

# Regional Economic Development

**Weekly Report**

**23 – 27 March 2020**

---

**To: Hon Shane Jones**

Minister for Regional Economic Development

**Fletcher Tabuteau**

Under-Secretary to the Minister for Regional Economic  
Development



## Contents

1. Dashboard updates.....	3
1.1 Proposals received by the Provincial Development Unit (PDU) (as at 22 March 2020) 3	
1.2 Progress of proposals received by the PDU (as at 22 March 2020) .....	3
1.3 Headline Provincial Growth Fund (PGF) Numbers as at 29 February 2020 (monthly) 3	
1.4 Job numbers as at 29 February 2020 (monthly).....	3
2. Upcoming announcements .....	4
3. Priority updates .....	4
4. Delivery of projects update.....	6
4.1 Top priority projects of interest.....	6
4.2 Other projects .....	6
4.3 Te Ara Mahi (TAM) / He Poutama Rangatahi (HPR) update .....	7
4.4 Te Tauihu update.....	8
4.5 Major upcoming project deliverables – Commercial .....	9
5. Policy Updates .....	10
5.1 Policy.....	10
5.2 Provincial Growth Fund Limited (PGFL).....	10
6. Official Correspondence Update .....	10
Appendix 1 – Completed Briefings, Aides Memoire & Reports .....	11
Appendix 2 – Upcoming Cabinet Papers, Briefings, Aides Memoire & Reports .....	12
Appendix 3 – Parliamentary Questions .....	13
Appendix 4 – Proactive Release .....	14

## 1. Dashboard updates

### 1.1 Proposals received by the Provincial Development Unit (PDU) (as at 22 March 2020)

<b>New proposals received in week ending 22 March 2020</b>	9
<b>Total proposals received to 22 March 2020</b>	1,618

\* Includes applications and expressions of interest

### 1.2 Progress of proposals received by the PDU (as at 22 March 2020)

Stage	Count*
Awaiting assessment	101
Being assessed	190
Unsuccessful	854
Approved	473
<b>Total received</b>	<b>1,618</b>

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

### 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)

<b>Number of people employed in PGF-supported projects</b>	1,849*
--	--------

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

## 2. Upcoming announcements

There are no announcements yet confirmed for this reporting period.

## 3. Priority updates

Topic	Description/ update
<p>COVID-19 pandemic response</p>	<p>With the Government's COVID-19 announcement last weekend that New Zealand was at Alert Level 2, MBIE activated its Business Continuity Plan. Ahead of the move to Alert Level 4, all PDU staff began working from home from Monday afternoon.</p> <p>Privacy of natural persons</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>The PDU is advising clients and stakeholders that the Unit is working across government, business, and industry to protect jobs and businesses as the global economic downturn due to the COVID-19 pandemic continues to impact on our regions. A further key message being conveyed is that the PGF is still in action and will be busier than ever over the next few weeks as it rolls out more financial support for the regions. Funds that are unallocated from the PGF are to be redirected into regional projects which will have an immediate impact to support workers and businesses, and stimulate local economies.</p> <p>PDU staff are also ensuring all critical functions are being undertaken including processing and issuing payments; maintaining communications and support of Ministers' offices and the Undersecretary's office; the COVID-19 pandemic response; contracts and negotiations; supporting events and announcements; and responding to Written Parliamentary Questions (WPQs).</p>
<p>Annual Review hearing</p>	<p>After a number of postponements, the Annual Review hearing for MBIE due to occur on Wednesday 25 March 2020 was cancelled due to the COVID-19 situation.</p>

<p>Office of the Auditor General (OAG) Report</p>	<p>As advised last week, the OAG review of the PDU is yet to be finalised. The PDU, along with PGF Chief Executives, provided substantial feedback on the draft report from the review in early February, and the OAG is currently considering this. With the delay in the report being finalised, OAG asked to review a further sample of <b>Com</b> projects to build the most current picture of the PDU's performance in this area.</p> <p>The PDU has advised the OAG this week that, given the PDU's focus on delivering critical functions in the COVID-19 Alert Level 4 environment, the Unit is not in a position to provide the additional information requested, and that the range of information and data already provided would ideally enable the OAG to finalise their report.</p> <p>The OAG have advised they are considering the impact of not being able to complete this additional work, and putting options to the Auditor-General to consider. The OAG will then confirm their next steps with the PDU.</p>
---	---

