

Regional Economic Development

Weekly Report

17 – 21 February 2020

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 16 February 2020)

| | |
|---|-------|
| New proposals received in week ending 16 February 2020 | 11 |
| Total proposals received to 16 February 2020 | 1,547 |

* Includes applications and expressions of interest

Please note that, despite 11 new proposals being received, the total rose by 10 due to an earlier application being deleted when it was found to have been made in error.

1.2 Progress of proposals received by PDU (as at 16 February 2020)

| Stage | Count* |
|-----------------------|---------------|
| Awaiting assessment | 116 |
| Being assessed | 170 |
| Unsuccessful | 791 |
| Approved | 470 |
| Total received | 1,547 |

* 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 January 2020 (monthly)

| Total PGF funding committed | Total funding contracted | Total funding paid to date |
|------------------------------------|---------------------------------|-----------------------------------|
| \$2,873.4m* | \$1,196.5m | \$449.8m |

* The committed figure has gone down due to the Opōtiki Harbour project (\$79.4 m) being approved from the PGF in December but being confirmed by RED ministers in January as being funded out of Regional Investment Opportunities.

1.4 Job numbers as at 31 January 2020 (monthly)

| | |
|--|-------|
| Number of people employed in PGF-supported projects | 2,401 |
|--|-------|

* Based on information provided by funding recipients on contracted projects.

2. Upcoming announcements

| Announcements planned for the next week | | | |
|---|----------|--|------------------------|
| Date | Location | Announcement | Additional Information |
| 25 Feb | Wairoa | Funding for Mahia Road and Rocket Lab | Under-Secretary |
| 25 Feb | Kawerau | Package announcement: <ul style="list-style-type: none"> • Kawerau Off-highway Road • Kawerau Container Terminal Rail Siding • Putauaki Trust Roding Extension • Pathways to Work Coordinator | |
| 27 Feb | Taupō | Taupō Airport | |
| 28 Feb | Auckland | Infrastructure announcements. <ul style="list-style-type: none"> • Ōpōtiki Harbour • West Coast Pons and Roads • Milford Fibre and Aerodrome • North Island Roads • South Island Roads • Taupō Airport | |

3. Communications activities

| Date | Region | Media projects | Additional information |
|------------------------|--------|----------------|------------------------|
| Commercial Information | | | |

4. Priority updates

| Project name | Description/ update |
|------------------------|---------------------|
| Commercial Information | |

5. Delivery of projects update

5.1 Top priority projects of interest

| Project name | Description/ update |
|---|---|
| Commercial Information | |
| Hawke's Bay 3D Aquifer Mapping (Skytem) | <p>This project was officially launched on Commercial Information and was well received by the public. The Skytem survey is now complete, and the data is of a high standard. The project will now move into the interpretation and modelling stage. The data capture was successful and completed ahead of schedule.</p> <p>Amount: \$Commercial Informa Region: Hawke's Bay Status: Contracted</p> |

5.2 Other projects

| Project name | Description/ update |
|---|--|
| Accelerating Aquaculture Development in Whakatohea Rohe Moana | <p>The final business case was completed by Commercial Information and submitted at the start of the month. The spatial plan has been drafted and is awaiting final consultation with the community. The recipient will also provide the final mammal report by the end of Commercial Informa</p> <p>Amount: \$Commercial Informa Region: Bay of Plenty Status: Contracted</p> |
| The Food Factory | <p>PDU Officials joined Commercia businesses who are potential tenants for The Food Factory at the Food Control and Business Planning workshop at the Pic's Peanut Butter factory last week. Commercial information</p> <p>Amount: \$778,000 Region: Te Taihū Status: Contracted</p> |
| Hereumu Trust | <p>PDU officials visited the site to meet with landowners and contractors for the project last week. They confirmed details of the contract with the Trust and officials expect the contract to be executed Commercial Information.</p> <p>Amount: \$637,400 Region: Tairāwhiti Status: Drafting contract</p> |
| Waiorua Bay Lodge Development | <p>Commercial Information</p> <p>Amount: \$635,000 Region: Kāpiti Status: Contracted</p> |
| Commercial Information | |
| South Island Destination Management Plan | <p>Public consultation on the draft South Island Destination Management Plan closed on Commercial Information. The feedback is now being summarised for consideration by the project Steering Group, after which the final report and action plan can be completed.</p> <p>Amount: \$250,000 Region: Canterbury Status: Contracted</p> |
| Ashburton Second Urban Bridge Detailed Business Case | <p>Commercial Information</p> <p>Amount: \$94,250 Region: Canterbury Status: Contracted</p> |

| | |
|---|---|
| West Coast Regional Cycle Trails Strategy Development | The final report for this project has been received. Once the final invoice and the completed project report are received, this project will be complete. |
| | Amount: \$37,500 Region: West Coast Status: Contracted |

