

# Regional Economic Development

**Weekly Report**

**2 – 6 March 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



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## 1. Dashboard updates

### 1.1 Proposals received by PDU (as at 1 March 2020)

<b>New proposals received in week ending 1 March 2020</b>	19
<b>Total proposals received to 1 March 2020</b>	1,570

\* Includes applications and expressions of interest

### 1.2 Progress of proposals received by PDU (as at 1 March 2020)

<b>Stage</b>	<b>Count*</b>
Awaiting assessment	119
Being assessed	164
Unsuccessful	821
Approved	466
<b>Total received</b>	<b>1,570</b>

\* These figures include all proposals that have come through the Provincial Development Unit's application and decision-making process.

*Please note that the reported total figure has increased by 17, despite the Unit having received 19 new applications. This anomaly is due to three applications having been enumerated as separate applications on receipt but later being considered as one application.*

### 1.3 Headline PGF Numbers as at 31 January 2020 (monthly)

<b>Total PGF funding committed</b>	<b>Total funding contracted</b>	<b>Total funding paid to date</b>
\$2,873.4m*	\$1,196.5m	\$449.8m

### 1.4 Job numbers as at 31 January 2020 (monthly)

<b>Number of people employed in PGF-supported projects</b>	2,401
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\* Based on information provided by funding recipients on contracted projects.

## 2. Upcoming announcements

Announcements planned for the next week			
Date	Location	Announcement	Additional Information
6 March	Taranaki	Hiringa/Ballance Nutrients	Deputy PM
6 March	Northland	Kingfish	Minister
13 March	Whakatāne/ Ōpōtiki	Boat harbour, Riverfront Revitalisation	Minister

## 3. Priority updates

Project name	Description/ update
Northland Drought	Provincial Development Unit (PDU) Officials continue to work with the Lake Omapere Trust and the Far North District Council to draw water from Lake Omapere for emergency water supply. In order to create future sustainable use of the lake, the Trust and PDU Officials are exploring options to raise the lake levels by two meters and improve its water quality.
Northland Field Days	Northland Field Days will take place from 5 to 7 March 2020. Northland-based PDU Officials will attend these as part of the New Zealand Trade and Enterprise site. They will display and inform people about Provincial Growth Fund-supported projects in the region.

## 4. Schedule of recent recommendations

### 4.1 Summary of projects considered at 27 February 2020 Senior Regional Officials (SRO) meeting

Approve	Deferred	Decline
Commercial Information - Deferred [Redacted]	Commercial Information - Deferr [Redacted]	Commercial Information - Deferred [Redacted]
Central Region Major Projects Skills Hub (TAM)	Manawatū/ Whanganui	SROs recommended the approval of a grant of up to \$1,039,436 from the TAM portion of the Provincial Growth Fund (PGF). This will now proceed to RED ministers due to the sum involved
Commercial Information - Declined project [Redacted]	Commercial Information - Declined [Redacted]	Commercial Information - Declined project [Redacted]
Otago Workforce Development Programme (TAM)	Otago	SROs recommended the approval of a grant of up to \$1,850,000 from the TAM portion of the PGF. This will now proceed to RED ministers due to the sum involved.
Ngati Pahauwera Horticulture Development (Whenua Māori (WM))	Hawke's Bay	SROs approved a grant of up to \$970,000 from the WM portion of the PGF.
Commercial Information - Declined project [Redacted]	Commercial Information - Decline [Redacted]	Commercial Information - Declined project [Redacted]
Whangawehi Catchment Management Group	Hawke's Bay	SROs approved this application for a grant of up to \$[Redacted] from the PGF.
Commercial Information - Declined project [Redacted]	Commercial Information - Decline [Redacted]	Commercial Information - Declined project [Redacted]
Commercial Information - Declined project [Redacted]	Commercial Information - Decline [Redacted]	Commercial Information - Declined project [Redacted]
Aotea Utanganui: Museum of South Taranaki	Taranaki	SROs approved this application for a grant of up to \$200,000 from the PGF.
Tapuaetahi Incorporation Remedial Farming Improvements Works Project (WM)	Tai Tokerau	SROs approved a grant up to \$858,034 from the WM portion of the PGF.
Okaroro Incorporation(Inc) Whenua Whakatupuranga Project (WM)	Tai Tokerau	SROs approved this application for a grant of up to \$558,800 from the WM portion of the PGF.

