



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



Weekly Report to the Minister for Regional Economic Development

For the period 14 May to 18 May 2018

Date:	18 May 2018	Priority:	Medium
Security classification:	In confidence	Tracking number:	3424 17-18

Action sought		
	Action sought	Deadline
Hon Shane Jones Minister for Regional Economic Development	Discuss at the next officials meeting	N/A
Fletcher Tabuteau Parliamentary Under-Secretary to the Minister for Regional Economic Development	Discuss at the next officials meeting	N/A

Contact for telephone discussion (if required)			
Name	Position	Telephone	
Ben Dalton	Head of Regions and Project Delivery	04 901 2016	N/A
AJ Millward	General Manager Strategy and Governance	04 896 5560	N/A
Robert Pigou	Acting Head of Investment Management	04 896 5824	Privacy of natural persons

Ben Dalton

Acting Head of Provincial Development Unit

Ministry of Business, Innovation and Employment

1. REGIONAL ECONOMIC DEVELOPMENT PORTFOLIO OFFICIALS MEETING

1.1 Outstanding items from previous officials meetings

Item	Action	Who	By when	Status update
EDNZ applications	Officials to provide advice on status and progress of EDNZ applications to Under-Secretary Tabuteau	Robert Pigou	An update will be provided at the next officials meeting on 30 May	Underway

2. PROVINCIAL GROWTH FUND UPDATES

2.1 Provincial Growth Fund Weekly Update

Eliot Linforth-Hall
04 978 3060

As at 16 May 2018, 180 projects had been lodged in PipeDrive. This is an increase of 16 from last week. Of the 180 projects, 88 are Expressions of interest (Eols) and 92 are applications. Attached is an overview of the projects in the pipeline.

2.2 Dunedin Waterfront Project Feasibility Funding

Abby Cheeseman

Privacy of natural
p

On 27 April 2018 the Provincial Development Unit (PDU) received an application for feasibility funding from the Provincial Growth Fund (PGF) for the Dunedin Waterfront Project. This application from the Dunedin City Council is currently being reviewed and assessed by officials. As the amount is under \$1 million, the decision makers for this proposal will be the Senior Regional Officials Group (SROs). SROs will review this proposal on 21 May 2018.

2.3 Commercial Information - Withdrawn Application

Mark Feary

Privacy of natural
p

Commercial Information - Withdrawn Application

2.4 28th Maori Battalion - Waitangi National Trust Board

John Doorbar

Privacy of natural
p

The PDU has a current contract for \$^{Commercial Informa} for design and consents for the museum. ^{Commercial Inform}

A request for funding of \$^{Commercial Informatic} for further design work is being considered by SROs on 21 May 2018. The final business case for the museum is awaiting sign off from the Waitangi National Trust Board meeting on 15 June 2018 and a full application to the PGF for the

Museum is expected to be ready for PGF Ministers to consider on 2 July 2018.

Support from the four companies is imperative to the success of the project and consultation is being undertaken with companies of the Battalion by **Privacy of natural persons**. So far they have met with:

- 26 March – **Commercial Information** and 28th (Māori) Battalion Memorial Scholarship Fund Board
- 25 April – C Company **Commercial Information** Gisborne
- 28 April – A Company **Commercial Information - Supporting letters withheld**
- 11 May – B Company **Commercial Information**
- 26 May – D Company **Commercial Information**

They have so far received a letter of endorsement from Rawson Wright, President of the 28 Maori Battalion A Coy. **Commercial Information**

Privacy of natural persons and **Privacy of natural persons** have offered their support to the Trust for the consultation but have yet to get a response from the Trust.

2.5 Update on Southland aquaculture

Abby Cheeseman

Confidential

The Crown is currently negotiating a regional agreement for the Māori Aquaculture Settlement with Ngāi Tahu in Southland. Ngāi Tahu is keen to receive salmon space in Southland as part of their settlement and they wish to explore all options available to them before signing the agreement by February 2019.

In 2016, Ministry for Primary Industries (MPI), Ministry for Business, Innovation and Employment (MBIE), Department of Conservation and Ministry for the Environment worked with Ngāi Tahu and the Southland Regional Development Strategy Group (the Strategy Group) to identify potential sites for settlement purposes for new salmon farms in Port Pegasus (Stewart Island) and in the two southern fiords – Chalky and Preservation Inlets.

Subsequent investigations found that the proposed new areas in Stewart Island are unsuitable for salmon farming due to slow currents, adverse effects on outstanding landscapes, and proximity to an endangered sea lion colony. MPI is now investigating the last potential area in Stewart Island, near Oban, at the request of Ngāi Tahu. However, this area is exposed to large waves and farming would be challenging with current technology.

The Strategy Group and Ngāi Tahu now seek Ministerial support and funding to undertake further investigations to explore whether there is potential for salmon in Fiordland, before making final decisions on their Aquaculture Settlement.

Fiordland is currently closed to aquaculture. Officials consider that salmon farming in Fiordland would be highly challenging, given that it is a World Heritage site and National Park, and there are prohibitions in the Regional Coastal Plan and as a consequence of the New Zealand Coastal Policy Statement. Any development would face high public opposition and would require legislative change. Given these significant challenges, officials do not recommend that further investigations proceed unless Ministers are prepared to consider legislative or national policy changes.

2.6 Update on Bright Wood Corporation - Southland

Abby Cheeseman

Privacy of natural persons

In mid-April it was announced that there would be a closure of the Bright Wood Mill at Otautau, with a loss of 19 jobs. The plant has been an important contributor to the local Otautau economy.

We understand that timber processing on the site has finished and staff are dismantling and shipping equipment to the United States. The company is also putting the site up for sale.

As an established 'brown field' site it could have some attraction to a new primary sector processing company (including forestry processing).

Bright Wood Corporation is an Oregon based wood component manufacturer who has operated a mill in Southland since 1998. Their New Zealand operation was steadily built up in the early 2000s, and there was a plan for a second plant at Milton (in Otago), which would have been one of the largest operations in the lower South Island. At its peak the Southland plant employed over ^{Commercial} people.

The closure comes a decade after the operation was downsized and Bright Wood originally talked about closure. Operating at these lower production levels (in a plant designed for higher throughput) has affected productivity and competitiveness. The New Zealand operation was integrated into the wider Bright Wood operation, and the decision to close would have reflected the priorities of the broader corporation.

Bright Wood said that it would have required \$ ^{Commercial Information} to make the mill competitive. They also pointed to increased domestic and international shipping costs as factors leading to the closure.

3. PROVINCIAL DEVELOPMENT UNIT UPDATES

3.1 Senior Regional Officials meeting - 21 May

Ben Dalton
04 901 2016

On 21 May, SROs will meet to review 14 proposals for funding. Of these proposals, three are part of the Northland package of announcements on 1 June.

3.2 Northland Announcements – 1 June

Ben Dalton
04 901 2016

The PDU, with MPI and Te Puni Kōkiri, are progressing work required for the Northland announcements on 1 June. As part of this preparation the Independent Advisory Panel will consider two proposals out of cycle.

A briefing for Regional Economic Development Ministers is being prepared and will seek decisions from Ministers on proposals for funding from the PGF and the One Billion Trees Fund. The briefing will include a summary of decisions made by SROs and a complete list of announcements for the Northland event. An update on the Investment Statement and the PGF June Cabinet paper will also be provided.

4. REGIONAL ECONOMIC DEVELOPMENT INFORMATION

4.1 Strategic procurement benefitting Māori

Hinemaui Rikirangi
Privacy of natural
p

He Waka Eke Noa recently launched as New Zealand's first social procurement supply chain facilitator. Māori and Pasifika businesses can register their interest in supplying to construction contractors, initially for the City Rail Link project in Auckland. This is intended to help contractors achieve social outcomes anticipated under contracts – specifically the outcome of providing supply chain opportunities for Māori and Pasifika small and medium enterprises. Officials intend to follow this closely to see what role government can play to further develop opportunities for Māori business involvement in procurement, as social procurement is a key

lever under *He kai kei aku ringa*, the Crown-Māori economic development strategy. He Waka Eke Noa was developed by The Southern Initiative, Auckland's place-based regeneration project focussed on South Auckland.

In the same vein, *He kai kei aku ringa* is sponsoring an upcoming national conference for the public sector on social procurement, again led by The Southern Initiative, called 'Creating Shared Prosperity through Public Procurement'. The programme includes workshops on how and why to build broader outcomes into procurement, including local employment. Hon Nanaia Mahuta will be a keynote speaker.

4.2 Labour shortages in the Silviculture industry in the Hawke's Bay

Hinemaui Rikirangi

Privacy of natural
p

Officials are scoping out the full extent of the labour shortages in the silviculture industry in the Hawke's Bay, and in particular, in Wairoa. Weekly updates over the next two weeks will be provided for your information with a view of having a coordinated approach that will include government, industry and local input.

