



EVENT BRIEFING

Prime Minister's PGF announcements at Otamatea Marae, 3 February and Kaikohe, 4 February 2019

Date:	30 January 2019	Priority:	High
Security classification:	In Confidence	Tracking number:	2156 18-19

Action sought	Action sought	Deadline
Rt Hon Jacinda Ardern Prime Minister	Note the content of this briefing for logistics and background for the Provincial Growth Fund announcements in Kaipara and Kaikohe on 3 and 4 February 2019.	2 February 2019
Rt Hon Winston Peters Deputy Prime Minister	Note the contents of this briefing	
Hon Kelvin Davis Minister for Māori Crown Relations: Te Arawhiti		
Hon Nanaia Mahuta Minister for Māori Development		
Hon Shane Jones Minister for Regional Economic Development		
Hon Willie Jackson Minister for Employment		

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Ben Dalton	Head of Regional Investment	Redacted - Privacy	✓
Ivana Cortesini	Principal Advisor		



Eleanor Green

Policy Advisor

Redacted - Privacy

The following departments/agencies have been consulted

Ministry for Primary Industries, Ministry of Transport, New Zealand Transport Agency, Te Puni Kōkiri

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments

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BRIEFING

Prime Minister's PGF announcements at Otamatea Marae, 3 February 2019 and Kaikohe, 4 February 2019

Date:	30 January 2019	Priority:	High
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Purpose

On 3 and 4 February 2019 you will attend two events, one at Otamatea Marae in Kaipara, and another at Mangatoa station in Kaikohe.

- At Otamatea Marae on 3 February 2019 you will announce a Provincial Growth Fund (PGF) investment of \$20.39 million via the Kaipara package and a \$100 million allocation of the fund for capital investment into Māori owned land (PGF Whenua Māori allocation).
- At Mangatoa station in Kaikohe on 4 February 2019 you will announce a \$21 million allocation of the PGF for Local Digital Connectivity and an \$82.4 million allocation for Te Ara Mahi.

This briefing provides background details on the projects and allocations, logistics for your attendance on the day, back pocket information, and key risks.

Executive Summary

On Sunday 3 February 2019 you will be at the Otamatea Marae in Kaipara to announce PGF investment with the Ministers for Māori Crown Relations - Te Arawhiti, Māori Development and Regional Economic Development. There are likely to be attendees across iwi, local government and the community. You will be announcing \$20.39 million for a local package of roading and business investments in Kaipara, as well as a national PGF Whenua Māori allocation of \$100 million for Māori land development. The Kaipara package has been designed to leverage the substantial agricultural, horticultural and tourism assets in the region. The PGF Whenua Māori allocation tackles the biggest barrier to the development of Māori land: access to capital.

On Monday 4 February 2019 you will be at Mangatoa station in Kaikohe to announce PGF investment with the Minister for Regional Economic Development and the Minister for Māori Development. There are likely to be attendees across, iwi, local government and local rangitahi. You will be announcing the PGF allocation of \$82.4 million for Te Ara Mahi, a national body of work focusing on getting young people not in employment, education or training into work. You will also be announcing the allocation of up to \$21 million for Local Digital Connectivity to provide broadband connectivity to marae and regional digital hubs.

Recommended action

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

- a **Note** the contents of this briefing on the Provincial Growth Fund announcements in Kaipara and Kaikohe on 3 and 4 February 2019.

Noted

Ben Dalton
Head of Regional Development
Provincial Development Unit, MBIE

..... / /

Rt Hon Jacinda Ardern
Prime Minister

..... / /

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Background

1. This suite of PGF announcements contribute to the three main goals you set out in your 2018 Waitangi Day address — returning dignity to whanau, improving child poverty outcomes and creating jobs for young people.
2. The Kaipara Package is localised, and the three policy announcements (PGF Whenua Māori allocation, Local Digital Connectivity and Te Ara Mahi) are nationally focused. The three national policies allocate PGF funding towards improvements in Māori land utilisation, local digital connectivity and youth employment.

Runsheets for 3 February and 4 February 2019

Waitangi PGF Announcements

Date: Sunday 3 February 2019
Locations: Otamatea Marae, 97 Tanoa Rd, Maungaturoto

Official Party
Prime Minister, Jacinda Ardern
Deputy Prime Minister, Winston Peters
Hon Shane Jones, Minister Regional Economic Development
Parliamentary Under-Secretary Fletcher Tabetau for Regional Economic Development
Hon Kelvin Davis, MP Tai Tokerau
Hon Phil Twyford, Minister for Transport (TBC)
Hon Willie Jackson, Minister for Employment
Hon Nanaia Mahuta, Minister for Māori Development

Summary Programme			
Time	Duration	Action/event	Responsibility
10.55am	5 mins	Official party arrive Kakaraea Church	
11.00am		Karanga of official party into Church	
11.05am	25 mins	Church service Officiating: Albie Shelford and Rex Nathan Reading 1: Prime Minister <i>The Book of Psalms 133: Verse 1</i> <i>“How good and pleasant it is when God’s people live together in unity”</i>	

		Reading 2: Deputy Prime Minister <i>1 Peter Chapter 3:Verse 8</i> <i>"Finally, all of you, be like minded, be sympathetic, love one another, be compassionate and be humble."</i>	
11.30am	3 mins	Official party to be taken to Marae by foot <i>Ratana Ban to accompany official party</i>	
11.33am	30 mins	Powhiri Speakers: Ben de Thierry and John Marsden Crown: Minister Davis and Minister Jones	
12.03pm	2 mins	Welcome to the region Mayor of Kaipara (Will introduce each of the Ministers)	
12.05pm	5 mins	Official speech 1: Minister Mahuta	
12.10pm	7 mins	Official speech 2: Minister Jones	
12.17pm	10 mins	Official speech 3: Prime Minister	
12.27pm	15 mins	Media stand up	
12.27pm	35 minutes	Refreshments served <i>Ministers to join at the completion of the media stand up</i>	
1.00pm		Official party depart Otamatea Marae	

Security	DPS
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Media Management	
Speech notes	<i>PDU Comms</i>
Media invitations and liaison	<i>Minister Jones office</i>
Attending media	<i>TBC</i>

Kaikohe PGF Announcements

Date: Monday 4 February 2019

Locations: Mangatoa Station

Official Party
Prime Minister, Jacinda Ardern
Hon Shane Jones, Minister Regional Economic Development
Parliamentary Under-Secretary Fletcher Tabetau for Regional Economic Development
Hon Kelvin Davis, MP Tai Tokerau
Hon Willie Jackson, Minister for Employment
Hon Nanaia Mahuta, Minister for Māori Development

Summary Programme			
Time	Duration	Action/event	Responsibility
9.00am	5 mins	Official party arrive at station Welcome party: Ben Dalton, Heemi Kapa-Kingi and Kura kids	
9.05am	5 mins	Haka Powhiri (led by young people)	
9.10am	2 mins	Karakia	
9.12am	5 mins	Mihi	
9.17am	3 mins	Waitata toutoko <i>Nga Puawai o Ngapuhi</i>	
9.20am	5 mins	Response for Ministers Speaker: Heemi Kapa Kingi	
9.25am	3 mins	Waitata toutoko <i>Rahiri te tupuna</i>	
9.28am	5 mins	Opening address and welcome MC: Deidre Otene	
9.33am	4 mins	Official speech 1: Minister Jackson	
9.37am	7 mins	Official speech 2: Minister Jones	
9.44am	10 mins	Official speech 3: Prime Minister	
9.54am	2 mins	MC wrap up	
9.55am	2 mins	Karakia mot e kaupapa me te kai Mike - Landcorp	
9.57am	40 mins	Refreshments served	

10.15am	15 mins	Media stand up PM and other Ministers	
10.30am		Official party departs	
10.35am	25 mins	Media stand up continues Other Ministers and local angles	
11.00am		Event concludes	

Security	DPS
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Media Management	
Speech notes	<i>PDU Comms</i>
Media invitations and liaison	<i>Minister Jones office</i>
Attending media	<i>TBC</i>

Suite of Announcements

3. The table below outlines the announcements you will be making across the two days, and their alignment to PGF and Government objectives.

National announcement/ Package	Description	PGF Funding	Date and location
Kaipara Package	A package of investment in Moana (wharves and ferries), Roads, and Kai, to create an economic step-change for the region.	\$20.39 million	3 February 2019 at Otamatea Marae
PGF Whenua Māori allocation	An allocation from the PGF for the development of under-utilised Māori owned land. The proposal intends to address a current barrier to optimising regional economic growth by unlocking the economic potential of Māori owned land. It aims to improve access to financial capital for land development, or on-farm improvements.	\$100 million	3 February 2019 at Otamatea Marae
Te Ara Mahi	An allocation from the PGF for investment in employment, skills and capability. Te Ara Mahi has a particular focus on rangatahi not in employment, education or training (NEETs) but is not limited to support of that group. It is anticipated that the bulk of this investment (approximately \$60 million) will be targeted at the following surge regions: Northland, Tairāwhiti, Hawke's Bay, Bay of Plenty, and Manawatū-Whanganui, with approximately \$20 million available for non-surge regions with significant need for employment support.	\$82.4 million	4 February 2019 at Mangatōa Station
Local Digital	This allocation of \$21 million is available for local	\$20	4 February 2019 at

National announcement/ Package	Description	PGF Funding	Date and location
Connectivity	digital connectivity, including up to \$20 million from the PGF and \$1 million from Crown Infrastructure Partners (CIP). The latter is from the UFB budget and would be specifically for UFB "lead-ins" i.e. fibre from the street into sites in towns/cities that have UFB. At present we expect around \$7 million may be allocated to connect regional digital hubs and \$14 million to connect marae.	million	Mangatoa Station

4. The Kaipara package has been designed to leverage the substantial agricultural, horticultural and tourism assets in the region. The Moana, Roads and Kai components will improve connectivity, boost the visitor offering, generate employment opportunities and help mitigate the effects of climate change of food production in the area.
5. The PGF Whenua Māori allocation tackles the biggest barrier to the development of Māori land: access to capital. The capital gap has been identified as the key to maximising benefits from government investments in pre-commercial phase development. The objectives of this allocation are to increase investment in Māori economic development, bridge the divide between investment readiness and tangible actions and provide landowners with access to capital which will unlock further capital investment.
6. Te Ara Mahi will focus on ensuring regional economic development in New Zealand is sustainable through getting local people in to local jobs, to maximise the impact of the PGF. The allocation will support local people across the entire employment pathway, from getting people upskilled to work, getting people upskilled in their jobs, and funding coordination and support at the employer level. This will ensure productivity gains are fully released in the regions.
7. The Local Digital Connectivity allocation will focus on ensuring the digital connectivity is available at marae and targeted regional digital hubs. This will also work to ensure that PGF objectives of improved productivity, social inclusion and Māori development are fully realised. Increased connection will boost businesses access to market, as well as increasing positive social connectivity benefits.

Hot topics and potential risks

8. Risks and hot topics connected to each announcement are identified below. There are a mix of risks relating to standard project implementation risks and public perception of the announcements. Mitigations in place to minimise these risks are also outlined below.


Kaipara Package

9. There are concerns relating to the ability of Kaipara District Council (KDC) to complete the Moana and Roads components of the Kaipara package. To address these concerns the PGF will provide programme support funding of \$1.3 million to KDC. This will ensure the programming and prioritisation of all activities are aligned and activities within the package interface with other regional projects. It will also assist in developing sustainable skills and capability within KDC.
10. There is a risk that available funds are not sufficient to cover all transport projects and/or investigations, including cost adjustments (such as scope and escalation). Where this occurs, KDC in consultation with the Kaipara package oversight group, will determine the priorities for investment within the available funds (i.e. \$19.41 million available through the

PGF). The Kaipara package oversight group will endorse the projects identified by KDC and report back to RED Ministers on these priorities.

11. Normal transport project risks may impact on approved timeframes and costs. Normal project risks can include consenting, property, geotechnical risks and unforeseen complexities during construction. KDC, with support from the New Zealand Transport Agency (NZTA), will manage these risks if and when they arise. However, it is expected that impacts on costs and timeframes cannot be completely mitigated.
12. The Te Tai Tokerau Northland Growth Study mentions the potential for more freight to be moved by rail, and the Government has indicated its intention to invest further in Northland's rail infrastructure. The Kaipara Package has emphasised the opportunities to move freight via water connections. There is therefore a risk that the two approaches may not be aligned. This will be mitigated by determining alignment and value once the staged business case on wharves and ferries has been completed.

PGF Whenua Māori allocation

13. There is a risk of the perception that this funding is exclusively for Māori. This is not a discrete fund for Māori but rather an allocation within existing PGF funding.
14. **Redacted - Confidentiality of advice**

15. In addition, all applications must comply with investment principles e.g. (relating to mitigating negative impacts on water quality, adapting to climate change effects and enhancing indigenous biodiversity).

Te Ara Mahi

16. The announcement will focus on the overall investment in this area (\$82.4 million) and a proposed sub-allocation within that of up to \$13.3 million for He Poutama Rangitahi, a young employment pathways programme. The announcement also includes a multi-region initiative which will support Pasifika youth not in education, employment or training (NEETs).
17. The announcement focuses on the overall investment amount and the intent of the investment makes this a good news story and we do not see significant risk attached. The \$13.3 million He Poutama Rangitahi 'sub-allocation' is still subject to decision on a proposal by proposal basis.
18. The announcement of the Pacific Employment Support Service (PESS) project listed below, introduces some risk in that it could be perceived that this applicant has been favoured ahead of others who will only learn of this PGF investment focus today. However, we will have Questions & Answers that address these concerns, and in the context of the Kaikohe announcement a Māori and Pasifika NEETs focus is relevant.

Project	Description	PGF Funding
Pacific Employment Support Service (PESS)	<i>A project lead by the Ministry for Pacific Peoples to expand the success of PESS into the regions. The PESS program is designed to reduce Pasifika NEETs through sustainable employment, training or education. Having run for seven years in Auckland and Hamilton, they are now seeking to roll this program out in a multi-region phased approach where there are high levels of Pasifika NEET. The proposal is to expand into the Waikato and Manawatū-Whanganui and then Otago-Southland, and later Bay of Plenty, and Hawke's Bay.</i>	\$8.85m over 2 years

Local Digital Connectivity

19. There are risks around the implementation of the project, including processes still to be agreed between the PDU and Crown Infrastructure Partners. These will be worked through in due course and officials will keep your office informed on this situation.

Background Information and Labour Party Connections to Otamatea Marae and this area

20. Three prominent individuals from New Zealand's political history are buried at Otamatea church: Paraire Karaka Paikea, a Rātana Minister and Northern Māori Member of Parliament (MP), his son, Tapihana Paraire Paikea, who replaced him as Northern Māori MP after his death, and Joseph Gordon Coates, a former Prime Minister from 1925 to 1928 and leader of the Reform Party, a precursor to the National Party.
21. Of Te Uri-o-Hau and Ngāti Whātua descent, Paraire Karaka Paikea was born in Otamatea. He became an ordained Methodist Minister and then joined the Rātana movement, becoming one of the first gazetted Rātana Ministers in 1925. He was elected MP for Northern Māori in 1938, and in 1939, supported the demand to set up a voluntary Māori battalion. He later was appointed to Cabinet by Prime Minister Peter Fraser, as member of the Executive Council representing Māori on 21 January 1941. He is recognised as the political leader of the Labour- Rātana alliance.
22. Paraire's son, Tapihana Paraire Paikea, took his seat in parliament after Paraire died on 6 April 1943. He continued to promote Rātana and Māori issues, and remained a MP for Northern Māori until his death in January 1963.
23. Joseph Gordon Coates served as the 21st Prime Minister of New Zealand. He was originally elected as an independent in 1911. After distinguished service during World War I, he was appointed as Minister of Justice and Postmaster-General in the Reform Party government of William Massey (1919). He then served as Minister of Public Works (1920–26) and Native Affairs (1921–28) and became Prime Minister in 1925 on Massey's death. He was proficient in te reo due to his upbringing in Kaipara. Coates was renowned for his bipartisan work with the Labour government during World War Two, when he served in the War Cabinet, and was eulogised more strongly in his death by the Labour Party than his National Party colleagues.

Next Steps

24. An aide memoire of the key messages from this briefing has also been provided to your office (2286 18-19 refers). The following Annexes are included below, which provide further information on the individual announcements and relevant press and communications announcements:

- Annex One: Kaipara Package
- Annex Two: PGF Whenua Māori allocation
- Annex Three: Te Ara Mahi (PGF Tier 1 investment in employment, skills and capability)
- Annex Four: Local Digital Connectivity
- Annex Five: Speech notes
- Annex Six: Press Releases
- Annex Seven: Potential Questions and Answers
- Annex Eight: Biographies of key attendees 3 February 2019 at Otamatea Marae
- Annex Nine: Biography of the MC on 4 February 2019, Deldre Otene

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Annex One: Kaipara Package

Background

1. The Northland Region has substantial agricultural, horticultural, and tourism assets with significant development potential. Northland is a surge region for the PGF, where increased investment from the Government could maximise the region's potential.
2. Parts of the Kaipara District within the Northland region have relatively poor accessibility, and options for water transport on the Kaipara Harbour are currently limited.
3. The Kaipara Package (the Package) was developed in response to applications made by Kaipara District Council (KDC) to the PGF. KDC developed a programme of work to provide a step-change in the region. The programme comprises three components: Moana (wharves and ferries), Roads, and Kai.
4. While roads play a critical role in enabling economic activity, due to financial constraints KDC has been unable to fund upgrades and new infrastructure. Investments are needed to fully investigate opportunities for better wharves and ferry infrastructure and services within the Kaipara Harbour including direct services to the Auckland region.
5. The Kai component of the Package (\$0.98 million in PGF funding) was approved by Senior Regional Officials on 12 December 2018 and will allow Kaipara District Council to open a Kai Transformation Hub that investigates higher value crops and develops the capability of local farmers.

Purpose/Objectives

6. The Moana and Roads components are expected to support regional economic development in Kaipara by:
 - improving the linkages between the district and major transport hubs and markets
 - safeguarding and expanding visitor and business access to and within the district
 - generating employment opportunities through facilitated capability development, pipeline of employment and increased investment in the district.
7. The package will also increase resilience, connectivity and access to communities by providing alternative routes that are fit for purpose.
8. The package provides wider economic benefits and linkages to other regional initiatives. For instance, the package complements and builds on the wider economic benefits currently identified in existing and planned regional activities, such as the Twin Coast Discovery Route.
9. The Kai component of the Programme will look at extending previous topo-climate studies to the whole of Kaipara District and will explore new crop types, stock, aquaculture opportunities and options to adapt to climate change. The Kai Transformation hub will inform the development of guidelines to assist locals through the process of moving to higher-value activities, encourage private sector investment and facilitate food production and diversification as appropriate.

Implementation

Moana and Roads

10. The Kaipara Package includes the delivery of two immediate programmes of physical works, with funding set aside for remaining physical works after initial investigations.
11. The immediate physical works are road re-metalling to improve the quality of existing road surfaces, and upgrading roading structures to be '50MAX' and HPMV (High Productivity Motor Vehicle) capable, allowing larger loads to be transported on fewer trucks.
12. The investigations will analyse potential roading upgrades that may improve efficiency for forestry operations, and maximise opportunities for tourism operators in the area.
13. The wharves analysis will outline the costs of constructing a series of inner Kaipara Harbour wharves (in proximity to Marae) and associated connecting ferries. It may also determine the relative functions of the wharves (e.g. passenger versus car ferries).
14. The New Zealand Transport Agency (NZTA), through the National Land Transport Fund (NLTF), will contribute to the specific elements of the Kaipara roading package up to \$6.84 million, while KDC is expected to provide \$1 million in contributions. Te Roroa Iwi are also contributing \$10,000.
15. NZTA and the PDU will work with KDC to implement the package.
16. Regional Economic Development Ministers agreed on 23 January to transfer \$6.08 million to Vote Transport for immediate physical works, investigations and programme support. This will be included in 2018/19 Supplementary Estimates and in the interim, the increase will be met from Imprest Supply. This funding will be transferred to KDC immediately after their contract is signed with the PDU.
17. The remaining funding will be transferred on the completion of relevant milestones.

Kaipara Kai

18. The Kaipara Kai component will involve the opening of a Transformation Hub in partnership with key stakeholders. The Hub will help locals navigate the process of transitioning their land to higher-value crops.
19. The feasibility study and activation plan for Kaipara Kai will explore new crop types, stock, aquaculture opportunities and investigate options to adapt to climate change. It will also analyse commercial and financial factors with a view to encouraging private sector investment. A guide will be developed to assist locals through the process of moving to higher-value activities.

