



COVERSHEET

Minister	Hon Stuart Nash	Portfolio	Economic and Regional Development
Title of Cabinet paper	Queenstown Economic Transformation and Resilience Fund: extension of instruments to enable most effective change	Date to be published	27 September 2021

List of documents that have been proactively released

Date	Title	Author
August 2021	Queenstown Economic Transformation and Resilience Fund: extension of instruments to enable most effective change	Office of the Minister of Economic and Regional Development
11 August 2021	DEV-21-Min-0169	Cabinet Office

Information redacted

YES / NO [select one]

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Some information has been withheld for the reason of Commercial information.



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Queenstown Economic Transformation and Resilience Fund: Extension of Instruments

Portfolio **Economic and Regional Development**

On 11 August 2021, the Cabinet Economic Development Committee (DEV):

1 **noted** that on 7 April 2021, DEV:

- 1.1 approved a package of support for those communities that are most reliant on international tourism, including an allocation of \$20 million over three years for a Queenstown Economic Transformation and Resilience Fund (the Fund);
- 1.2 approved \$0.4 million annually over five years, for a total of \$2 million, from the \$20 million allocated to the Fund, thus leaving \$18 million for investment in commercial projects;
- 1.3 agreed that the purpose of the Fund be to underwrite projects that will develop alternative industries within the Queenstown-Lakes District and surrounding areas;
- 1.4 agreed that decisions on investments from the Fund be subject to approval by the Minister of Finance, the Minister for Economic and Regional Development, the Minister of Research, Science and Innovation, and the Minister for Trade and Export Growth;

[DEV-21-MIN-0067]

- 2 **noted** that following consultation, officials have heard that options other than underwriting are needed to support projects that would advance Queenstown's diversification;
- 3 **noted** that to introduce loans and/or equity options to the Fund requires a Cabinet decision, as otherwise using these options would be considered as unauthorised spending by Treasury;
- 4 **agreed** to implement the Fund with the additional options of using loans and/or equity instruments to support viable commercial projects, while retaining the previously agreed technical underwrite option;

5 **agreed** that officials use the following criteria to guide eliciting expressions of interest in the Fund and to make investment decisions:

The projects should:

- 5.1 be commercial in nature;
- 5.2 be self-sustaining over time by private sector and/or local government;
- 5.3 enable Māori to realise aspirations in the economic transformation;
- 5.4 be implementable within the Fund budget timeframes, as noted in Table B of the paper under DEV-21-SUB-0169;
- 5.5 not be targeted to tourism sector/firms;
- 5.6 create additional value and avoid duplicating existing efforts;
- 5.7 align with the objectives of the government's Industry Transformation Plans, including underpinning more environmentally sustainable practices and more equitable outcomes for those living and working in the community;
- 5.8 be commercially viable with returns to catalyse new and higher wage jobs in the district and surrounding areas;
- 5.9 be derived from and/or be supported by local actors and institutions;

6 **noted** the timeframe to implement the Fund, as listed in Table C of the paper under DEV-21-SUB-0169 and subject to investment decisions made over the life of the Fund.

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Kris Faafoi
Hon Willie Jackson
Hon Michael Wood
Hon Kiri Allan
Hon Dr David Clark
Hon Meka Whaitiri
Hon Phil Twyford
Rino Tirikatene MP
Dr Deborah Russell MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV