

Regional Economic Development

Weekly Report

2 – 6 September 2019

To: Hon Shane Jones
Minister for Regional Economic Development

Fletcher Tabuteau
Under-Secretary to the Minister for Regional Economic
Development



IN-CONFIDENCE

Contents

1. Dashboard updates.....	3
1.1 Status of applications as at 5 September 2019	3
1.2 Headline Numbers as at 31 July 2019 (monthly).....	3
1.3 Job numbers as at 31 May 2019 (quarterly).....	3
1.4 Progress of applications and EOI as at 31 July 2019 (monthly).....	3
2. Priority updates	4
3. Upcoming announcements	4
4. Schedule of recent and upcoming recommendations	4
4.1 Update on recommendations made in 29 August 2019 Senior Regional Officials (SRO) meeting	4
5. Delivery of projects update.....	7
5.1 Top priority projects of interest.....	7
5.2 Other projects	7
5.3 Major upcoming project milestones due by end of <small>Commercial Informa</small>	9
6. Policy update	10
6.1 PGF Limited.....	10
Appendix 1 – Completed Briefings, Aides Memoire & Reports	11
Appendix 2 – Upcoming Cabinet Papers, Briefings, Aides Memoire & Reports	12
Appendix 3 – Official Information Act requests	13
Appendix 4 – Ministerial Correspondence	20
Appendix 5 – Parliamentary Questions	21
Appendix 6 – Proactive Release	22

1. Dashboard updates

1.1 Status of applications as at 5 September 2019

New projects this week	21
-------------------------------	----

1.2 Headline Numbers as at 31 July 2019 (monthly)

Total PGF funding committed	Total funding contracted	Total value of funding paid to date
\$2,425.08m	\$1,075.10m	\$247.83m

1.3 Job numbers as at 31 May 2019 (quarterly)

Number of jobs created	1,023
-------------------------------	-------

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

Stage	Count*
EOI / Application received	177
Being processed	137
Unsuccessful	579
Approved	281
Total	1,174

* 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. Priority updates

The Awanui and Hokianga Reference Group had its second meeting on 4 September 2019. The meeting covered training and skill needs, an update on how the group sees itself operating in the community, and operational matters relating to progressing the Provincial Growth Fund (PGF) pipeline.	
The Provincial Development Unit (PDU) has executed almost all of the remaining aged Northland contracts over the past fortnight. This includes Kaipara Rooding, Ventnor Memorial, Ngawha Springs, Kupe Waka, Northport Business Case and Engineering Design, and New Zealand Inshore Fishing. Te Hiku Sports Hub is with the Head of the PDU for execution and officials anticipate it will be signed shortly.	
Contact:	Nicki Sutherland, Manager Regional Development – North, 04 897 5034

3. Upcoming announcements

Date	Location of announcement	Projects being announced	Additional information
23 Sep	Napier, Hawkes Bay	Food Innovation Hub Apollo Foods	USEC only

4. Schedule of recent and upcoming recommendations

4.1 Update on recommendations made in 29 August 2019 Senior Regional Officials (SRO) meeting

Project title	Decision
Tongariro Professional River Guides Training Course Programme, (Waikato) (TAM)	SROs approved funding of \$ ^{Commercial Information} from the Te Ara Mahi (TAM) portion of the PGF for a new initiative to fill the current shortage of suitable skilled guides, especially New Zealand locals with strong local Iwi links. The initiative is about building a local pipeline of guides and with a particular focus on people in Turangi and neighbouring regions.
Wairoa Youth Achievement Trust Employment Pathways, (Hawke's Bay) (HPR)	SROs approved funding of \$305,574 from the He Poutama Rangatahi (HPR) fund for a two year project targeting ^{Commercial} NEETS, building on current MSD funded schemes, to support a pathway for NEETs into further education, employment or training. Life skills, driver licenses and driver training and broad based work-training as well as pastoral care will be provided, including post-placement employment support for up to 12 months.
Ūawanui Cultural Nursery Training Programme, (Tairāwhiti) (HPR)	SROs approved \$564,710 of HPR funding for an ecological restoration training programme for 16-24 year old rangatahi, contributing to the management of the Uawa catchment and coastline.