<p>Commercial Information - Declined project</p> <p>[Redacted]</p>		<p>Commercial Information - Declined</p> <p>[Redacted]</p>	<p>Commercial Information - Declined project</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Commercial Information - Withdrawn project</p> <p>[Redacted]</p> <p>[Redacted]</p>		<p>Commercial Inform</p> <p>[Redacted]</p>	<p>Commercial Information - Withdrawn project</p> <p>[Redacted]</p>
<p>Te Kōrau Regional Pilot Project (TAM)</p>		<p>Tai Tokerau</p>	<p>SROs approved an additional \$20,000 in funding from the TAM portion of the PGF.</p>

## 5. Delivery of projects update

### 5.1 Top priority projects of interest

Project name	Description/ update
<p>Commercial Information - Prejudice to negot</p>	<p style="background-color: #cccccc;">Commercial Information - Prejudice to negotiations</p> <p style="background-color: #cccccc;"> </p> <p style="background-color: #cccccc;"> </p> <p style="background-color: #cccccc;"> </p> <p style="background-color: #cccccc;"> </p> <p style="background-color: #cccccc;"> </p> <p style="background-color: #cccccc;"> </p> <p style="background-color: #cccccc;"> </p> <p style="background-color: #cccccc;"> </p>
	<p><b>Amount:</b> \$Commercial Informatio   <b>Region:</b> Commercial Information   <b>Status:</b> Commercial Information - Prejudice to negotiations</p>
<p>Hundertwasser Arts Centre and Wairaru Maori Art Gallery</p>	<p>Construction is progressing well with critical sections of the wall completed, a concrete ramp for the café poured and the first lot of load-bearing beams installed over the gallery. Framing of the toilets on level one has commenced and the first samples of tiled stairs have been constructed.</p>
	<p><b>Amount:</b> \$Commercial Informatio   <b>Region:</b> Tai Tokerau   <b>Status:</b> Contracted</p>
<p>Sarjeant Gallery Te Whare o Rehua Whanganui Redevelopment</p>	<p>Construction of the Sarjeant Gallery is due to begin within the next few weeks. Before construction commences, there will be a sod turning ceremony which you will be invited to attend. PDU Officials are working with the gallery on the date for this ceremony Commercial Information</p> <p style="background-color: #cccccc;"> </p>
	<p><b>Amount:</b> \$12.000m   <b>Region:</b> Manawatū-Whanganui   <b>Status:</b> Contracted</p>
<p>Redevelopment of Taupō Airport</p>	<p>The Airport is a joint venture between Taupō District Council and the Ministry of Transport. Regional Economic Development Ministers approved \$5 million towards the project in October, with a further \$870,000 funded from the NZ Upgrade Programme. The contract for this project was executed last week. The expectation is that Taupō District Council and the Ministry of Transport will work together to deliver the milestones.</p>
	<p><b>Amount:</b> \$5.000m   <b>Region:</b> Waikato   <b>Status:</b> Contracted</p>
<p>National Driver Training Centre</p>	<p>Stage one has commenced, with construction of the classroom facilities, amenities, office block and the car park underway. Stage two will include a building to accommodate the maximum height truck and trailer units and a large external concrete area for the units to reverse, turn and load.</p>
	<p><b>Amount:</b> \$2.255m   <b>Region:</b> Manawatū-Whanganui   <b>Status:</b> Contracted</p>

