

Regional Economic Development

Weekly Report

9 – 13 December 2019

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 Status of applications as at 9 December 2019 (weekly)

New projects this week	16
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1.2 Headline Numbers as at 31 October 2019 (monthly)

Total PGF funding committed	Total funding contracted	Total value of funding paid to date
\$2,611.0m	\$1,076.0m	\$336.9m

1.3 Job numbers as at 31 October 2019 (monthly)

Number of jobs created	2,218
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*Based on information provided by funding recipients

1.4 Progress of applications and EOI as at 31 October 2019 (monthly)

Stage	Count*
EOI / Application received	211
Being processed	154
Unsuccessful	696
Approved	331
Total	1,392

* Approved projects also includes out of process projects that are managed by other PGF agencies. Application numbers and project numbers may differ, as an application may result in multiple projects.

2. Upcoming announcements

Date	Region	Projects being announced	Additional information
15 Dec	West Coast	Blackwater Gold Mine	Under Secretary and local MP Damien O'Connor to announce
Jan 2020	Wairarapa	Wairarapa Water announcement	Under Secretary and Minister Ron Mark to announce
16/17 Jan 2020	Kaikōura	Projects include Kaikōura Marina Development's Wakatu quay and South Bay business case.	Work has commenced
21/22 Jan	Wairoa	Package to be confirmed	Under Secretary to announce
Week 28 Jan	Taupō	Announcement to be confirmed	Under Secretary to announce
3-7 Feb 2020	Waitangi	A package of national and local announcements, and events (more on this under item 6 of this report, Policy Updates)	Work has commenced
Early 2020	Cambridge	Cambridge Synthetic Race Track DPM office to confirm date.	Event briefing and comms complete

3. Communications activities

Date	Region	Media projects	Additional information
w/c 9 Dec	Waikato	First tranche of river rafting guides trainees hit milestone	Social media and website story
w/c 9 Dec	Tairāwhiti	Bridges re-open allowing forestry vehicles access	Social media and website story
w/c 9 Dec	Whanganui	Uenuku Pou carving project	Social media and website story
w/c 9 Dec	Tairāwhiti	Photo of the new training facilities at the Macadamia nut project	Social media
w/c 9 Dec	West Coast	Runanga Miners Hall	Social media
w/c 9 Dec	Northland	Ngawha Springs redevelopment milestone	Social media
w/c 9 Dec	Northland	Wahine Toa graduates	Social media
w/c 9 Dec	Multi- region	Growing Future Farmers	Social media and website story
w/c 9 Dec	West Coast	Blackwater Gold Mine	Social and website story

4. Recent and upcoming recommendations meetings

4.1 Recent and upcoming meetings of Provincial Development Unit (PDU) governance and decision-making bodies

Independent Advisory Panel

The Independent Advisory Panel (IAP) met on 11 and 12 December 2019 in Rotorua. It is expected that recommendations from this meeting will be included in RED Ministers meetings in early 2020. The next IAP meeting is scheduled for February 2020.

Senior Regional Officials

The Senior Regional Officials group will meet on 17 December 2019. It is expected that recommendations from this meeting will be included in the first weekly report of 2020. The next meeting is planned for late January 2020.

5. Delivery of projects update

5.1 Top priority projects of interest

Project name	Description/ update
Cambridge Synthetic Track for Thoroughbred Horses	<p>The contract for this project was executed on 29 November 2019. There was an announcement planned for the Deputy Prime Minister which was due to take place on 4 December 2019 but due to scheduling conflicts this was deferred. It will now take place in early Commercial Information with the exact date to be confirmed.</p> <p>Amount: \$6.750m Region: Waikato Status: Contracted</p>
Redevelopment of Taupō Airport	<p>Regional Economic Development (RED) Ministers approved \$5 million of Provincial Growth Fund (PGF) investment for redeveloping the Taupō airport at their October 2019 meeting. Commercial Information</p> <p>Amount: \$5.000m Region: Waikato Status: Approved – Drafting Contract</p>
Kupe Waka Centre	<p>Commercial Information</p> <p>Amount: \$4.600m Region: Northland Status: Contracted</p>