Risks

20. There are concerns relating to the ability of KDC to carry out the suite of Moana and Roads projects. To address these concerns the PGF will provide Programme Support funding of \$1.3 million to the Council. This will ensure the programming and prioritisation of all activities are aligned and activities within the package interface with other regional projects. It will also assist in developing sustainable skills and capability within KDC.
21. There is a risk that available funds are not sufficient to cover all transport projects and/or investigations, including cost adjustments (such as scope and escalation). Where this occurs, KDC in consultation with the Kaipara package oversight group will determine the priorities for investment within the available funds (i.e. \$19.41 million available through the PGF). The Kaipara package oversight group will endorse the projects identified by KDC and report back to Regional Economic Development Ministers on these priorities.

22. Normal transport project risks may impact on approved timeframes and costs. Normal project risks can include consenting, property, geotechnical risks and unforeseen complexities during construction. KDC, with support from the NZTA, will manage these risks if and when they arise, but it is expected that impacts on costs and timeframes cannot be completely mitigated.
23. The Te Tai Tokerau Northland Growth Study mentions the potential for more freight to be moved by rail, and the Government has indicated its intention to invest further in Northland's rail infrastructure. The Kaipara Package has emphasised the opportunities to move freight via water connections. There is therefore a risk that the two approaches may not be aligned. This will be mitigated by determining alignment and value once the staged business case on wharves and ferries has been completed.

Project	Description	PGF Funding	Other funding
Kaipara Roads	<i>Immediate physical works in the form of road re-metalling to improve the quality of existing road surfaces, and upgrading roading structures to be 50MAX HPMV capable, allowing larger loads to be transported on fewer trucks.</i>	\$3.38m	Up to \$6.84m (NLTF) \$1.0M (KDC)
	<i>Investigations and physical works to upgrade Pouto Road (in two phases) and Waipoua River Road to improve efficiency for forestry operations, maximise opportunities for tourism operators in the area and provide safer and more enticing entry access.</i>	\$9.78m	\$0.01m (Te Roroa Iwi)
Kaipara Moana	<i>The business case will outline the costs of constructing a series of inner Kaipara Harbour wharves (in proximity to Marae) and associated connecting ferries to determine whether the proposal has merit. It may also determine the relative functions of the wharves (e.g. passenger versus car ferries). Cost estimates for physical works and priorities are to be confirmed by the business case; the current envelope for implementation is \$4.0m</i>	\$4.95m	nil
Kaipara Kai	<i>Phase 1 of the Growing the Kai in Kaipara project includes opening a Kaipara Kai Transformation Hub together with a feasibility study into soil conditions and an activation plan. The aim of the Growing the Kai in Kaipara project (Phases 1 & 2) is to develop land into a sustainable horticultural area.</i>	\$0.98m	nil
Programme Support	<i>Programme Support for KDC to assist with implementing the Moana and Roads projects</i>	\$1.3m	nil
Total PGF Funding		\$20.39	

Annex Two: PGF Whenua Māori allocation

Background

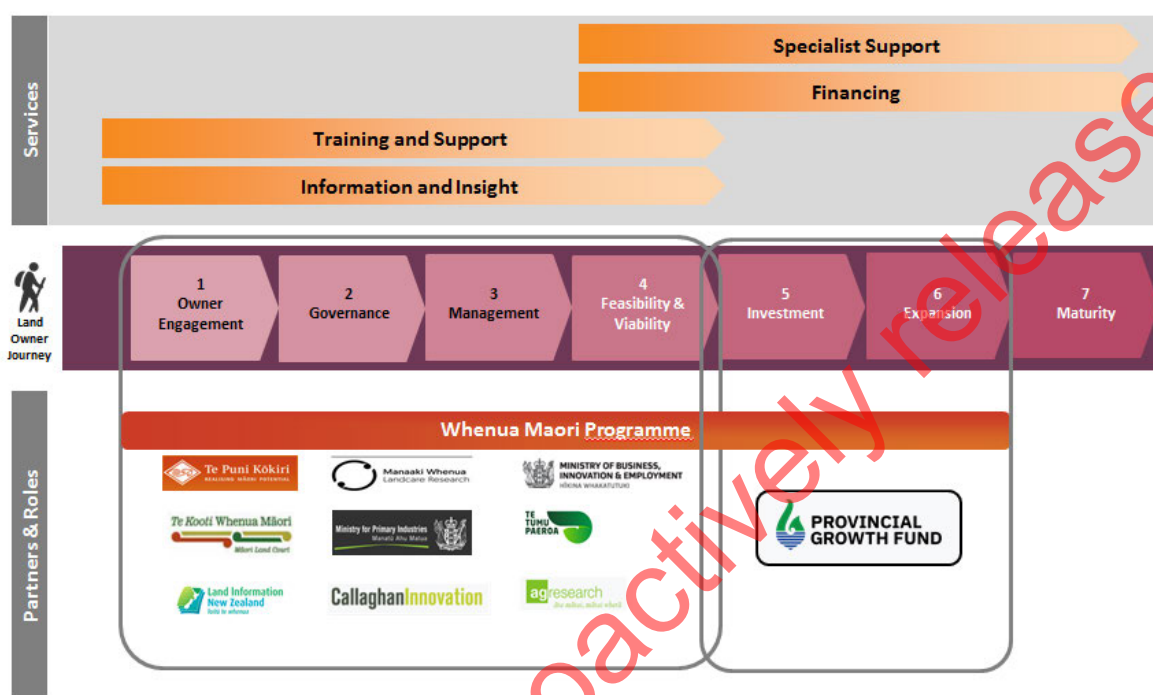
1. The Provincial Growth Fund (PGF) aims to support greater participation from Māori in all aspects of the economy and to enhance utilisation of Māori assets. To date the PGF has received applications from a range of land owners seeking to unlock further potential on their land. However, there has been lower than anticipated interest from Māori land owners. The lack of interest to date signals a potentially sizable missed opportunity to grow regional economies through the PGF.
2. The underutilisation of Māori owned land is a significant issue for the primary sector, the regions, and the national economy. A previous government funded study identified just under one million hectares of Māori land that was either unproductive or underutilised. Modelling of the potential impact of bringing this land into production showed an increase of up to (nominal) \$8 billion in gross output and \$3.7 billion in value added over 10 years above existing primary sector forecasts, and creation of an estimated 3,600 jobs.
3. Through the work of Te Puni Kōkiri (TPK), the Ministry of Primary Industries (MPI) and others there is already significant government investment to support greater productivity from Māori owned land. Much of this work focuses on building governance and management capability within Māori land Trusts or in completing feasibility studies (i.e. in the pre-commercial area). The single biggest barrier to moving beyond that stage, and realising the potential economic benefits outlined above, has been identified as access to financial capital for land development, or on-farm improvements.
4. In December 2018, Cabinet agreed to allocate \$100 million of funding from the PGF, in the form of either loans and/or some grants, to progress investment ready projects that develop land or provide on-farm improvements for Māori owned land. There was also agreement to review that figure should demand warrant it.
5. In addition to existing PGF criteria and investment principles, Cabinet also agreed to the following guidance in relation to PGF investment decisions on projects on Māori owned land. Projects should demonstrate that:
 - a. The project lifts the productivity potential of the land;
 - b. The project will commence within the timeframes of the PGF;
 - c. Land owners will have established effective governance arrangements;
 - d. Land owners can demonstrate evidence of expert commercial advice on the best use of their land (e.g. they have completed feasibility studies and are investment ready);
 - e. Proposals demonstrate how projects will support land use that does not increase, and ideally reduces, negative impacts on water quality;
 - f. Where practicable, proposals will demonstrate how projects will contribute to mitigating or adapting to climate change effects, and a just transition to a low emissions economy; and
 - g. Where practicable, proposals will consider how investment could support the protection and enhancement of indigenous biodiversity.

