneration of \$100,000 or more a year?	

## Written Parliamentary Questions

Tracking Number	From	Date received	Due to Office	Question
PQ 921 (2020)	Privacy of natural persons	12 Feb	14 Feb	How many people were employed at or engaged by the Provincial Development Unit on 1 January 2020?
PQ 922 (2020)		12 Feb	14 Feb	How much funding, if any, has been allocated from the Provincial Growth Fund since it was established, as at 1 January 2020?
PQ 923 (2020)		12 Feb	14 Feb	How much funding, if any, has been disbursed from the Provincial Growth Fund since it was established as at 1 January 2020?
PQ 924 (2020)		12 Feb	14 Feb	How many jobs, if any, have been created as a result of the Provincial Growth Fund as at 1 January 2020, and where are these jobs located?
PQ 1441 (2020)		12 Feb	17 Feb	How many funding applications have been made to the Provincial Growth Fund from the Timaru district other than those relating to PrimePort Timaru, if any, and how many have been approved?
PQ 1442 (2020)		12 Feb	17 Feb	What is the status of the PrimePort Timaru funding application for the construction of a new wharf?
PQ 1443 (2020)		12 Feb	17 Feb	Has a decision been made whether or not to provide a loan or grant to construct a new wharf at PrimePort Timaru?
PQ 1444 (2020)		12 Feb	17 Feb	How much funding, if any, has the Ashburton Second Urban Bridge Detailed Business Case project received?
PQ 1445 (2020)		12 Feb	17 Feb	Has the Ashburton Second Urban Bridge Detailed Business Case project received all of the funding it has been approved for, detailed in the Provincial Development Unit document Responses to questions from the Economic Development, Science and Innovation Select Committee dated 19 November 2019, if not, why not?
PQ 1446 (2020)		12 Feb	17 Feb	What are the dates and titles of any documents, if any, that the Provincial Development Unit have produced in relation to restoration of the wharf at Tokomaru Bay?
PQ 1447 (2020)	12 Feb	17 Feb	What are the dates and titles of any documents, if any, that the Provincial Development Unit have received in relation to restoration of the wharf at Tokomaru Bay?	



## Written Parliamentary Questions

Tracking Number	From	Date received	Due to Office	Question
PQ 1448 (2020)	Privacy of natural persons	12 Feb	17 Feb	Has he met with anyone to discuss the restoration of the wharf at Tokomaru Bay, if so, when?
PQ 1449 (2020)		12 Feb	17 Feb	Has he met with anyone to discuss the restoration of the wharf at Tokomaru Bay, if so, with whom?
PQ 1450 (2020)		12 Feb	17 Feb	What documents, if any, has he received in relation to Provincial Growth Fund applications for the restoration of the wharf at Tokomaru Bay?
PQ 1453 (2020)		12 Feb	17 Feb	What funding, if any, has been disbursed to Te Ara Mahi programme or pathway providers in the Ashburton district?
PQ 1454 (2020)		12 Feb	17 Feb	What funding, if any, has been disbursed to Te Ara Mahi programme or pathway providers in the Timaru district?
PQ 1455 (2020)		12 Feb	17 Feb	How many people, if any, in the Timaru district have undertaken a Te Ara Mahi programme or pathway?
PQ 1456 (2020)		12 Feb	17 Feb	How many people, if any, in the Ashburton district have undertaken a Te Ara Mahi programme or pathway?
PQ 1507 (2020)		12 Feb	17 Feb	Where has the Minister sourced additional funding in regards to the increased build costs of the PGF West Coast Fibre Links?
PQ 1508 (2020)		12 Feb	17 Feb	What is the new build cost for the PGF West Coast Fibre Links?
PQ 1549 (2020)		13 Feb	21 Feb	Were there any conflicts of interests with the Tuia 250 Voyaging Event application for Provincial Growth Fund funding?

## Appendix 6 – Proactive Release

Documents for Proactive Release			
Name / Document Type	Quantity	Due for release	Status
Cabinet Papers	1	Commercial Information	On Hold
Regional Economic Development Weekly Reports	16		Preparing
Applications	206		Various
Funding Agreements	220		Various
Regional Economic Development Ministers Meeting Papers	169		Minister's Office
Position Papers	0		N/A
Senior Regional Officials Meeting Papers	31		Sign-out
Independent Advisory Panel Meeting Papers	19		Sign-out
Business Cases / Feasibility Studies	3		Preparing

PROACTIVELY RELEASED