5.2 Other projects

Project name	Description/ update
<p>[Redacted]</p>	<p>Commercial Information - Withdrawn Application</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Cook's Landing Restoration</p>	<p>This project is largely completed (around %) with minor works with some remedial works to be completed. This will be done once the 1,000 year bridge has been built. PDU Officials received the post-outcome report this week.</p> <p>Amount: \$1.630m Region: Tairāwhiti Status: Contracted</p>
<p>An Affordable and Efficient Dredging Option for Port of Greymouth</p>	<p>The naval architect for the project has requested some changes to the structure and supports which are being drawn up. Once this is complete, the exact position of the motors can be determined and the full design drawn up. The contractors will commence the build once the design has been signed off.</p> <p>Amount: \$800,000 Region: West Coast Status: Contracted</p>
<p>NZ Macadamia Industry Development Project</p>	<p>PDU officials visited the newly installed training room at the Torere Macadamia site. The room is operational with students accessing it for theory classes. The room will be solar-powered which the recipient expects to have installed Commercial Information. The visit was very positive and the project is progressing well. There may be an opportunity for a media event in March 2020; officials will provide you with a further update on this in 2020.</p> <p>Amount: \$645,000 Region: Tairāwhiti Status: Contracted</p>

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

Pou Tangata -Te whakairo hei huarahi ki te mahi (Te Ara Mahi)	The recipient has received the first payment for this project which is well underway. The first Commercial In rangatahi who are part of the project started the programme last week and there has been a lot of other interest in the project. There will only be Commercial In rangatahi at this stage, but the recipient will look to expand the project once the evaluation has taken place.
Amount: \$60,000 Region: Manawatū Status: Contracted	

Te Ara Mahi funding approvals

As at 31 October 2019, funding of \$57.9 million had been approved for projects under the Te Ara Mahi programme. In the week beginning 2 December 2019 further proposals to the value of approximately \$14 million were put to the Senior Regional Officials group and Regional Economic Development Ministers for decision. With the PDU recommendations now agreed, more than \$70m of Te Ara Mahi funding will have been approved since February 2019.

Contact: Stephen Ruddell, Principal Advisor, Te Ara Mahi, 04 490 8140

He Poutama Rangatahi Generation Programme

The HPR Generation Programme, managed by Eastland Wood Council, has been running for just over a year. To date Comme trainees have successfully complete the base camp. Of this group, Comme trainees have gained employment with Comme employed in the forestry industry. There are Comme employers engaged with the Programme. The trainees working with these employers will continue to be supported and assessed by the Generation Programme team until they have completed their National Certificate in Forest Operations Level 3. So far Comme trainees have completed their qualification. Originally funded by MBIE (\$Commercial In), the programme has recently been awarded further funding (\$Comme) from the PGF to take on additional cohorts of trainees.

Contact: Stephen Ruddell, Principal Advisor, Te Ara Mahi, 04 490 8140

5.4 Major upcoming project deliverables – due Commercial Information

Contract Title	Region	Condition
Feasibility Study and Detailed Business Case - Riverside Hotel and Entertainment Precinct	Northland	Draft feasibility study and business case submitted to the Ministry.
Kaitaia Regional Digital Hub	Northland	The fit out of the premises of the hub in Kaitaia is complete.
New Plymouth Airport Runway Extension Feasibility Study	Taranaki	The final feasibility study and the final report to be submitted to the Ministry.
Manawatū-Whanganui Rural Innovation Lab Pilot (RIL)	Manawatū	The final report to be submitted to the Ministry.
Wairarapa Primary Sector Skills Development (Te Ara Mahi)	Wairarapa	The final report to be submitted to the Ministry.
Kawatiri Coastal Trail	West Coast	Revised project plan to be presented in Commercial with clear project phases.

6. Policy Updates

6.1 Policy

Cabinet paper: Employment Strategy Report Back

This week, the Cabinet Social Wellbeing Committee will consider a report back on the implementation of the Government's Employment Strategy that was announced in August. The Strategy has six associated Action Plans, including the already released Youth and Disability Employment Action Plans. The Pacific Peoples and Older Persons Employment Action Plans are currently in development. Cabinet is asked to agree to engagement with stakeholders to develop the Maori Employment Action Plan, and consultation on a draft Refugee, Recent Migrants and Ethnic Communities Employment Action Plan. The PGF skills and employment initiatives through Te Ara Mahi, including He Poutama Rangatahi and the development of Regional Investment Portfolios for Employment, will support the implementation of the Action Plans.