## 5.2 Other projects

Project name	Description/ update
Growing the Kai in Kaipara	<p>This Kaipara Kai Hub unlocks the potential of fertile land assets in Kaipara and its formal opening will occur in Ruawai on 6 March 2020. The Hub will assist local farmers to investigate and introduce higher value crops. It will also provide a space for collaboration and will support the development of horticultural opportunities.</p> <p><b>Amount:</b> \$980,000   <b>Region:</b> Northland   <b>Status:</b> Contracted</p>
Regional Digital Hub in Gisborne	<p>The recipient has confirmed the approved contractors and has the contract to sign. Due diligence will be completed and then officials expect the contract to be executed within the next two weeks.</p> <p><b>Amount:</b> \$400,000   <b>Region:</b> Tairāwhiti   <b>Status:</b> Commercial Information</p>
Technical Study for The Whale Trail	<p>The recipient plans to submit its technical study for this project on time.</p> <p style="text-align: center;">Commercial Information</p> <p><b>Amount:</b> \$322,000   <b>Region:</b> Te Taihū   <b>Status:</b> Contracted</p>
Ruatoria Aerodrome Development Project	<p>PDU officials will meet with representatives from Eastland Group and the Ruatoria Papa Rererangi Charitable Trust next week to discuss an agreement between the two parties relating to maintenance and management.</p> <p><b>Amount:</b> \$100,000   <b>Region:</b> Tairāwhiti   <b>Status:</b> Commercial Information</p>



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

#### Methamphetamine use and harm minimisation

Since mid-2019, the PDU has been working closely with Police and other agencies to address the harms of organised crime, particularly methamphetamine use, in Hawke's Bay and Tairāwhiti. Wellington-based and regional PDU Officials have been working with local Police, service providers, iwi, community groups and health specialists to identify response gaps and local support.

In September 2019, Cabinet agreed to an allocation of Te Ara Mahi funding for those harmed by methamphetamine use. In Hawke's Bay and Tairāwhiti, this funding can be used to support the responses that the local community has been developing, including possible residential facilities, community programmes that support individuals with addictions on the pathway to employment, and whānau support and counselling.

The PDU is also working in other regions in New Zealand, in particular Northland and Bay of Plenty, to identify successful providers of employment pathway addiction support programmes and address gaps identified by communities and employers. These proposals include initiatives that target different levels of addiction from "high need" through to "support and prevention".

Commercial Information

**Contact:** Stephen Ruddell, Principal Advisor, Te Ara Mahi, Privacy of natural persons

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

Contract Title	Region	Condition
Hundertwasser Arts Centre and Wairaru Māori Art Gallery	Tai Tokerau	The majority of the construction of the roof due to be completed and the first parapet will soon be ready to be poured. A Viennese representative is to travel to New Zealand to inspect the first section of tiling that is currently underway.
Kaipara Kickstart	Tai Tokerau	The Hub to be officially opened and commence operating.
Kaipara Moana (Wharves)	Tai Tokerau	Construction work on the Dargaville Pontoon to commence.
Sarjeant Gallery Te Whare o Rehua Whanganui Redevelopment	Manawatū-Whanganui	Construction and initial groundworks due to begin at the end of the month.
Kawatiri Coastal Trail	West Coast	Construction of the track due to commence.
An affordable and efficient dredging option for Port of Greymouth	West Coast	The new dredge will be launched into the Port of Greymouth.

## 6. Policy Updates

### 6.1 Policy

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

The Ministry of Transport (MoT), the Treasury, and the PDU continue to progress this work in accordance with the work programme agreed by Cabinet in December 2019.

Officials met with Infrastructure Victoria Chief Executive Michel Masson in Auckland last week to discuss his organisation's 2017 assessment of Victoria's port strategy. This considered a new port to supplement or replace the existing Port of Melbourne. Points covered in that discussion included supply chain efficiency, scale of port operations, gaining social licence and location of ports within the wider context of a national freight strategy.

Ministry officials will meet with two key Auckland iwi groups this week to discuss the Upper North Island Supply Chain Strategy (UNISCS) work programme. These groups are the Independent Māori Statutory Board and the five Marutūāhu iwi whose interests include Manukau and the Firth of Thames.

MoT Officials are meeting with Kiwirail this week to continue discussions on rail infrastructure and freight costs as part of the work programme.

<b>Contact:</b>	Isabel Poulson, Manager Strategy and Policy, <small>Privacy of natural persons</small>
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## Appendix 1 – Completed Briefings, Aides Memoire & Reports

Tracking #	Title	Minister/ USEC	Signed out by	Date sent
2438 19-20	Provincial Growth Fund Limited Payment of call on shares and other operational matters	Jones, Robertson	David van der Zouwe	27 Feb
2129 19-20	Commercial Information	Jones	Robert Pigou	02 Mar
2351 19-20	Bay of Plenty PGF Funding Announcements, 09 March 2020	Jones, USEC	Nicki Sutherland	03 Mar

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

Tracking #	Title	Minister/ USEC	Signed out by	Due Date
TBC	Event Briefing: QE Health and Wai Ariki Hot Pools and Spa	USEC	Nicki Sutherland	3 Mar
TBC	Event Briefing: Prejudice to negotiations	Peters	Nicki Sutherland	2 Mar
TBC	Briefing: Wood Processing Workstream	Jones	Aaron Hape	4 Mar
TBC	Briefing: Commercial Information	Jones	Aaron Hape	4 Mar
TBC	Briefing: PGF Funded Roding Projects	Jones	Aaron Hape	4 Mar
TBC	Event Briefing: Bay of Plenty	Jones	Nicki Sutherland	9 Mar
TBC	Event Briefing: Kaitaia	Jones	Nicki Sutherland	13 Mar
TBC	Event Briefing: Palmerston North/Whanganui	Jones	Kate Styles	17 Mar
TBC	Event Briefing: Gisborne	Jones	Nicki Sutherland	18 Mar
TBC	Event Briefing: Northland	Jones	Nicki Sutherland	20 Mar
TBC	Event Briefing: Kerikeri	Jones	Nicki Sutherland	3 April
TBC	Event Briefing: Southland	Jones	Kate Styles	7 Apr
TBC	Event Briefing: Canterbury	Jones	Kate Styles	8 Apr
TBC	Event Briefing: West Coast	Jones	Kate Styles	9 Apr
TBC	Event Briefing: Queenstown	Jones	Kate Styles	14 Apr
TBC	Event Briefing: Chatham Islands	Jones	Ben Dalton	17 Apr

## Appendix 3 – Official Information Act requests

Ministerial OIA					
Tracking #	Name	Date received	Due to Minister	Status	Request
OIA409	Privacy of natural persons	3 Feb	6 Mar	Review	Briefings & Papers re. PQ 43170 (2019), PQ 43171 (2019) & PQ 43309 (2019)
OIA412	Privacy of natural persons	10 Feb	10 Mar	Review	All correspondence etc. re: \$69.7mil PGF Northland Rail Swanson-Whangārei, Kauri etc.
OIA413	Privacy of natural persons	10 Feb	10 Mar	Review	All advice etc. re PGF announcement of \$109m for Northland rail kauri/otiria
OIA418	Privacy of natural persons	21 Feb	3 Mar	Scoping	What percentage of available agribusiness funding has made its way to regional Māori land projects? (not inclusive of whenua Māori funding) How many Māori agribusiness applications have been received? How many have been funded and if not, why not?
OIA424	Privacy of natural persons	3 Mar	20 Mar	Scoping	Request for drought correspondence and information
OIA425	Privacy of natural persons	3 Mar	20 Mar	Scoping	Commercial Information - Declined project