5. OTHER UPDATES

5.1 Proactive release of briefings and Official Information Act requests

Astrid Smeele

Privacy of natural
p

The PDU is taking a transparent, open government approach to its processes and decision making to promote trust and confidence in its work. With the high level of interest in the PGF, and the need to effectively manage PDU resourcing and manage Official Information Act (OIA) request volumes, we intend to start proactively releasing OIA information.

We propose to start this new approach with the wide ranging information requested by reporter *Privacy of natural persons* under the OIA (noted in the Departmental Official Information Act section of this report). You will be asked to approve each proactive release as part of the standard consultation with your office on each proposed OIA release.

This is in line with MBIE's internal policies and practices that are being established to support increased proactive release, including the online publication of appropriate OIA responses.

We also propose to start proactively releasing PDU briefings that support Ministers' decision-making in line with the provisions of the OIA and subject to your agreement. Ideally we would aim to release these papers at the same time as funding announcements are made, this is in the interests of transparency and it would also help manage OIA requests that are triggered by these announcements.

6. PAPERS DELIVERED

6.1 Papers delivered to the Minister/Under-Secretary from the PDU for the week 11 May to 17 May 2018

Tracker Number	Title	Minister/USEC	Signed out by	Date delivered
3311 17-18	Response to Hon James Shaw – potential tourism projects for the Provincial Growth Fund	Minister Jones	Richard Davies	15 May 2018
3372 17-18	Meeting with Ōpōtiki Harbour Development Stakeholders in Ōpōtiki	Minister Jones	John Doorbar	16 May 2018
3304 17-18	Information for meeting with Mark Butcher, CEO of NZ Local Government Funding Agency Ltd	Minister Jones	AJ Millward	17 May 2018
3426 17-18	Update on Northland Visit by Ministers, June 1	Minister Jones	John Doorbar	18 May 2018
3186 17-18	Meeting with Ron Mark MP and Connect Tararua	Minister Jones	Jane Tier	18 May 2018

7. UPCOMING PAPERS FROM PROVINCIAL DEVELOPMENT UNIT

Tracker Number	Title	Minister/USEC	Signed out by	Date expected
3396 17-18	Event briefing for Taupo airport meeting Wed 23 May	Minister Jones	Stephanie Weller	21 May 2018
3236 17-18	PGF advice – how do existing funds work with the PGF	Minister Jones	AJ Millward	22 May 2018
3006 17-18	How tourism funding interacts with the PGF	Minister Jones	Richard Davies	22 May 2018
2473 17-18	Māori Innovation Fund: briefing on governance arrangements and priorities for 2018/19	Minister Jones	Hinemaua Rikirangi	23 May 2018
3359 17-18	Information for visit to Nelson/Christchurch/Invercargill: 28 May – 1 June	USEC	Stephanie Weller	23 May 2018
3285 17-18	Meeting with <small>Privacy of natural persons</small> CEO The Icehouse, 31 May 11am in Parnell	USEC	Robert Pigou	24 May 2018
TBC	Announcements in the pipeline that originated from Action Plans	USEC	John Doorbar	24 May 2018
3303 17-18	Estimates 2018	Minister Jones	AJ Millward	25 May 2018
TBC	Report on labour shortage in Silviculture industry	Minister Jones	Hinemaua Rikirangi	25 May 2018
3360 17-18	Information for visit to the Bay of Plenty: 5-9 June	USEC	Stephanie Weller	28 May 2018
TBC	Kerikeri Airport blessing and sod turning	Minister Jones	Stephanie Weller	28 May 2018
3286 17-18	RED Ministers briefing	Minister Jones	AJ Millward	30 May 2018

Tracker Number	Title	Minister/USEC	Signed out by	Date expected
2823 17-18	Ongoing resourcing for the PDU and other agencies to administer the PGF	Minister Jones	Nigel Bickle	30 May 2018
2824 17-18	Draft Investment Statement	Minister Jones	Nigel Bickle	30 May 2018
3380 17-18	Event briefing for the Northland announcements on 1 June	Minister Jones	John Doorbar	30 May 2018
TBC	Toowoomba and Surat Basin Enterprise conference opening in Auckland on 12 June	USEC	Stephanie Weller	31 May 2018
TBC	Kōkiri Māori accelerator in Auckland on 15 Jun	USEC	Hinemaua Rikirangi	31 May 2018
TBC	Event briefing for meeting with Tourism Export Council NZ on 14 June 2018	USEC	Richard Davies	7 June 2018
3361 17-18	Information for visit to Masterton/Palmerston North: 22-23 June	USEC	Stephanie Weller	8 June 2018
TBC	Cabinet paper seeking further decisions on the PGF	Minister Jones	Nigel Bickle	14 June 2018
3362 17-18	Information for visit to Northland 29 June	USEC	Stephanie Weller	21 June 2018