<p>T&G Emerging Leaders Skills Pathway, (Hawke's Bay) (HPR)</p>		<p>SROs approved \$557,500 from the TAM portion of the PGF to build and nurture the front-line leadership capability and capacity of T&G's horticulture workers.</p>
<p>[Redacted]</p>		<p>Commercial Information - Withdrawn Application [Redacted]</p>
<p>Building capacity in Southland, (Southland)</p>		<p>SROs approved \$400,000 over ^{Commercial} years from the PGF to create ^{Commercial} new roles (Portfolio Manager and Project Support Advisor) to deliver existing projects to drive regional economic growth and assist businesses within the Southland region who wish to submit PGF applications.</p>
<p>Wairarapa Primary Sector Skills Development, (Wairarapa)</p>		<p>SROs approved funding of \$60,000 from the PGF for the stage one implementation of a project to deliver primary sector skills training in Wairarapa.</p>
<p>[Redacted]</p>		<p>Commercial Information - Declined Application [Redacted]</p>
<p>An affordable and efficient dredging option for Port of Greymouth, (West Coast)</p>		<p>SROs approved up to \$800,000 of funding from the PGF to purchase a custom-made dredge (a long-reach digger on a pontoon and a separate self-propelled bottom dumper barge) and depth-sounder to dredge the Greymouth Lagoon.</p>
<p>Commercial Information - Withdrawn Application [Redacted]</p>		<p>[Redacted]</p>
<p>• Commercial Information - Withdrawn Application [Redacted]</p>		<p>[Redacted]</p>
<p>[Redacted]</p>		<p>Commercial Information - Withdrawn Application [Redacted]</p>

Commercial Information - Declined		
Muriwhenua Mānuka Oil Application		SROs approved \$524,000 funding from the PGF.
Southland and Otago Regional Engineering Collective ('SOSEC') Establishment and Regional Leader Role		SROs approved \$495,000 of funding from the PGF to employ a resource to help develop and drive the delivery of SOSEC to grow manufacturing engineering firms in the Southland and Otago regions by increasing collaboration to successfully compete for new work, adopt new technologies/ methodologies, and increase the calibre and number of regional apprentices and other roles required.
Farra Engineering - Installation of Horizontal Floor Borer		SROs approved up to \$325,000 of funding from the PGF for installation of a Horizontal Floor Borer machine to be used for hydro equipment maintenance for companies such as <small>Commercial Information</small> . The machine will also be used for maintenance on operating machinery in roading, construction and mining sectors.
Commercial Information - Withdrawn		
Site Weld – Engineering Machinery		SROs approved up to \$350,000 of funding from the PGF for three pieces of equipment to help bring the process for establishing its equipment in-house.
Bison – Container Systems		SROs approved up to \$110,000 of funding from the PGF for infrastructure related to the creation of a demonstration space to showcase its lifting and weighing shipping container product.
RED1 Fabrication – Engineering Equipment		SROs approved up to \$93,000 of funding from the PGF for a piece of equipment to help bring the process for establishing its product in-house.
United Machinists Accelerate Scalability Project		SROs approved up to \$520,000 of funding from the PGF to invest in the automated and high precision machinery capabilities needed to grow the organisation's productivity and capacity.
Petridish – Markerspace		SROs approved up to \$240,000 of funding from the PGF for the purchase of equipment and resourcing.