## Departmental OIA

Tracking #	Name	Date received	Due to Minister	Due to requestor	Status	Request
1920-0227	Privacy of natural persons	13 Aug	1 Nov	8 Oct	Gathering Information	Ruapehu Alpine Lifts - questions
1920-0901	Privacy of natural persons	16 Dec	11 Mar	18 Mar	Review	Documents relating to the following grant of PGF funding
1920-1154	Privacy of natural persons	17 Dec	27 Feb	5 Mar	Scoping	Copies of PDU protocols, processes, NDAs and other documents
1920-1220	Privacy of natural persons	11 Feb	03 Mar	10 Mar	Minister's Office	Prejudice to negotiations
1920-1221	Privacy of natural persons	11 Feb	03 Mar	10 Mar	Minister's Office	Prejudice to negotiations
1920-1234	Privacy of natural persons	12 Feb	04 Mar	11 Mar	Gathering information	Up to date spreadsheet of the PDUs projects
1920-1231	Privacy of natural persons	12 Feb	04 Mar	11 Mar	Minister's Office	Money allocated to projects under the Whenua Maori allocation
1920-1232	Privacy of natural persons	12 Feb	04 Mar	11 Mar	Review	PGF money used so far for the Te Ara Mahi project
1920-1240	Privacy of natural persons	12 Feb	04 Mar	11 Mar	Gathering information	Why all announced projects stated data spreadsheet was removed from the website
1920-1279	Privacy of natural pers	20 Feb	12 Mar	19 Mar	Review	Info for transparency around water security in our local community and PGF
1920-1301	Privacy of natural persons	24 Feb	16 Mar	23 Mar	Gathering Information	Request for spreadsheet displaying PGF funding data
1920-1314	Privacy of natural persons	26 Feb	18 Mar	25 Mar	Scoping	Kawerau Off-Highway Road (Sequal Lumber Ltd) map

Departmental OIA						
Tracking #	Name	Date received	Due to Minister	Due to requestor	Status	Request
1920-1329	Privacy of natural persons	27 Feb	19 Mar	26 Mar	Scoping	Commercial Information
1920-1342	Privacy of natural persons	1 Mar	20 Mar	27 Mar	Scoping	PDU correspondence, lists, and minutes re: Northland or Waikato Drought
1920-1352	Privacy of natural persons	3 Mar	24 Mar	31 Mar	Scoping	TVNZ's PGF favouritism accusation against Southland businesses

Departmental OIA						
Tracking #	Name	Date received	Due to Minister	Due to requestor	Status	Request
1920-1329	Privacy of natural persons	27 Feb	19 Mar	26 Mar	Scoping	Commercial Information
1920-1342	Privacy of natural persons	1 Mar	20 Mar	27 Mar	Scoping	PDU correspondence, lists, and minutes re: Northland or Waikato Drought
1920-1352	Privacy of natural persons	3 Mar	24 Mar	31 Mar	Scoping	TVNZ's PGF favouritism accusation against Southland businesses

## Appendix 4 – Ministerial Correspondence

### Ministerial Correspondence

Tracking #	Name	Date received	Due to Minister	Subject
SJ3845	Privacy of natural persons	20 Feb	27 Feb	Wakamoekau Community Water Storage Scheme
SJ3811	Privacy of natural persons	17 Feb	16 Mar	Prejudice to negotiations
SJ3842	Privacy of natural persons	21 Feb	20 Mar	Commercial Information
SJ3935	Privacy of natural persons	26 Feb	25 Mar	Concerns out about roads in Mahia and the funding from the PGF
SJ3942	Privacy of natural persons	27 Feb	26 Mar	Commercial Information
SJ3881	Privacy of natural persons	27 Feb	26 Mar	PGF funding for building of aircraft
SJ3878	Privacy of natural persons	27 Feb	26 Mar	Recycling - Investing in privately owned geothermal facility
SJ3870	Privacy of natural persons	27 Feb	26 Mar	Prejudice to negotiations
SJ3872	Privacy of natural persons	27 Feb	26 Mar	Skydiving business and apprenticeship program
SJ3891	Privacy of natural persons	28 Feb	27 Mar	Water shortages Far North District Council
SJ3901	Privacy of natural persons	28 Feb	27 Mar	Commercial Information
SJ3899	Privacy of natural persons	28 Feb	27 Mar	Commercial Information
SJ3918	Privacy of natural persons	3 Mar	30 Mar	Commercial Information
SJ3929	Privacy of natural persons	3 Mar	31 Mar	Commercial Information
SJ3928	Privacy of natural persons	3 Mar	31 Mar	Commercial Information