8. UPCOMING EVENTS AND MEETINGS

Date	Details	Minister/USEC	Briefing
21 May 2018	NZ Local Government Funding Agency Ltd, Mark Butcher CEO	Minister Jones	Briefing has been provided
23 May 2018	Taupo airport meeting	Minister Jones	Briefing due 21 May
24 May 2018	Meeting with <small>Privacy of natural persons</small>	Minister Jones	N/A
24 May 2018	Water storage meeting	Minister Jones	Official to attend
24 May 2018	Ministers Hipkins, Martin, Mark, Shaw, Jan Logie and Marama Davidson re state sector reform	Minister Jones	N/A
24 May 2018	Hon Ron Mark, Mayor Tracey Collis and Mel Poulson re Connect Tararua Project	Minister Jones	Briefing has been provided
28 May 2018	MBIE officials – Estimates hearing preparation	Minister Jones	Briefing due 25 May
28 May 2018	Regional Economic Development Ministers Meeting	Minister Jones	Briefing due 24 May
28 May – 1 Jun 2018	Visiting Nelson/ Christchurch/ Invercargill	USEC	Briefing due 23 May
30 May 2018	Kerikeri Airport blessing and sod turning	Minister Jones	Briefing due 28 May
31 May 2018	Meeting with <small>Privacy of natural persons</small> , CEO The Icehouse in Parnell	Minister Jones	Briefing due 24 May
1 Jun 2018	Northland announcements	Minister Jones	Briefing due 30 May
5-9 Jun 2018	Visiting the Bay of Plenty	USEC	Briefing due 28 May
12 Jun 2018	Toowoomba and Surat Basin Enterprise Conference opening in Auckland	USEC	Briefing due 31 May
14 Jun 2018	Meeting with Tourism Export Council NZ	USEC	Briefing due 7 June
15 Jun 2018	Kōkiri Māori accelerator in Auckland	Minister Jones/USEC	Briefing due 31 May
15 Jun 2018	Site visit to MBIE Auckland offices	USEC	N/A
18 Jun 2018	Independent Advisory Panel meeting	For information	N/A
22 Jun 2018	Launch of Pakihi	Minister Jones/USEC	Briefing to be provided
22 Jun 2018	Visiting Masterton/Palmerston North	USEC	Briefing due 8 June
29 Jun 2018	Visiting Northland	USEC	Briefing due 21 June
30 Jun 2018	Launch of the Wairarapa Economic Strategy	Minister Jones/USEC	Briefing to be provided
TBC Jun 2018	Hawkes Bay Matariki Event	Minister Jones/USEC	Briefing to be provided
3 Aug 2018	Bay of Connections Forum	Minister Jones/USEC	Briefing to be provided
21 Aug 2018	Eastern Bay of Plenty Meeting	Minister Jones	TBC
30 & 31 Aug 2018	Waikato Economic Summit	Minister Jones/USEC	Briefing to be provided

9. MEDIA AND COMMUNICATIONS SCHEDULE – RED and ED

Date	Details	Communications material
1 June	Multiple Northland-related investment announcements	Minister Jones' office will be provided with communications material
Early June TBC	Ruapehu Alpine Lifts	Minister Jones' office will be provided with a draft media release
22 June TBC	Hawke's Bay Matariki event and investment announcements	Minister Jones' office will be provided with communications material
July TBC	Provincial Growth Fund Investment Statement	Minister Jones' office will be provided with communications material
TBC	Bay of Plenty event and announcement on Visitor Economic Strategies	Minister Jones' office will be supplied with press release and supporting communications material

