

Regional Economic Development

Weekly Report

30 March – 3 April 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 29 March 2020)

New proposals received in week ending 29 March 2020	11
Total proposals received to 29 March 2020	1,629

* Includes applications and expressions of interest

1.2 Progress of proposals received by the PDU (as at 29 March 2020)

Stage	Count*
Awaiting assessment	85
Being assessed	213
Unsuccessful	857
Approved	474
Total received	1,629

* 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 29 February 2020 (monthly)

Total PGF funding committed	Total funding contracted	Total funding paid to date
\$2,881.8m	\$1,255.6m	\$469.5m

1.4 Job numbers as at 29 February 2020 (monthly)

Number of people employed in PGF-supported projects	1,849*
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* Based on information provided by funding recipients on contracted projects.

2. Priority updates

Topic	Description/ update
COVID-19 pandemic response	The PDU continues to work under the MBIE Business Continuity Plan in the COVID-19 Level 4 Alert. As with other parts of government, PDU staff are working remotely and focusing on critical work - including processing and issuing payments; maintaining communications and support of Ministers' offices and the Undersecretary's office; the COVID-19 pandemic response; and contracts and negotiations as a priority. A small number of staff from the PDU are also supporting the MBIE Incident Management Team.
Northland drought	As a result of the COVID-19 situation, construction has been halted for all physical works on Kaipara Roding, Hundertwasser, The Camera Obscura, Waitangi Mountain Bike Park, Ngāwha Springs Redevelopment, and geotechnical testing for the Northland Water Storage project. The Kaipara Kai Hub and the Kaitaia Digital Hub have closed their physical locations, however are developing and maintaining an online presence. Desktop activities are continuing for many projects to ensure that they can recommence once lockdown has been lifted. PDU Officials will continue to monitor the effects of the lockdown on projects, particularly to ensure that physical works can be re-started efficiently once it is lifted.
Tairāwhiti Economic Support Package	Ministers announced the Tairāwhiti Economic Support Package on 20 March 2020 and the contract was executed with Gisborne District Council on 25 March 2020. PDU Officials are working with the Council and other key stakeholders to execute subcontracts, operational plans and a regional communication plan to be completed by 10 April 2020. Ministers will be kept informed of key milestones and media opportunities.

3. Delivery of projects update

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

Impacts of COVID 19 on TAM and HPR Projects

The move to Alert Level 4 and the restrictions on travel and meeting as groups has impacted on most HPR and TAM programmes. Some have had to put programmes on hold or delay the training starts. Many are utilising online and mobile services to keep in touch with their rangatahi and resolve pastoral care issues arising from the current lockdown period. However, a number are involved in essential services while others have been innovative in continuing their programmes.

The Development Hub, in the Hawkes Bay, have been approached to run the inbound and outbound contact centre for Hawke's Bay Emergency Management to complete welfare assessments, and participants are being selected from previous training programmes. They will train on-line via zoom and look to work in short shifts.

Also in the Hawke's Bay, Growing Future Farmers students have either relocated to their homes or remain on farms in lockdown. The programme is working to establish lectures using Zoom, and are in the process of moving an entire four-week programme online during the lockdown, while ensuring that students on farms are not unfairly advantaged over those at home.

The first programme run by the Korou Digital Agency began on Monday with a virtual pōwhiri for the eight participants. They have been set up to work virtually with all training, including workshops, online and via zoom.

The First Choice Employment Service is still working – albeit virtually – with those employers who have labour needs. Employers are mostly in the horticulture, healthcare and security sectors, and workers are being placed in essential services positions. Wage subsidies have also been arranged to help keep other people in employment. The service has commented to PDU Officials that they have noticed an increased demand for counselling services, and an increase in drug and alcohol use and relapse.

In Northland, the Kamo Driving School, which focuses on life skills, driving and digital training, is using a range of digital and online services to keep rangatahi on their training programme.

The School of Hard Knocks in the Bay of Plenty, reports that all ten rangatahi from its first cohort are working, as part of essential services, in kiwifruit packing and picking, and one has just been employed by PaknSave.

4. Policy Updates

4.1 Provincial Growth Fund Limited (PGFL)

PGFL

PDU Officials will shortly send you and the Minister of Finance (as shareholders on PGFL) a briefing seeking approval to a revised constitution for the company.

Recent decisions related to the establishment and funding of projects from the \$300 million Regional Investment Opportunities Tagged Contingency have made changes to the company constitution necessary. Approving the revised constitution will allow investments funded from the Contingency, such as the Ōpōtiki Harbour Development project, to be held by PGFL, and will also mean subsidiaries can be created under PGFL. In the case of the Ōpōtiki project, it is proposed that a Special Purpose Vehicle (SPV) be established to own the development and that it is held by PGFL as a subsidiary.

The briefing will also seek approval to advance the establishment of the SPV for the Ōpōtiki project and other related PGFL documentation, such as a deed of indemnity and the subscription agreement to ensure that the amendments contained in the revised PGFL constitution are given effect.

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