5. Delivery of projects update

5.1 Top priority projects of interest

Project name	Amount	Description/ update
Hundertwasser Art Centre	\$13.94m	PDU officials met with the applicant on 3 September 2019, primarily to discuss issues relating to gaining building consent for the cupola (wheelchair accessibility) and Commercial Information Construction continues well at the site, and we have provided your office with photographs of the now substantial progress.
		Region: Northland Status: Contracted
Kaipara Roothing	\$14.460m	Kaipara Council approved this contract at its meeting on [redacted] and executed the contract on this date. Council staff will meet with the oversight advisor on 19 September 2019.
		Region: Northland Status: Contracted
[redacted]	[redacted]	Commercial Information - Withdrawn Application [redacted]
		[redacted]

5.2 Other projects

Project name	Amount	Description/ update
Omeo Technology	\$2.50m	Omeo has identified premises to establish their development and assembly facility in Ōtaki (Commercial Information [redacted]). It is currently negotiating terms and a timetable for fit-out and occupation.
		Region: Kāpiti / Wairarapa Status: Contracted
Westport Airport – Critical Infrastructure Resilience	\$2.07m	Commercial Information [redacted]
		Region: West Coast Status: Contracted

Wilson's Heavy Engineering	\$ ^{Commercial Inform}	One of the last remaining aged Northland contracts is Wilson's Heavy Engineering. PDU officials met with the applicant on 3 September 2019 and are making progress with the loan negotiations. ^{Commercial Information} PDU Officials to meet with Wilson's again to continue loan negotiations.
	Region: Northland Status: ^{Commercial Information}	
Old Ghost Road Upgrade	\$500,000	The toilet upgrade for this project has been completed and the renovations on the hut have commenced. The construction of the trail is on track to commence in ^{Commercial Information} .
	Region: West Coast Status: Contracted	
Maruawai Project – (Stage One) Hokonui Moonshine Museum and Distillery	\$729,000	The tender documents for the construction of this project will be going out in October 2019 with an expected construction start date of ^{Commercial Information} . Current fit-out preparation has begun, involving the development of the exhibition in the vacant Stage Two site.
	Region: Southland Status: Contracted	
SH1 - Rosebank Industrial Estate Slip Lane	\$218,000	The recipient has completed the tender process and a construction company has been selected. Construction of the slip lane is on track to begin at ^{Commercial Information} .
	Region: Otago Status: Contracted	
YETE Project – Ngā Pumanawa Tupuna (HPR)	\$947,800	It is encouraging to see that the 23 students participating in this project have stayed committed for the full three weeks of the programme so far and are heading towards completion. Their graduation will be on 18 December 2019.
	Region: Kāpiti / Wairarapa Status: Approved	
Wairarapa Dark Sky Reserve – International Certification	\$100,000	The recipient has confirmed that this project is on track, with draft reports due at the end of ^{Commercial Information} and the final report due at the end of ^{Commercial Information} . The next step is to begin the office fit-out.
	Region: Kāpiti / Wairarapa Status: Contracted	
Matariki Hawke's Bay Strategy – Programme Manager	\$ ^{Commercial Information}	Priv acy of nat ural per son
	Region: Hawke's Bay Status: Contracted	

Hastings Eastside Masterplan	\$600k	The recipient is currently evaluating the RFPs for the project management of the business case development before confirming the chosen contractor for the process. This is due to be completed by Commercial Information .
	Region: Hawke's Bay Status: Contracted	

5.3 Major upcoming project milestones

Project name	Description/ update
Manawatū River Loop at Foxton	A draft Business and Visitor Destination Plan was provided to the PDU on 19 August for review and feedback. The project is on track to deliver the final report by Commercial Information .
Transforming Te Apiti into a Major Tourism Destination	The project is on track and the recipient is working on the final report and study now. They will have it ready for submission to the PDU this Commercial Information .
Apollo Foods Aseptic Manufacturing Feasibility Study and Business Case	PDU officials conducted a site visit on 26 August. The Business Case is being drafted and is expected to be submitted by the end of the month.
Port Taranaki Business Case	The PDU met with Tasman District Council on 26 August and officials are expecting the Business Case with any amendments following the Council Workshop (29 August) to be received by the due date of Commercial Information .
Ashburton Second Urban Bridge Detailed Business Case	Under the Funding Agreement, the Detailed Business Case is due for completion by Commercial Information . The Applicant has advised, however, that the completion date will now be end- Commercial Information . This allows time for Ashburton District Council to update its Walking and Cycling Strategy, complete preliminary geotechnical investigations and develop the business case along the lines required by NZTA.