PDU recommends you support the paper at Cabinet.

Contact: Isabel Poulson, Manager Strategy & Policy, 04 897 5364

6.2 PGFL

Indemnity for PGFL

On 10 December 2019, the Minister of Finance approved an indemnity for PGFL under the Public Finance Act. A statement will be presented to the House of Representatives stating that the indemnity has been given. The Minister has referred a copy of the report to you for your information. PGFL directors will be informed of the approval at their meeting with PDU on 11 December 2019.

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

6.3 Waitangi update

Waitangi Day 2020

Organisation of a series of Provincial Growth Fund events for the days leading up to Waitangi Day 2020 is progressing well. The draft programme proposes announcements relating to whenua Māori, water, skills and employment, and a Māori cultural heritage package. In addition, the Provincial Development Unit (PDU) will assist with the opening of the Waitangi Museum on Wednesday 5 February, 2020

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

Appendix 1 – Completed Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Date sent
1905 19-20	PGF Announcement: Blackwater Gold Mine Exploration 13 December 2019	Jones O'Connor	Kate Styles	Commercial Informa
1664 19-20	Feasibility study for reinstating the Gisborne to Wairoa rail line	Jones	Mark Jacobs	Commercial Infor
N/A	RED Ministers Out of Cycle papers – December	RED Mins	David van der Zouwe	Commercial Informa

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

Tracking number	Title	Minister/ USEC	Signed out by	Due Date
TBC	Kaikōura Marine announcement	USEC	Kate Styles	Commercial Information

Appendix 3 – Official Information Act requests

Ministerial OIA						
Tracking Number	Name	Date received	Due to Minister's Office	Due to request or	Status	Request
OIA357	Privacy of natural persons	4 Oct	16 Oct	23 Oct	Gathering Information	I refer to written question 30980 (2019). Under the official information act could I please request copies of the following papers
OIA395		11 Dec	16 Jan	23 Jan	Scoping	Official advice received re: port/barge in Wharekahika / Hick's Bay

Departmental OIA						
Tracking Number	Name	Date received	Due to Minister's Office	Due to requestor	Status	Request
1920-0540	Privacy of natural persons	28 Sept	1 Dec	9 Dec	Decision sent	All papers – internal and external - generated by MBIE relating to the aviation connectivity fund idea.
1920-0428		9 Sep	15 Oct	22 Oct	Drafting	All correspondence and material between Eastland Community Trust, Provincial Growth Unit and the Minister relating to the Wood Cluster Centre of Excellence between 1 January 2019 and 1 September 2019.
1920-0227		13 Aug	1 Nov	8 Nov	Gathering Information	Ruapehu Alpine Lifts - questions
1920-0707		31 Oct	21 Nov	28 Nov	Gathering Information	Information relating to PGF investment in Dunedin creative digital industry.

Departmental OIA						
Tracking Number	Name	Date received	Due to Minister's Office	Due to requestor	Status	Request
1920-0713	Privacy of natural persons	31 Oct	17 Jan	24 Jan	Gathering Information	Copies of all emails, letters and other correspondence between MBIE and/or Provincial Growth Fund officials and Regional Economic Development Minister Shane Jones and/or staff from his office, the Dunedin City Council (staff or elected), or any other project partners, relating to Dunedin's waterfront development plan.
1920-0737		6 Nov	27 Nov	4 Dec	Gathering Information	How much money has been spent on consultants as part of the Provincial Growth Fund investment?
1920-0745		7 Nov	28 Nov	5 Dec	Gathering Information	Documents relating to the Waioura Trust application for grants relating to Kapiti Island or any other application to the PGF relating to Kapiti Island.
1920-0772		12 Nov	2 Dec	9 Dec	Review	Info on jobs created that were funded by the PGF
1920-0783		13 Nov	4 Dec	11 Dec	Review	Documentation relating to application by <small>Commercial Information - Declined Application</small>
1920-0825		21 Nov	12 Dec	19 Dec	Scoping	<small>Commercial Information - Declined Application</small> / PDU conflicts on interests correspondence
1920-0819		21 Nov	12 Dec	19 Dec	Scoping	<small>Commercial Information - Declined Application</small> bid for PGF money
1920-0837		22 Nov	13 Dec	20 Dec	Drafting	Applicants for funding from the PGF
1920-0838		22 Nov	13 Dec	20 Dec	Drafting	PGF weekly reports and OIA requests
1920-0845		25 Nov	16 Dec	23 Dec	Gathering Information	Correspondence re: funding development of wind turbines on Stewart Island