5.3 Te Ara Mahi (TAM)/He Poutama Rangatahi (HPR) update

| Ngā Pūmanawa Tūpuna (HPR) | |
|--|--|
| <p>Ngā Pūmanawa Tūpuna is a work-readiness He Poutama Rangatahi programme funded through the PGF, supporting the development of the essential soft skills necessary for success in the world of work. The programme, which was announced on 2 July 2019, targets 120 at-risk rangatahi aged 16-24, predominantly but not exclusively Māori. The aim is to make the rangatahi not only more employable, but more confident, positive and productive members of society. <small>Commercial information</small> percent of participating rangatahi are expected to move into employment, further education, or training. Ngā Pūmanawa Tūpuna is delivered by Wairarapa Rural Education Activities Programme (REAP) Incorporated.</p> <p>In their most recent progress report, REAP reported on the completion of their first Ngā Pūmanawa Tūpuna course. <small>Commercial information</small> rangatahi were enrolled and the course took place during terms 3 and 4 of 2019. Nineteen (<small>Commercial information</small>%) of the <small>Commercial information</small> enrolled rangatahi have transitioned into employment, further education or training. This includes <small>Commercial information</small> rangatahi who transitioned into full-time employment, all of whom identified as Maori. Of the <small>Commercial information</small> enrolled rangatahi, <small>Commercial information</small> (<small>Commercial information</small>%) completed the 150-hour Licence 2 Work (L2W) programme and nine successfully passed the first phase of their driver's licence.</p> | |
| Contact: | Stephen Ruddell, Principal Advisor, Te Ara Mahi, <small>Privacy of natural persons</small> |

5.4 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. |
| Kaitaia Regional Digital Hub | Northland | Opening event expected to take place. |
| Kai for Kaipara Water Phase 1B | Northland | Feasibility study to be completed. |
| Whakatohea 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. |

6. Policy Updates

6.1 Policy

Upper North Island Supply Chain work programme to May 2020

The Ministry of Transport, the Treasury, and the Provincial Development Unit continue to make good progress on with the UNISCS work programme.

Officials and consultants, including port engineers and a port planner, visited Northport, the Ports of Auckland and the Port of Tauranga last week. All three ports are now providing access to key information about current capacity and capital plans.

Auckland Mayor Phil Goff and the Chair of the Council's Planning Committee, Chris Darby, have written to Ministers following the recent officials' briefing to the Committee. While noting the briefing was useful, they express concern about the project's timeframes and have asked to meet with Ministers to discuss their concerns.

Ahead of your meeting on 2 March 2020, UNISCS Ministers will receive a briefing in response to your request at your 28 January meeting.

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

Government response to Trade for All Advisory Board Report

In November 2019, the Minister for Trade and Export Growth received the report of the Trade for All Advisory Board, which contained 53 recommendations to ensure that the benefits of international trade to New Zealand are spread more widely. The Ministry of Foreign Affairs and Trade has been developing a government response, which is currently scheduled to go to the Cabinet Economic Development Committee on 4 March.

In relation to economic development, the key findings of the report are that:

- building the number of export-capable companies of all sizes is the primary challenge to improving New Zealand's export performance
- the Government's vision to move the country's economic output from 'volume to value' is consistent with 'Trade for All' thinking
- New Zealand needs, and will continue to need, capital in many industries.

In relation to regional economic development, we have indicated the Provincial Development Unit seeks involvement in designing and implementing recommendations that have the potential to impact (either positively or negatively) the regions. Relevant recommendations relate to:

- encouraging inward and outward investment
- how relevant agencies prioritise and resource trade policy
- how the WTO and other international institutions address future challenges
- how New Zealand's value proposition is coordinated and advanced, incorporating a triple bottom line framework to meet social, environmental and economic objectives while being consistent with the Crown's partnership objectives under the Treaty
- an increased focus on the creative sector
- a more strategic approach to the tourism sector

- how NZTE interacts with and supports the tech sector
- a potential review of NZTE's focus on small to medium size enterprises
- how existing networks should coordinate in New Zealand's regions
- an increased focus on micro-exporting.

We note that the work programme indicated by the proposed government response is likely to have significant resource implications.

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|-----------------|--|
| Contact: | Isabel Poulson, Manager Strategy and Policy, <small>Privacy of natural persons</small> |
|-----------------|--|

6.2 PGFL

PGFL

The Subscription Agreement for PGFL has now been signed, and you and the Minister of Finance (as PGFL shareholders) will soon be sent a briefing seeking approval to pay the call on shares. This will make funding available to PGFL to make payments under investment agreements that will be transferred to them.

The timing of the briefing is subject to when PGFL agrees to make the call on shares. Relevant documentation is currently with the Board for consideration. Once PGFL has the funds available, the PDU will commence the transfer of PGF investments to PGFL to hold.

| | |
|-----------------|--|
| Contact: | Levi Rona, Senior Policy Advisor, Strategy and Policy, <small>Privacy of natural persons</small> |
|-----------------|--|

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 |
| Commercial Information | | | | |
| Commercial Information | | | | |
| Commercial Information | | | | |
| Commercial Information | | | | |
| Commercial Information | | | | |

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

| Tracking number | Title | Minister/ USEC | Signed out by | Due Date |
|------------------------|---|----------------|------------------|------------------------|
| TBC | Event Briefing: Porters Ski Field | USEC | Staci Hare | Commercial Information |
| TBC | Event Briefing: Rocket Lab | USEC Nash | Kate Styles | Commercial Information |
| Commercial Information | | | | |
| Commercial Information | | | | |
| TBC | Event Briefing: QE Health and Wai Ariki Hot Pools and Spa | USEC | Nicki Sutherland | Commercial Information |

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 |
| 1920-0707 | | 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 |
| 1920-1154 | | 17 Dec | 27 Feb | 5 Mar | Scoping | Copies of PDU protocols, processes, NDAs and other documents |

Departmental OIA

| Tracking Number | Name | Date received | Due to Minister's Office | Due to requestor | Status | Request |
|-----------------|----------------------------|---------------|--------------------------|------------------|---------|---|
| 1920-1220 | Privacy of natural persons | 11 Feb | 03 Mar | 10 Mar | Scoping | All information relating to a possible dry dock in Whangarei |
| 1920-1221 | | 11 Feb | 03 Mar | 10 Mar | Scoping | All information relating to a new dry dock in NZ since 1 January 2018 |
| 1920-1234 | | 12 Feb | 04 Mar | 11 Mar | Scoping | Up to date spreadsheet of the PDUs projects |
| 1920-1231 | | 12 Feb | 04 Mar | 11 Mar | Scoping | Money allocated to projects under the Whenua Maori allocation |
| 1920-1232 | | 12 Feb | 04 Mar | 11 Mar | Scoping | PGF money used so far for the Te Ara Mahi project |
| 1920-1240 | | 12 Feb | 04 Mar | 11 Mar | Scoping | Why all announced projects stated data spreadsheet was removed from the website |

Appendix 4 – Ministerial Correspondence

Ministerial Correspondence

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

Ministerial Correspondence

| Tracking Number | Name | Date received | Due to Minister's Office | Subject |
|-----------------|----------------------------|---------------|--------------------------|--|
| SJ3791 | Privacy of natural persons | 13 Feb | 27 Feb | Looking for answers to our reported energy and climate emergency |
| SJ3785 | | 13 Feb | 12 Mar | Commercial Information |

PROACTIVELY RELEASED

Appendix 5 – Parliamentary Questions

| Written Parliamentary Questions | | | | |
|---------------------------------|----------------------------|---------------|---------------|---|
| Tracking Number | From | Date received | Due to Office | Question |
| Various | Privacy of natural persons | 20 Feb | 24 Feb | 49 x WPQs received regarding PGF supported Transport projects |
| PQ 1637 (2020) | | 20 Feb | Sent | What is the total value of funding committed from the Provincial Growth Fund, if any, as of 1 February 2020, broken down by region? |
| PQ 1645 (2020) | | 20 Feb | Sent | What is the total value of funding that has been contracted from the Provincial Growth Fund, if any, as of 1 February 2020? |
| PQ 1648 (2020) | | 20 Feb | Sent | What is the total value of funding paid out to recipients from the Provincial Growth Fund, if any, as of 1 February 2020? |
| PQ 1649 (2020) | | 20 Feb | Sent | What is the total value of funding committed but not yet announced from the Provincial Growth Fund, if any, as of 1 February 2020? |
| PQ 1654 (2020) | | 20 Feb | Sent | What is the total value of funding committed from the Provincial Growth Fund, if any, as of 1 February 2020? |
| PQ 1662 (2020) | | 20 Feb | Sent | What is the total value of funding committed from the Provincial Growth Fund as of 1 February 2020? |
| PQ 1665 (2020) | | 20 Feb | Sent | When did the Provincial Development Unit receive the application for funding from the Provincial Growth Fund for the Te Au Marie 1769 Sestercentennial Charitable Trust's projects as part of Tuia 250? |

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