## 4. Delivery of projects update

### 4.1 Top priority projects of interest

Project name	Description/ update
Ngawha Innovation and Enterprise Park — Stage 2	The CEO of Far North Holdings Limited (FNHL) has advised that COVID-19 will <span style="background-color: #cccccc;">Commercial Information</span>
	<b>Amount:</b> \$19.502m   <b>Region:</b> Tai Tokerau   <b>Status:</b> Approved

### 4.2 Other projects

Project name	Description/ update
Te Hā 1769 Sestercentennial Commemorations	This project saw a significant increase in visitor numbers and pressures on accommodation, attractions, transport and hospitality services during the time that the commemorations took place. <span style="background-color: #cccccc;">Commercia</span>
	<b>Amount:</b> \$1.000m   <b>Region:</b> Tairāwhiti   <b>Status:</b> Contracted
The Food Factory	The Food Factory fit out is nearly complete with only minor work required to meet compliance. <span style="background-color: #cccccc;">Commercial Information</span>
	<b>Amount:</b> \$778,000   <b>Region:</b> Te Taiuhu   <b>Status:</b> Contracted
<span style="background-color: #cccccc;">[Redacted]</span>	<span style="background-color: #cccccc;">Commer</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span>
	<span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span> <span style="background-color: #cccccc;">[Redacted]</span>
Historical Maritime Park Development	The project is well ahead of schedule. The applicant has been looking to bring the milestones forward as it already has a contract in place for the construction of the wharf and pontoons, although it is now expected that the original timeframe is realistic.
	<b>Amount:</b> \$731,771   <b>Region:</b> Waikato   <b>Status:</b> Contracted

Hastings Eastside Masterplan	Hastings District Council has notified the PDU that work has been put on hold for the next <span style="background-color: #cccccc;">Commercial In</span> months due to COVID-19. The Council had embarked on their community engagement, which cannot continue at this time, and key Council staff have also now been redeployed to work on the COVID-19 response.
<b>Amount:</b> \$600,000   <b>Region:</b> Hawke's Bay   <b>Status:</b> Contracted	
Muriwhenua Mānuka Oil	The recipient has installed its plant and produced its first batch of oil from wild Mānuka harvest. The business is also producing hydrosol which is a by-product of the oil extraction process and a core component of many health and sanitary products. It is currently preparing packaging to produce a hand sanitiser product.
<b>Amount:</b> \$524,400   <b>Region:</b> Tai Tokerau   <b>Status:</b> Contracted	

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

#### Impacts of COVID 19 on TAM and HPR Projects

The COVID-19 response has impacted many TAM and HPR training programmes. With the move to Alert Level 4, a number are now on hold because of the restrictions on people meeting as groups and with sites needing to close down. In some cases providers have switched to online training, social media and video conferencing. A number of commencement dates for programmes or new cohorts are also being adjusted. With regard to HPR, where many participants come from vulnerable backgrounds and are now unable to leave their homes, providers are focusing on maintaining daily contact with their rangatahi to ensure their wellbeing and provide advice, with some providers offering to share services. In line with other teams in the PDU, TAM Officials are in regular contact with projects to discuss the impact of the Government's COVID-19 response and to manage contracting issues.

### HPR's Role in Government's plan to support Māori communities and businesses

As part of the Government's plan to support Māori communities and businesses through COVID-19 announced by Associate Health and Whānau Ora Minister Peeni Henare, and supported by Ministers Davis and Mahuta (link [here](#)), Minister Jackson committed HPR programmes to assist in the Māori response effort. In particular, he highlighted that rangatahi could work alongside Māori health providers and Whānau Ora Navigators to deliver important community and health services to vulnerable Māori. Details on how this will be applied will vary from region to region and depend on local needs and the capability of the rangatahi. Contracts with providers will also be varied if necessary.

With regard to HPR programmes their input is likely to be limited to the four regions where HPR programmes have the largest presence: Tai Tokerau, Bay of Plenty, Tairāwhiti and Hawke's Bay.

TAM officials have established working relationships with Te Puni Kōkiri (TPK) and Te Arawhiti in Wellington to plan what is needed and what is feasible, bearing in mind that we have moved rapidly to Alert Level 4 and the movement restrictions of a State of National Emergency. In the four regions mentioned above, TAM Senior Regional Advisors have linked in with regional TPK business growth staff and/or wider response teams.