Departmental OIA						
Tracking Number	Name	Date received	Due to Minister's Office	Due to requestor	Status	Request
1920-0887	Privacy of natural persons	29 Nov	13 Jan	20 Jan	Gathering Information	Can you please advise how much funding and for what purposes was granted to Eastland Group for the establishment and operations of the Te Rimu Trust aerodrome. This request is made in accordance with the Official Information Act 1982.
1920-0891		2 Dec	13 Jan	21 Jan	Gathering Information	Projects funded by the PGF that are over budget and want more funding
1920-0894		3 Dec	16 Jan	22 Jan	Scoping	Has the PGF declined or approved a grant for <small>Commercial Information - Declined</small>
1920-0910		4 Dec	16 Jan	23 Jan	Scoping	BECA report produced relating to development at Opotiki Harbour

Appendix 4 – Ministerial Correspondence

Ministerial Correspondence				
Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ3441	Privacy of natural persons	26 Nov	17 Dec	PGF thoughts
SJ3418		26 Nov	17 Dec	Regional development
SJ3421		26 Nov	17 Dec	Commercial Information
SJ3438		29 Nov	20 Dec	Dargaville Pontoon
SJ3454		29 Nov	20 Dec	Ringfence
SJ3444		29 Nov	20 Dec	Processing of Lithium ion batteries
SJ3445		29 Nov	20 Dec	Support for Southland Engineering firms
SJ3451		29 Nov	20 Dec	Kia ora ehoa
SJ3506		29 Nov	20 Dec	Tourism idea
SJ3487		29 Nov	20 Dec	Commercial Information
SJ3497		29 Nov	20 Dec	Provincial Growth Fund - Invercargill
SJ3462		3 Dec	6-Jan	Proposal for Regional Development
SJ3470		3 Dec	6-Jan	Whanaungatanga, Healing Kaainga saving whauan
SJ3467		3 Dec	6-Jan	Commercial Information - Declined Application
SJ3535		9 Dec	10-Jan	Apparent level of inconsistency of decisions re PGF
SJ3542		9 Dec	10-Jan	Investors for Waste to Energy in Partnerships with Councils + Government

Ministerial Correspondence

Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ3533	Privacy of natural persons	9 Dec	10-Jan	Commercial Information - Declined Application
SJ3498		9 Dec	10-Jan	Privacy of natural pe to send his proposal to you to consider
SJ3511		9 Dec	10-Jan	Skills & Youth Development
SJ3510		9 Dec	10-Jan	Letter from Northland Councils
SJ3558		12 Dec	14 Jan	Housing Crisis and Employment (far North opportunities) Solutions
SJ3559		12 Dec	14 Jan	Gisborne ECT aka (Activate Tairawhiti)

Appendix 5 – Parliamentary Questions

Written Parliamentary Questions				
Tracking Number	From	Date received	Due to Office	Question
PQ 42029 – PQ 42405 (2019)	Andrew Falloon	10 Dec	17 Dec	376 x WPQs re the amount of funding received by PGF projects
PQ 42849 – PQ 43309 (2019)	Andrew Falloon	11 Dec	17 Dec	360 x WPQs re the amount of funding received by PGF projects
PQ 42487 – PQ 42837 (2019)	Andrew Falloon	12 Dec	N/A	351 x WPQs re measures of success for PGF projects
PQ 43457 (2019)	Chris Bishop	12 Dec	17 Dec	Does he stand by his statement in relation to fulltime jobs he estimates the Provincial Growth Fund will create, "I have isolated and announced a figure over the full life of the fund which will stretch well into the next decade. The figure is 10,000"; if so, what reports, if any, from officials has he had in relation to the 10,000 figure?
PQ 43460 (2019)	Hon Jacqui Dean	12 Dec	17 Dec	Are tourism proposals considered as a suitable candidate for Provincial Growth Fund funding?
PQ 43461 (2019)	Hon Jacqui Dean	12 Dec	17 Dec	How much is a predicted rise in employment a factor in Provincial Growth Fund grants?
PQ 43462 (2019)	Hon Jacqui Dean	12 Dec	17 Dec	Does the Minister expect that the Otago region will obtain similar levels of funding through the Provincial Growth Fund as Northland; if not, why not?
PQ 43464 (2019)	Hon Jacqui Dean	12 Dec	17 Dec	Is the Provincial Growth Fund taking a national or regional approach to the grants criteria?
PQ 43465 (2019)	Hon Jacqui Dean	12 Dec	17 Dec	Has the current focus and criteria for Provincial Growth Fund grants changed in the past two years?
PQ 43466 (2019)	Hon Jacqui Dean	12 Dec	17 Dec	Why was the application for "Oamaru's Victorian Precinct Development" declined?