10. MINISTERIAL SERVICING

10.1 Departmental Official Information Act requests

Tracking number	Requestor	Summary of request	Date due to Minister's Office	Date due to requestor
1718-1391	Privacy of natural pe [Redacted]	All documentation prepared for Ministers, the Cabinet, or the Independent Advisory Panel in relation to all approved projects under the Provincial Growth Fund. All internal MBIE emails in relation to the approval of the 'waste-to-energy plant' in the Buller District and the 'Manea Footprints of Kupe Cultural Heritage and Education Centre' in Hokianga projects since the Provincial Growth Fund was announced by the Government	8 May 2018	15 May 2018
1718-1380	Privacy of natural pe [Redacted]	Any emails or other correspondence with the Serious Fraud Office relating to or referencing an investigation or inquiry into [Redacted] Privacy of natural persons	15 May 2018	22 May 2018
1718-1071	Privacy of natural persons [Redacted]	All information regarding the Renew Energy waste management project in Buller	16 May 2018	23 May 2018
1718-1349	Privacy of natural persons [Redacted]	Any advice given to the govt or any Minister assessing the risk and or benefits of the Provincial Growth Fund including but not limited to memos, letters, reports or briefing papers. Any advice regarding the process for approving funding for projects. A list of all projects considered for funding in the rounds already made public. Any and all advice regarding all projects considered so far for funding for the Provincial Growth Fund. Any discussion or advice on how the success of the specific projects could be measured or how success of the Provincial Growth Fund could be measured	17 May 2018	26 Apr 2018

10.2 Ministerial Official Information Act Requests

Tracking number	Requestor	Summary of request	Date due to Minister's Office	Date due to requestor
SJOIA69	Privacy of natural persons	Event briefing – Launch of the Taranaki Regional Economic Development Action Plan – Tapuae Roa Make Way For Taranaki” dated 3 April 2018	18 May 2018	25 May 2018
SJOIA70	Privacy of natural persons	A list of all briefings, reports, aide memoirs, weekly bullets/reports, and memos received by the Minister in his capacity as Forestry, Infrastructure & Regional Development Minister between 1 April 2018 and 30 April 2018	22 May 2018	29 May 2018
SJOIA58	Privacy of natural persons	Minutes recorded and any notes taken during the Ministers meetings with MBIE head of Regional Economic Development on March 13, Meeting with PGF Independent Advisory Panel 13 March and Meeting with Ngai Tahu Representatives	24 May 2018	31 May 2018
SJOIA59	Privacy of natural persons	Minutes recorded and any notes taken during the Ministers meetings with Ministers Robertson and Parker and Advisors on March 20, Meeting with Minister Robertson, Parker and Twyford on 21 March, and Meeting with MBIE Weekly officials meeting 22 March with Minister Robertson, Treasury and MBIE officials	24 May 2018	31 May 2018
SJOIA61	Privacy of natural persons	BNZ/NAB Board and Client Dinner - 6 March 2018, Meeting with Mayor and CE of Kaikoura District Council, 6 March, Taranaki Economic Actions Plan – Proposals for consideration, New Zealand Initiative Retreat 8 March, Event Briefing - LGNZ meeting 8 and 9 March, Regional Economic Development Weekly Report week Ending 9 March 2018	24 May 2018	31 May 2018
SJOIA62	Privacy of natural persons	Regional Economic Development Weekly Report week Ending 16 March 2018, Agenda RED Officials Meeting 21 March 2018, External Permanent and Long-Term Migration - February 2018, Treasury Report: Treasury Publications, RED Estimates Briefing, Regional Economic Development Weekly Report week Ending 23 March 2018	24 May 2018	31 May 2018
SJOIA63	Privacy of natural persons	Briefing to support the Minister in Economic Development Workstream Meeting, Briefing to support the Minister in Infrastructure Workstream Meeting, NZTE Provincial Growth Fund Meeting, Agenda - Weekly MBIE Officials Meeting, National Survey of Employers (NSE) 2016/17, Event Briefing: Employers and Manufacturing Association, Leasehold Products to Assist Households in Home Ownership	24 May 2018	31 May 2018
SJOIA60	Privacy of natural persons	Minutes recorded and any notes taken during the Ministers meetings with Minister Faafoi, Rino Tirikatene MP, Kaikoura Mayor Winston Gray, KDC Chief Executive Angela Oosthuizen and Hurunui Mayor Winton Dalley on 6 March	24 May 2018	31 May 2018

Tracking number	Requestor	Summary of request	Date due to Minister's Office	Date due to requestor
SJOIA71	<small>Commercial Information</small> [Redacted]	Costs relating to the Independent Advisory Panel, including travel/accommodation, remuneration, anticipated number of meetings and length of time of the panel	29 May 2018	5 Jun 2018
SJOIA64	<small>Privacy of natural pe</small> [Redacted]	Recommendation for funding from the Regional Growth Initiative Fund and Provincial Growth Fund dated 9 February 2018	31 May 2018	7 Jun 2018