TAM and HPR Officials will continue to support and liaise with providers as this situation develops.

## 4.4 Te Taihu update

### Te Taihu update

The PDU has been liaising on current PGF-supported activity in Te Taihu to provide assurance and support to recipients.

The three directors of the Nelson Artificial Intelligence Institute are keen to offer skills and support in any context to the COVID-19 response effort.

A cross-Government Te Taihu team meeting was held online on Tuesday 24 March to stay current with projects. It was agreed that weekly meetings will occur for the next few weeks to ensure efforts are coordinated.

PDU Officials in the area also dial into the regular Interagency Response Team, Top of South Impact Forum (DHB-led), Marlborough and Nelson/Tasman Mayoral business leader forums which are held online most days. Key areas of focus in the past week have been clarification of essential services and the relevant registration or verification process, particularly around what is deemed 'essential' for the construction sector. Councils in the region have also sought guidance on how to best manage freedom campers and campsites.



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

Contract Title	Region	Condition
Hundertwasser Arts Centre and Wairaru Māori Art Gallery	Tai Tokerau	The roof is now close to completion. A Viennese representative will travel to New Zealand when possible to inspect the first section of tiling that is currently underway.
Kaipara Kickstart	Tai Tokerau	The Hub at Ruawai will commence operation at the earliest opportunity.
Kaipara Moana (Wharves)	Tai Tokerau	Construction on the Dargaville Pontoon will commence when conditions allow.
Sarjeant Gallery Te Whare o Rehua Whanganui Redevelopment	Manawatū-Whanganui	The site blessing was scheduled for 24 March but has been placed on hold due to the COVID-19 shutdown. Once the shutdown period has ended, a small site blessing will be done so that construction can commence immediately.

## 5. Policy Updates

### 5.1 Policy

#### Upper North Island Supply Chain Strategy (UNISCS) work programme to May 2020

The unfolding COVID-19 issue means that resources previously dedicated to the UNISCS work programme are required for response-related work. This, together with the move to Alert Level 4, will strongly curtail stakeholder engagement, and means that the original project timeline will be very difficult to achieve. A briefing outlining the potential impact on the UNISCS work timeline is currently being prepared to UNISCS Ministers.

**Contact:** Isabel Poulson, Manager Strategy and Policy, 04 897 5364

### 5.2 Provincial Growth Fund Limited (PGFL)

#### PGFL

The first contracted investment agreements were novated to PGFL on 24 March 2020, making the company fully operational.

Some investments could be transferred to PGFL immediately while most will be transferred at a later date as written consent is required from the borrower and all other relevant parties. For the latter, this means that most investments will be transferred as and when written consent is received. In the coming weeks, 18 existing investment agreements will be transferred.

PGFL Directors are due to meet with PDU Officials on 31 March 2020 to discuss the operational matters relating to PGFL. This meeting will be held online.

**Contact:** Isabel Poulson, Manager Strategy and Policy, 04 897 5364

## 6. Official Correspondence Update

#### Official Information Act requests and Ministerial Correspondence

Requestors for existing requests have been advised that the Ministry is not currently able to respond to requests and that responses to these requests will be delayed as a result of the current alert level 4. In addition people making new requests are receiving an automatic reply advising that the Ministry will be in touch as soon as possible.

We have therefore not provided a list of Official Information Act requests or Ministerial Correspondence in this report, but will provide these again as soon as the Ministry has resumed work on responses.

**Contact:** Isabel Poulson, Manager Strategy and Policy, 04 897 5364

## **Appendix 1 – Completed Briefings, Aides Memoire & Reports**

There are no completed briefings, aides memoire or report for this reporting period.

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

Tracking #	Title	Minister/ USEC	Signed out by	Due Date
2806 19-20	PGF COVID-19 investment in Apprenticeships	Jones	Briane Smith	-

## Appendix 3 – Parliamentary Questions

Written Parliamentary Questions				
Tracking #	From	Date received	Due to Office	Question

## Appendix 4 – Proactive Release

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

Released this week	
Name / Document Type	Quantity Released
Applications	3
Funding Agreements	3
Regional Economic Development Ministers Meeting Papers	0
Senior Regional Officials Meeting Papers	0
Independent Advisory Panel Meeting Papers	0
Business Cases / Feasibility Studies	2