Purpose/Objectives

6. The PGF Whenua Māori allocation will complement other government investments that enable pre-commercial phase development (Fig.1 below). PGF's investment in Whenua Māori will address barriers and stimulate applications from Māori land owners who are investment-ready but have been constrained in accessing financial capital to date.

Figure 1: Whenua Māori Development: stages and contributors

Advisory functions and partner roles overlaid on the land owner journey (maturity curve)



7. The objectives of the investment in Whenua Māori are to:

- increase investment in Māori economic development by stimulating PGF applications from Māori land owners who are investment-ready
- bridge the divide between investment readiness and tangible actions that will realise Māori economic potential and accelerate growth in the regions
- provide landowners with access to capital, mainly capital loans, up to \$10 million; and the ability to unlock further capital investment.

8. Whenua Māori funding will be targeted at small to medium landholdings that require investment of financial capital to realise latent potential. It is anticipated that applications will be in the range of up to \$1 million, \$1-5 million, and up to \$10 million.
9. Consideration for funding from the PGF Whenua Māori allocation will be given to both Māori freehold and general title land owned by Māori. It is likely that PGF loans will not require the applicant to offer their land as collateral.

Implementation

10. Implementation is underway. A governance group consisting of leadership representation from the PDU, TPK, MPI, Treasury and others has been established to provide oversight of the work

programme and ensure coordination across agencies. A triage process involving the same agencies is planned to assist the PDU Investment team with the prioritisation and evaluation of applications.

11. Currently, the PDU is working with TPK and MPI to advance an initial tranche of investment ready projects. Agencies are undertaking an assessment of potential Whenua Māori related projects which have received government support in the pre-commercial phase to determine those which may be investment-ready and could potentially progress an application to the PGF.
12. The PDU is also engaging with agencies to ensure regional teams are well briefed on the action plan to support the uplift of Whenua Māori applications post the announcement at Otamatea Marae on 3 February.

Risks

13. The following risks and their mitigations have been identified, detailed in the table below.

Risk	Mitigation
Perception that this funding is exclusively for Māori.	The funding is designed to unlock underutilised Māori land which has been identified as a significant barrier for the development of regional economies. This is not a discrete fund for Māori but rather an allocation within existing PGF funding.
Redacted - Confidentiality of advice	
An increase in agricultural production on Māori land may have negative impacts on indigenous biodiversity and climate change effects.	While it is anticipated that there may be a particular focus on primary sector initiatives, other non-primary sector initiatives would also be considered e.g. tourism ventures. In addition, all applications must comply with investment principles e.g. (relating to mitigating negative impacts on water quality, adapting to climate change effects and enhancing indigenous biodiversity).