6. Policy update

6.1 PGF Limited

You have received a draft Cabinet paper, via a joint briefing between the PDU and Inland Revenue Department (IRD), to approve and circulate for Ministerial consultation. The draft Cabinet paper relates to two Orders in Council to add PGF Limited to Schedule 4A of the Public Finance Act 1989 (PFA) and Schedule 35 of the Income Tax Act 2007. Subject to approval, and Ministerial consultation, we will prepare the Cabinet paper for LEG on 23 September 2019. The briefing was also sent to the Minister of Finance (MOF) to seek agreement to add PGF Limited to Schedule 4A of the PFA, the statute that MOF is responsible for.

PGF Limited was incorporated with the Companies Office on 3 September 2019 meaning that the company is now “established” under the Companies Act 1993.

PDU will be meeting with two of the three PGF Limited Directors (Rodger Finlay and Graeme Mitchell) on 11 September 2019 to check in with the Directors and update them on the progress regarding the establishment of PGF Limited.

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
0714-1920	Event Briefing: West Coast and Canterbury Site Visit	USEC	Kate Styles	3 Sep
0715-1920	Event Briefing: Sarjeant Gallery Announcement	USEC	Kate Styles	4 Sep
0634-1920 / IR2019/431	Draft Cabinet Paper for authorising the Orders in Council for PGF Ltd	Jones, Robertson, Nash, USEC	Karen Walfisch	4 Sep
0752-1920	Update to inform your regional economic development work	USEC	Isabel Poulson	5 Sep
	RED Ministers meeting pack	RED Ministers		6 Sep

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

Tracking number	Title	Minister/ USEC	Signed out by	Due Date
TBC	Event Briefing: Recess and Waitangi Day Schedule	Jones	Fiona Cassidy	Commercial Information
TBC	Event Briefing: Maori Legal, Business and Government Forum	Jones	Ben Dalton	
TBC	Event Briefing: Meeting with Mayor Shattock	Jones	Nicki Sutherland	
TBC	Event Briefing: FOMA Masterclass	Jones	Kate Styles	

Appendix 3 – Official Information Act requests

Ministerial OIA						
Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
OIA312	Privacy of natural persons	1 Aug	20 Aug	20 Aug	With Minister's Office	All correspondence and material between Eastland Community Trust, MBIE and the Minister relating to the 19.5million PGF announcement regarding the Wood Cluster Centre of Excellence.
OIA313	Privacy of natural persons	1 Aug	20 Aug	20 Aug	With Minister's Office	All information including emails, letters and reports relating to the 19.5million investment for the Wood Cluster Centre of Excellence located in Tairawhiti, since 1 October 2017.
OIA326	Privacy of natural persons	26 Aug	13 Sep	20 Sep	Scoping	Under the OIA I seek copies of all documents/ reports/ briefings received by you and your office since 1 May 2019 relating to the number of jobs created by or through the PGF.
OIA329	Privacy of natural persons	26 Aug	13 Sep	20 Sep	Scoping	I understand that your officials have provided you with advice on whether there should be a dedicated fund for provincial airports. Under the OIA I seek copies of all advice received by you relating to that issue. I also seek copies of all advice received by you relating to whether provincial airports could/should apply to the Provincial Growth Fund for funding.

Ministerial OIA						
Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
OIA330	Privacy of natural persons	26 Aug	13 Sep	20 Sep	Scoping	Under the OIA I seek copies of all emails held by your office relating to your possible or potential participation in a photo shoot on a boat, filmed by a drone. I also seek copies of all documents held by your office relating to this.
OIA334	Privacy of natural persons	4 Sep	20 Sep	27 Sep	Scoping	A list of the briefings and reports the Minister has received from the Ministry of Business, Innovation and Employment between August 1, 2019 and August 31, 2019.
OIA338	Privacy of natural persons	4 Sep	20 Sep	27 Sep	Scoping	I request a copy of this Cabinet Committee Paper please 31/07 - DEV: Provincial Growth Fund: March – June 2019 Report.
OIA342	Privacy of natural persons	6 Sep	26 Sep	3 Oct	Allocation	Could you please provide me copies of all documents you have received in relation to the decision to invest \$94.8 million into upgrading the North Auckland Line