## Appendix 5 – Parliamentary Questions

Written Parliamentary Questions				
Tracking #	From	Date received	Due to Office	Question
PQ 3126 (2020)	Chris Bishop	4 Mar	10 Mar	What "full-scale investigation into a failed application" was the Minister answering on his behalf referring to in Question Time on 3 March 2020?
PQ 3127 (2020)	Chris Bishop	4 Mar	10 Mar	What feasibility study was the Minister answering on his behalf referring to in Question Time on 3 March 2020?
PQ 3128 (2020)	Chris Bishop	4 Mar	10 Mar	Does he stand by the answer made on his behalf on 3 March 2020, "Well, first of all, it is usual for the Provincial Growth Fund staff to go through an application, look at the fiscals, and sometimes say, 'You have not applied for enough to make this stand up"; if so, how many, if any, applications to the Provincial Growth Fund have there been where officials have done just that?
PQ 3129 (2020)	Chris Bishop	4 Mar	10 Mar	How many, if any, application forms for Provincial Growth Fund funding have been filled out by staff from the Provincial Development Unit?
PQ 3130 (2020)	Chris Bishop	4 Mar	10 Mar	Has he seen the comments of Southland business owner Colin Hitchen in relation to the Provincial Growth Fund officials, "They said they'd come to Southland because they'd overspent in Northland and they were down here to even the score", and does he accept the Provincial Growth Fund officials made those comments?
PQ 3276 – 3396	Chris Bishop	5 Mar	9 Mar	56 x PQs regarding projects announced under the New Zealand Upgrade Programme
PQ 3399 (2020)	Dr Shane Reti	6 Mar	10 Mar	In response to reply 723 (2020), what communications have there been "between officials in my office and agencies regarding the allocation of funding for the purchase of land for the designated rail corridor to Marsden Point" listed by communication date, title and author? ( <i>Transport Portfolio</i> )
PQ 3000 (2020)	Chris Bishop	3 Mar	6 Mar	How many express applications were made for Provincial Growth Fund funding in 2019, if any, broken down by month and region?

**Written Parliamentary Questions**

<b>Tracking #</b>	<b>From</b>	<b>Date received</b>	<b>Due to Office</b>	<b>Question</b>
PQ 2999 (2020)	Chris Bishop	3 Mar	6 Mar	How many express applications were made for Provincial Growth Fund funding in 2020, if any, broken down by month and region?
PQ 2996 (2020)	Chris Bishop	3 Mar	6 Mar	How many express applications were made for Provincial Growth Fund funding in 2018, if any, broken down by month and region?

## Appendix 6 – Proactive Release

### Documents for Proactive Release

Name / Document Type	Quantity	Due for release	Status
Cabinet Papers	1	TBC	On Hold
Regional Economic Development Weekly Reports	16	From 10 March	Preparing
Applications	204	From 10 March	Various
Funding Agreements	218	From 10 March	Various
Regional Economic Development Ministers Meeting Papers	35	From 10 March	Minister's Office
Position Papers	0	N/A	N/A
Senior Regional Officials Meeting Papers	16	From 10 March	Sign-out
Independent Advisory Panel Meeting Papers	17	From 10 March	Sign-out
Business Cases / Feasibility Studies	2	From 10 March	Preparing

### Released this week

Name / Document Type	Quantity Released
Applications	1
Funding Agreements	1
Regional Economic Development Ministers Meeting Papers	nil
Senior Regional Officials Meeting Papers	nil
Independent Advisory Panel Meeting Papers	nil
Business Cases / Feasibility Studies	1