Annex Three: Te Ara Mahi (PGF Tier 1 investment in employment, skills and capability)

Background

14. In October 2018, Cabinet noted it expected an initial investment of \$82.4 million into PGF Tier 1 employment, skills and capability (referred to by the PDU as 'Te Ara Mahi' or Pathways to Work).
15. Cabinet also agreed to the following principles to guide this investment:
 - focus on supporting local people into local employment opportunities, by addressing the specific needs of those who need more help than can be provided currently in order to achieve sustainable employment;
 - ensure additionality, by only deploying investments where existing departmental funding for workforce initiatives cannot be used to support a proposal;
 - build or strengthen mechanisms for coordination of employers, workers and government that will endure past the lifetime of the PGF;
 - reinforce investment in PGF Tier 2 (Sector Investment) and Tier 3 (Enabling Infrastructure) projects. This will include specific requirements within PGF Tier 2 and Tier 3 contracts to work across surge regions to support workforce requirements and to build work readiness and other skills amongst local people.
16. The bulk of this investment (approximately \$60 million) will be targeted at the following surge regions: Northland, Tairāwhiti, Hawke's Bay, Bay of Plenty, and Manawatū-Whanganui, with approximately \$20 million available for non-surge regions with significant need for employment support.
17. These surge regions will also be supported to develop regional employment investment portfolios, to ensure that there is strong local buy-in, leadership and coordination around how to best apply this investment.

Purpose/Objectives

18. Te Ara Mahi supports achievement of the overall PGF objective of 'lifting productivity potential in the regions' with a particular contribution to:
 - sustainable economic development
 - increased social inclusion and participation, and
 - Māori development.
19. Te Ara Mahi is about getting local people into local jobs, and maximising the positive regional impact of PGF investments across all tiers.
20. Te Ara Mahi is also about potential support across the entire employment pathway – the people who are not yet on the pathway (and may need intensive employment readiness support) to enter into and sustain employment; those who are in employment but may be underemployed and with some targeted support could upskill; as well as employers and others who may also need support, coordination or connections to employ the full range of local people into local jobs.

21. Te Ara Mahi has a particular focus on rangatahi not in employment, education or training (NEETs) but is not limited to support of that group. It leverages and expands on some existing programmes of work, including “He Poutama Rangatahi” (HPR) led by Minister Jackson.

Implementation

22. Implementation is already underway. Applications for PGF investment in employment, skills and capability have already been received and processed. However, this announcement and the refining of investment principles decided by Cabinet in October 2018 has provided the opportunity to refine and tailor the PGF processes in this area to better reflect this tier of PGF investment with its non-commercial focus.
23. Immediately following the announcement, a tailored PGF Te Ara Mahi application form and guidance will become available on our website. PDU staff are ready to support potential applicants through the PGF process of applying.
24. The PDU is also already working with the relevant regional bodies to continue development and finalisation of the investment portfolios for each region.
25. The PGF decision making framework applies to decisions relating to Te Ara Mahi applications: SROs will decide proposals up to \$1 million, and Regional Economic Development (RED) Ministers proposals \$1 million - \$10 million. For Te Ara Mahi proposals, the Independent Advisory Panel will not be providing advice to RED Ministers, but RED Ministers will consult with the Ministers of Employment, Education and Social Development.
26. We expect a steady flow of applications and Te Ara Mahi investment decisions over coming months, and that future regional packages will include initiatives that support employment, skills and capability outcomes.

Risks

27. The announcement will focus on the overall investment in this area (\$82.4 million) and a proposed sub-allocation within that of up to \$13.3 million for HPR. The announcement also includes a multi-region initiative which will support Pasifika NEETs.
28. The announcement focuses on the overall investment amount and the intent of the investment makes this a good news story and we do not see significant risk attached. The \$13.3 million HPR ‘sub-allocation’ is still subject to decision on a proposal by proposal basis.
29. The announcement of (the Pacific Employment Support Service (PESS) project listed below), introduces some risk in that it could be perceived that this applicant has been favoured ahead of others who will only learn of this PGF investment focus today. However, we will have Questions & Answers that address these concerns, and in the context of the Kaikohe announcement a Māori and Pasifika NEETs focus is relevant.

Project	Description	PGF Funding	Organisation
<p><i>Pacific Employment Support Service (PESS)</i></p>	<p><i>An application from the Ministry for Pacific Peoples to expand their successful Pacific Employment Support Service (PESS) into the regions. The PESS program is designed to reduce Pasifika NEETs through sustainable employment, training or education. Having run for seven years in Auckland and Hamilton, they are now seeking to roll this program out in a multi-region phased approach where there are high levels of Pasifika NEET. The proposal is to expand into the Waikato and Manawatu-Whanganui and then Otago-Southland, and later Bay of Plenty, and Hawke's Bay</i></p>	<p><i>\$8.85m over 2 years</i></p>	<p><i>Ministry for Pacific Peoples</i></p>

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Annex Four: Local Digital Connectivity

Background

30. The PGF vision for digital connectivity is for regions to have access to cost effective high speed broadband and mobile services to support business growth and employment and to enhance connectivity in remote areas.
31. In October [CAB-18-MIN-0516] Regional Economic Development (RED) Ministers agreed to a set of principles for PGF investment in digital connectivity, with three components to its investment plan:
 - expansion of the Rural Broadband Initiative Phase Two (RBI2) and Mobile Black Spots Fund (MBSF), announced 18 December 2018
 - West Coast & Milford Sound connectivity, announced 29 November
 - Local digital connectivity.
32. Cabinet also agreed that local digital connectivity involving Regional Hubs and Marae connectivity would be a priority focus.