Departmental OIAs						
Tracking Number	Name	Date received	Date due to Minister's Office	Date due to requestor	Status	Request
1819-1790	Privacy of natural persons	30 May	15 Jul	19 Jul	With Minister's Office	I have now re-read the Cabinet papers publicly released about the Provincial Growth Fund. I can find no reference to the exclusion of Porirua City or more generally, metropolitan Wellington. I would therefore request the Cabinet reference and associated minute. I would also like advice provided by officials that support this Government position - specifically the policy rationale. I do this under the Official Information Act. It may be that I simply haven't accessed the right Cabinet papers but I would appreciate a link to the appropriate records.
1920-0128		26 Jul	2 Sep	6 Sep	Consultation	I would like to request information pertaining to a Provincial Growth Fund Project; Commercial Information [REDACTED] . I would like to request all information and documentation that was presented to the Government, Minister of Regional Economic Development, Provincial Growth Fund, Provincial Growth Unit and its staff from the Applicant Commercial Information [REDACTED]) that was used to assess the project.

Departmental OIAs						
1920-0167	Privacy of natural persons	2 Aug	2 Oct	9 Oct	Gathering Information	<p>The following information in relation to the SWEP (Road Transport Sector):</p> <ol style="list-style-type: none"> 1. Copies of any advice provided to the Minister, or similar internal documents, recommending this programme should proceed. Please include any expectations of the programme in terms of sustainable employment outcomes. 2. The date the programme was formally launched. 3. The number of participants that have taken part in the programme to date by geographical region, (Northland, Auckland, Waikato, Bay of Plenty, Hawkes Bay, Manawatu, Wellington, Nelson/Marlborough, Canterbury, West Coast, Otago and Southland) 4. The number of programme participants that have gained full time employment (30-hours or more per week) in the industry as a direct result of taking part in the programme. 5. The number of programme participants, who having gained full time employment in the industry and were still working the industry 3-months after commencing their employment. 6. The cost of the programme to date to MBIE. 7. The number of hours MBIE staff have incurred in relation to the establishment, and ongoing maintenance of the programme. (Please also advise if the dollar value of these hours is included in the overall cost of the programme to MBIE to date.) 8. Copies of any updates of the programme provided to the Minister, or extracts from any wider reports, provided that report the progress of the programme to the Minister.

1920-0237	Privacy of natural persons	20 Aug	3 Sep	10 Sep	Drafting	Please supply me with all information comprising of requests, reports, emails and other communications regarding the PGF application by Commercial Information [Redacted]
1920-0243		20 Aug	4 Sep	11 Sep	Gathering Information	Please supply the following information under the Official Information Act: All communications dated from 12 September, 2017 to 12 December, 2017, between MBIE and Ruapehu Alpine Lifts Limited (including emails, briefing papers, assessments, reports and/or recommendations) pertaining to the company's Commercial Information [Redacted] [Redacted]
1920-0227		20 Aug	4 Sep	11 Sep	Gathering Information	A number of questions relating to Ruapehu Alpine Lifts.
1920-0247		20 Aug	4 Sep	11 Sep	Gathering Information (note received for Min Jackson)	Under the Official Information Act, I request all held information including; Expression of Interests, the funding application and it's supporting documents i.e. Letters of Support, all project planning documents, and all held correspondence between MBIE and all parties related to the Secondary School Employer Partnership (SSEP) project which was funded \$449,300 through Te Ara Mahi fund announced 14 August 2019 by Hon Shane Jones.