Written Parliamentary Questions

Tracking Number	From	Date received	Due to Office	Question
PQ 43467 (2019)	Hon Jacqui Dean	12 Dec	17 Dec	How many grants have been allocated in the Greater Otago region and the financial value of each grant?
PQ 43469 (2019)	Hon Jacqui Dean	12 Dec	17 Dec	How many grants have been allocated in the Waitaki District and the financial value of each grant?
PQ 43470 (2019)	Hon Jacqui Dean	12 Dec	17 Dec	What is the financial quantum of grants allocated within the Otago region excluding the Waitaki District area?
PQ 43472 (2019)	Hon Jacqui Dean	12 Dec	17 Dec	What is the financial quantum of grants allocated within the Waitaki District area?

Appendix 6 – Proactive Release

Documents for Proactive Release			
Name / Document Type	Quantity	Due for release	Status
Cabinet Papers	2	Commercial Information	Minister's Office
	1		On Hold
Regional Economic Development Weekly Reports	5		Preparing
	16		On Hold
	30		Sign-out
	49		Minister's Office
Applications	206		Various
Funding Agreements	220		Various
Regional Economic Development Ministers Meeting Papers	203		Review
Position Papers	0		N/A
Senior Regional Officials Meeting Papers	177		Various
Independent Advisory Panel Meeting Papers	223		Various
Business Cases / Feasibility Studies	3	Sign-out	

Documents Released/Schedule for Release This Week

Tracking Number	Document Title
	Clean Energy Development Centre Application Clean Energy Development Centre Funding Agreement Clean Energy Development Centre Business Case
	Far East Sawmill Application Far East Sawmill Funding Agreement
	EDNZ Capability Application EDNZ Capability Funding Agreement
	Hundertwasser Application Hundertwasser Funding Agreement
	Croesus Road Application Croesus Road Funding Agreement
	Marine Farming Association Capability Project (Golden Bay Mussel) Application Marine Farming Association Capability Project (Golden Bay Mussel) Funding Agreement
PGFL Document Suite	
T2018/464 3107 17-18 (SH-11-1-2)	Equity Ownership Options through the Provincial Growth Fund
3567 17-18	Advice on managing equity shares taken and loans advanced under the PGF
N/A	Advice on holding companies - options for managing investments under the PGF
1379 18-19	Joint Report: Establishment of Provincial Growth Fund Limited
1618 18-19	Further information on establishing PGF Ltd
DEV-19-MIN-0084	Provincial Growth Fund: Establishing Provincial Growth Fund Limited - Cabinet Minute
DEV-19-SUB-0084	Provincial Growth Fund: Establishing Provincial Growth Fund Limited - Cabinet Paper

3743 18-19	Provincial Growth Fund Limited: Appointment Process for the Board
CAB-19-MIN-0320.01	Provincial Growth Fund Limited: Appointments - Cabinet Minute
CAB-19-SUB-0320.01	Provincial Growth Fund Limited: Appointments - Cabinet Paper
0186 19-20	Provincial Growth Fund Limited: Documentation for Board Appointments
0398 19-20	Further matters requiring Ministerial approval to establish Provincial Growth Fund Limited
0400 19-20	Provincial Growth Fund Limited: Letter of Expectations
MBIE 0634 19-20 - IR2019/481	Joint Briefing: Draft Cabinet Papers for authorising the Orders in Council for Provincial Growth Fund Limited
LEG-19-MIN-0149	Provincial Growth Fund Limited: Orders in Council - Cabinet Minute
LEG-19-SUB-0149	Provincial Growth Fund Limited: Orders in Council - Cabinet Paper