Purpose/Objectives

33. This project focuses on ensuring digital connectivity is available at Marae and regional digital hubs to realise PGF objectives for improving economic productivity, social inclusion and Māori development.
34. Up to \$20 million from the PGF and \$1 million from Crown Infrastructure Partners (CIP) is the anticipated allocation of funding for local digital connectivity investment.
35. Improving the connectivity of Marae will lift the productivity potential of their communities and support an overall goal of productive, sustainable and inclusive growth.
36. Similarly, Regional Digital Hubs (RDHs) are a place-based resource that can provide advantages for business and community groups alike, including social connectivity, versatile working arrangements and shared learning opportunities.
37. In-kind contributions for some of the sub-components by RDH sponsors or partners are recommended as well, such as optional additional hardware, or facilities rental.

Implementation

Regional Digital Hubs

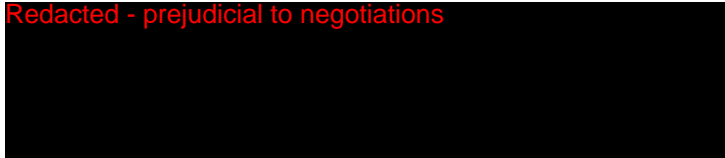
38. It is suggested that one to three RDHs be developed per surge region. Investment will focus on locations in key rural, service towns where there is high likelihood of diverse, co-locatable activities.
39. The components of RDHs to be funded by the PGF cover infrastructure and connection, hardware and support.
40. Three RDH options are being considered for initial deployment in Northland. Early discussions with stakeholders and potential partners for RDG's are underway.
41. The full roll-out approach for RDHs will be developed in the first six months of 2019. This will allow time to consider the different and unique needs of each town and region, explore the

benefits of business and community co-location, gain support from local partners and sponsors, and create links and connections between local and regional activities.

Marae Connectivity

42. The components of Marae Connectivity to be funded by the PGF cover infrastructure and connection, hardware, and support. In kind contributions for optional additional hardware, or facilities rental from sponsors or partners is recommended as well.
43. For initial deployment three Marae have indicated their interest in this initiative in the first instance, and have agreed to be engaged in the process. These Marae are:

Redacted - prejudicial to negotiations



44. A review of these deployments is suggested after six months which will inform future deployment approaches.

Risks

45. The following risks and their mitigations have been identified, detailed in the table below.



Risks	RDH or Marae	Mitigation
Discontent over choice of locations in initial announcement	Both	Clear criteria for selection and transparency about selection process.
Tight timeframe towards February announcements	Both	Project plan weighted towards pre-Christmas and early January.
Regional Hub concept not fully articulated	RDH	Key area of current focus including partnering, specifications etc.
Perceived inequities between marae for those who receive connections and those who do not	Marae	Ensure connectivity selection processes are consistent, robust and transparent across the programme.
Applicant uncertainty about the procurement process	Both	PDU and CIP to confirm procurement approach and decision-making.
Post June 2020 implementation steps	Both	Priority will be given to projects that can be undertaken in PGF timeframes.
Fund drawdown timeline	Both	Working to agree method for drawdown of funds from PGF to CIP by announcement date.

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Annex Eight: Biographies of key attendees 3 February 2019 at Otamatea

<p><i>Photograph not available</i></p>	<p>Reverend Rex Nathan is a minister with Te Tai Tokerau's Te Taha Māori Methodist Church. Prior to his ordainment, he was the branch manager of the Dargaville ANZ bank, and had almost 47 years in the banking profession, He will officiate the church service with Albie Shelford.</p>
<p><i>Photograph not available</i></p>	<p>Ben de Thierry is the Trust Chairman of Te Hana Community Development Charitable Trust, responsible for establishing and running Te Hana Māori Cultural Centre. This centre was established to share the treasured knowledge from past Ngati Whatua ki Kaipara cultural, visual and performing arts. Mr de Thierry has received a Queens Service Medal in recognition of his service to the community.</p>
	<p>John Marsden is the General Manager of Te Puna Hauora and is the Ngati Whatua representative on ProCare Network Limited and ProCare Māori Advisory Committee. He also also holds a position on Te Runanga o Ngati Whatua. He was ordained as an Anglican minister in 1999.</p>
	<p>Dame Rangimarie Naida Glavish DNZM JP is a New Zealand politician and Māori community leader from Ngāti Whātua. From 2013 to 2016, she was President of the Māori Party. Glavish first came to national attention in 1984, when she was a telephone operator for the New Zealand Post Office, and used the Māori language greeting "kia ora" when dealing with callers. She was threatened with dismissal by her supervisor, but the Prime Minister of the day, Robert Muldoon, supported Glavish's use of the phrase. She received her honours for services to Māori and the community.</p>

Annex Nine: Biography of the MC on 4 February 2019, Deidre Otene



Ms Otene is currently the CEO of the MOKO foundation, where alongside Dr. Luke O'Sullivan she researches and develops relevant youth leadership and governance models to build a generation of rangatahi who are leaders. She currently is based in the Far North.

She is also leads out the development and reinvigoration of Te Kotahitanga e mahi Kaha Trust in Kaikohe, which provides whānau well-being programs for local people (predominantly Maori) with low or no qualifications and multiple barriers to successful employment or further progressive training. This Trust has previously received He Poutama Rangatahi funding.

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