1920-0250	Privacy of natural persons	20 Aug	4 Sep	11 Sep	Gathering Information (note received for Min Jackson)	Under the Official Information Act, I request all held information including; expression of interests (EOI), funding application and it's supporting documents i.e. letters of support, all project planning/program documents, and all held correspondence between MBIE and all parties related to following projects announced on 15 August 2019: NGEN Room (He Puna Marama Trust) \$990,000 Life Talk (Kamo Driving School) \$396,000 He Poutama Taitamariki \$2.5 million (HPT) Thank you MBIE.
1920-0269		21 Aug	9 Sep	16 Sep	Gathering Information	Under the OIA I seek copies of all emails held by the Ministry relating to the Minister for Regional Development's participation in a photo shoot on a boat, filmed by a drone. I also seek copies of all documents held by the Ministry relating to this.
1920-0374		4 Sep	20 Sep	27 Sep	Gathering Information	I have a query about a Provincial Growth Fund payment that I would like to be treated under the terms of the Official Information Act. The all programmes funding PDF says \$Commercial Information has been allocated to "Commercial Information". Does this funding refer to the loan/payment to Commercial Information, announced in July? If so, can you please explain the discrepancy between the \$Commercial Information figure and the \$Commercial million figure reported in July? If the "Commercial Information" item does not refer to Commercial Information, to what programme does it refer? And which item in the PDF covers the Commercial Information payment?

1920-0372	Privacy of natural persons	4 Sep	20 Sep	27 Sep	Gathering Informaiton	<p>We are requesting all information pertaining to the Hapu of Ngāti Hau and the Trust Board of Ngāti Hau within the last two years:</p> <ul style="list-style-type: none"> • inward and outward correspondence • inward and outward emails • any agreements • funding applications • approved funding • payments for projects • payments made to representatives of the Ngāti Hau Trust Board • memorandum of understanding or memorandum of agreement etc. • everything that has been sent and received to email addresses...
1920-0395		6 Sep	24 Sep	1 Oct	Allocation	<p>I seek a copy of all e-mails, letters and file notes from 9.45am on 13 August 2019 to 3 September 2019 that the Gisborne District Council and the Provincial Development Unit have received/compiled in relation to the TEAP Steering Committee, Te Aitanga a Mahaki, the protest outside the Gisborne District Council on 22 August 2019 and all e-mails that refer to any of those issues and/or</p> <p>Privacy of natural persons</p>

Appendix 4 – Ministerial Correspondence

Ministerial Correspondence				
Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ2522	Privacy of natural persons	24 Jun	15 Aug	Kawakawa Rail River Foreshore / Commercial Information
SJ2588		3 Jul	ON HOLD	Hawkes Bay Regional Water Security Programme PGF application
SJ2803		29 Jul	20 Aug	Singapore Trash Video
SJ2806		29 Jul	20 Aug	University of Maryland Accelerated Mass / Moananui
SJ2849		2 Aug	23 Aug	Oji Fibre Solutions signs MoU with Licella- iQ Renew to investigate new plastic recycling technology
SJ2869		9 Aug	30 Aug	Northland Biocoal Project
SJ2870		9 Aug	30 Aug	Closing of meat waste facilities in the regions
SJ2892		14 Aug	4 Sep	Flax Fiber / NZ Wool
SJ2906		21 Aug	6 Sep	Commercial Information - Withdrawn Expression of Interest
SJ2944		6 Sep	20 Sep	Conflicts of interest of government agencies
SJ2942		6 Sep	20 Sep	The Kauri Museum at Matakohe
SJ2937		6 Sep	20 Sep	Provincial Growth Fund - self-funding
SJ2932		6 Sep	20 Sep	NAX application to PGF - Letter of Support.
SJ2931		6 Sep	20 Sep	Invercargill receives \$19.5 million funding boost from Provincial Growth Fund 1 NEWS NOW TVNZ

Appendix 5 – Parliamentary Questions

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

Appendix 6 – Proactive Release

Documents for Proactive Release			
Name / Document Type	Quantity	Due for release	Status
Applications	257	Commercial Information	Various
Funding Agreements	257		Various
Independent Advisory Panel Meeting Papers	2 document sets		Collation
Regional Economic Development Ministers Meeting Papers	3 document sets		Collation
Regional Economic Development Weekly Reports	5		At Minister's Office
Skills Position Paper	1		At Minister's Office
DEV Report	1		Preparing

Documents Released This Week	
Tracking Number	Request