

Regional Economic Development

Weekly Report

11 – 15 May 2020

To: Hon Shane Jones

Minister for Regional Economic Development

Fletcher Tabuteau

Under-Secretary to the Minister for Regional Economic
Development



IN-CONFIDENCE

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1. Dashboard updates

1.1 Proposals received by the Provincial Development Unit (PDU) (as at 10 May 2020)

New proposals received in week ending 10 May 2020	15
Total proposals received to 10 May 2020	1,692*

*Includes applications and expressions of interest

1.2 Progress of proposals received by the PDU (as at 10 May 2020)

Stage	Count*
Awaiting assessment	112
Being assessed	214
Unsuccessful	892
Approved	474
Total received	1,692*

* 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 Provincial Growth Fund (PGF) Numbers (as at 31 March 2020) (monthly)

Total PGF funding committed	Total funding contracted	Total funding paid to date
\$2,869.0m	\$1,305.0m	\$511.7m

1.4 Job numbers (as at 31 March 2020) (monthly)

Number of people employed in PGF-supported projects	2,586*
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* Based on information provided by funding recipients on contracted projects.

2. Comms Update

Planned announcements to Minister's Office for release			
Date	Location	Announcement	Additional Information
18-22 May	Commercial Information	Commercial Information	
	Commercial Information	Commercial Information	
	Commercial Information	Commercial Information	
Media releases to be completed by 22 May			
	Commercial Information	Commercial Information	
	Commercial Information	Commercial Information	
	Commercial Information	Commercial Information	
	Commercial Information	Commercial Information	
Commercial Information	Commercial Information		
Post COVID-19 Alert Level 2			
	Pics Food Factory opening – work has commenced with Pics on communications plan for launch		

3. Delivery of projects update

3.1 Top priority projects of interest

Project name	Description/ update
Northland Water Storage & Use (Kaipara and Mid North)	The geotechnical study, known as 'MN06', has started on-site near Kaikohe. This is an important step in this project as they close the pre-feasibility phase. The geotechnical study will inform future decisions on water storage in Northland's mid-North area.
	Amount: \$7.000m Region: Northland Status: Contracted
National Driver Training Centre	After resuming construction during Alert Level Three, steady progress has been made on this project. A number of classroom walls were finished this week and just need to be fixed in place. Last week, the concrete was poured for the foundations of both the office block and amenities block. The site for the new carpark has been cleared and the trees have been trimmed etc. Commercial Information, the construction contractors, have continued operations as much as possible during Alert Level Three and Four, to ensure no delays with the construction; this project currently remains on track.
	Amount: \$Commercial Informa Region: Manawatū-Whanganui Status: Contracted

3.2 Other projects

Project name	Description/ update
Te Rimu Trust – Lime Orchard Development	<p>The contract has been executed and the first payment has been made. The recipient is in the process of recruiting <small>Commercial Info</small> workers and procuring equipment to begin preparation of the site for planting, which was due to start in <small>Commercial Info</small>. However, half of the planting has been brought forward in an effort to accelerate the project benefits and will now start in <small>Commercial Info</small>. The Recipient hopes to carry out a blessing of the site soon, as we transition to Alert Level Two.</p> <p>Amount: \$871,459 Region: Tairāwhiti Status: Contracted</p>
The Food Factory	<p>The recipient has advised that the tradespeople have returned to site to complete the fit-out and are abiding by Alert Level Three regulations. This week sees the installation, connection and certification of the gas bottles, the installation of two range-hoods and the connection of the ducting. Completion of an air extraction unit connected to the other two rooms will happen in approximately <small>Commerc</small> weeks' time, as there are delays transporting the fan motors from Australia due to COVID-19 implications. However, this doesn't preclude the use of these two rooms for non-cooking purposes in the meantime. The Certificate of Acceptance has been lodged with the Nelson City Council. Potential tenants are able to start using the facility from the week commencing <small>Commercial Information</small>.</p> <p>Amount: \$778,000 Region: Top of the South Status: Contracted</p>
Ōpōtiki Harbour Development Project	<p>Ōpōtiki District Council has scheduled an enabling works site meeting with key stakeholders for <small>Commercial Information</small>. This will inform the contents of the Construction Management Plan and the management of dotterels and variable oyster catchers. As part of the enabling works site meeting, HEB Environmental Consultants has set up comprehensive site visits for the same date in order to confirm resource consent requirements. The Osborne (Waiotahi) quarry is now in full development mode post-lockdown and is delivering rock to the mussel factory site. The core drilling of the underlying rock commenced on 29 April 2020.</p> <p>Amount: \$<small>Commercial Informa</small> Region: Bay of Plenty Status: Contracted</p>
Hawke's Bay Water - Regional Freshwater Assessment	<p>Last week, the Hawke's Bay Regional Council and the Project Manager agreed that the first stage of delivery (largely data mining and analysis) will be directly contracted in order to expedite progress and leverage work that is happening in the wider programme.</p> <p>Amount: \$450,000 Region: Hawke's Bay Status: Contracted</p>

<p>Ashburton Second Urban Bridge Detailed Business Case</p>	<p>The Ashburton District Council is now progressing the Detailed Business Case with Commercial Information. Methodologies and required outcomes are being confirmed with the New Zealand Transport Agency (NZTA) and</p> <p>Commercial Information</p>
<p>Amount: \$94,250 Region: Canterbury Status: Contracted</p>	
<p>Commercial Information</p>	<p>Commercial Information</p>
<p>Region: Commercial Information</p>	

4. Delivery of projects updates

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

<p style="background-color: #008000; color: white; padding: 2px;">Budget 2020</p>	
<p>Alongside the new funding recently agreed by Cabinet for the work-readiness, upskilling and apprenticeship programmes in TAM, additional funding was agreed for the wider PDU Skills and Employment team through Budget 2020:</p> <ul style="list-style-type: none"> • A further \$121 million (over four years) will be injected into HPR to sustain its community driven programmes in the regions and also to enable its establishment into urban areas with high levels of NEETs, such as South Auckland, Porirua and Christchurch East. • Funding of \$27m has also been agreed for the Sector Workforce Engagement Programme to support and develop its job and skills hubs. • A Māori Trades Training initiative (\$50m over two years) to deliver employment outcomes for Māori in the regions led by Te Arawhiti but supported by the PDU Skills and Employment Team. 	
<p>Contact:</p>	<p>Stephen Ruddell, Principal Advisor - HPR, <small>Privacy of natural persons</small></p>

5. Policy update

5.1 Provincial Growth Fund Limited (PGFL)

We will soon send you and the Minister of Finance (as shareholders on PGFL), a briefing seeking approval to tweak various PGFL documentation that would allow the company to hold more investments. These investments include those funded from the recently established Regional Investment Opportunities (RIO) tagged contingency. Documentation for Ministerial approval in this briefing will include a new PGFL constitution, a new deed of indemnity for PGFL (for the Minister of Finance's approval) and two subscription agreements for PGFL to accept and hold RIO and further PGF investments.

PGFL Directors will meet with PDU Officials on 22 May 2020 to discuss operational matters.

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

5.2 Confidential advice to Government

Confidential advice to Government

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