



15 November 2018

Ref: DOIA 1819-0488

s 9(2)(a)



Dear s 9(2)(a)

Thank you for your email of 26 September 2018 to the Ministry of Business, Innovation and Employment requesting, under the Official Information Act 1982 (the Act), the following information:

Under section 12 of the Official Information Act 1982 ("the Act") I request a copy of all material the Independent Advisory Panel of the Provincial Growth Fund has produced, including all meeting meetings, agendas, advice and notes prepared from the establishment of the IAP to the date this request is received.

Please find attached the documents which fall within the scope of the request. Some information in the documents has been withheld under the following sections of the Act:

- 9(2)(f)(iv) maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
- 9(2)(b)(ii) as the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

I have not identified a public interest sufficient to override my reasons for withholding parts of the released documents.

You have the right to seek an investigation and review by the Ombudsman of our response to your request. Information about how to make a complaint is available at: www.ombudsman.parliament.nz or freephone: 0800 802 602.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Jacobs', written in a cursive style.

Mark Jacobs
Manager, Regional Investment
Provincial Development Unit

Subject	Minutes of the Independent Advisory Panel meeting held at Development West Coast Boardrooms, Greymouth on 15 August 2018, 9.30am – 4.00pm
Panel members:	Mr Rodger Finlay (Chairperson), Ms Sarah Brown, Mr Neville Harris, Ms Rosie Mercer, Mr John Rae, Dr Charlotte Severne, Mr John Sproat & Dr David Wilson
In attendance:	Mr Nigel Bickle (Head of the Provincial Development Unit), Mr Robert Pigou (Acting Head of Investments), & Ms Kate Kuska (Secretariat), Mr Al Morrison (SRO for the West Coast)
Attendees:	Mr Eliot Linforth-Hall, Mr Nick Hough, Mr Al Morrison, Mr Alex Matheson & Mr Jerome Wyeth (Consultant) Ms Jane Frances (Strategic Advisor to Hon Shane Jones)
Apologies:	

1. Meeting Administration

Reference # 15/08/2018/01

Commentary: (a) The IAP meeting took place in Greymouth at the Development West Coast offices.
(b) Committee only time focused on the current structure and operations of the Fund and the panel indicated that it would relay this feedback to Nigel Bickle in due course, prior to briefing the Minister.

2. Chairperson / Ministerial / Head of PDU insights

Reference # 15/08/2018/02

Commentary: (a) Rodger Finlay provided a brief verbal update (to support a more fulsome email update earlier) from the RED Ministers meeting held 13 August, 2018.

s 9(2)(b)(ii)

§ 9(2)(b)(ii)

§ 9(2)(f)(iv)

§ 9(2)(b)(ii)

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s 9(2)(f)(iv)

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3.7 Rotorua Lakefront Development

Reference #	15/08/2018/09
Commentary:	<p>(a) The Panel supports the application for a grant of \$19.9m towards the Rotorua Lakefront Development project.</p> <p>(b) The Rotorua Lakefront Development application has been developed off the back of a PGF funded feasibility study, which strongly suggests that the commercial opportunities from this investment are credible.</p> <ul style="list-style-type: none">i. The Panel recommends that the PDU investigate options to generate further revenue from the investment once this public infrastructure is in place.ii. The application demonstrates a joined-up approach and clearly highlights the community benefits

- expected from this investment, as well as the strong alignment to the PGF criteria.
- iii. The Panel acknowledge there is a real opportunity for Maori development in this area, and is pleased to see the high level of Maori engagement that the application demonstrates.

3.8 Rotorua Whakarewarewa Forest Park

Reference # 15/08/2018/10

- Commentary:
- (a) The panel supports the application for a loan of \$7.5m toward the Rotorua Whakarewarewa Forest Park. Whilst the application requests funding by way of grant, the IAP recommends that a loan structure on favourable terms to the applicant is put in place by the PDU.
 - (b) The application emphasises that this project will stimulate further investment in economic activity which the IAP accepts. It also demonstrates a joined-up approach from Rotorua Lakes Council and importantly shows that stakeholder management is prioritised.
 - (c) The application is also presented as a key priority for the Bay of Plenty (a surge region), and is strongly aligned to the PGF criteria, in particular delivering benefits to the community and providing additionality into the tourism sector for Rotorua.

s 9(2)(f)(iv)

s 9(2)(f)(iv)

§ 9(2)(f)(iv)

§ 9(2)(b)(ii)

§ 9(2)(f)(iv)

§ 9(2)(b)(ii)

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§ 9(2)(b)(ii)

4 Papers for discussion

Reference # 15/08/2018/17

Commentary:

PGF Funding Update as of August 2018

- (a) Jane Frances spoke to the balance of the fund (supported by document *PGF Funding Update August 2018*).
- (b) The paper outlines funds committed to date, as well as funding available into 2019.
- (c) The Panel agrees it is important to view the overall PGF commitment overlaid with regional indicators as this assists with recognising gaps and targeting investment to the regions.
- (d) The Panel shows a clear preference not to fund Crown businesses through the PGF.

§ 9(2)(f)(iv)

§ 9(2)(f)(iv)

East Coast / Tairawhiti Road Network

- (a) Report on the proposed Tairawhiti Roading Package was presented. The package outlines a physical works programme including funding for repairs, resource support and delivery of a 5 year pipeline for implementation and construction.
- (b) The numbers presented are subject to finalisation of the NZTA roading plan.
- (c) The Panel is mindful that the total allocation of the PGF could easily be crowded out by major infrastructure spend, and request regional spend dashboards to be made available on a regular basis showing PGF allocation by region.

PGF Investment in Rail

- (a) The Panel discussed the RED Ministers Aide Memoir on *PGF Investment in Rail* which outlines the way in which the PGF will invest in Kiwirail projects. Three potential packages are identified for

discussion.

- (b) The Panel request to be kept informed in detail of the allocation of funds toward the rail sector while acknowledging the IAP is not required to provide advice on rail decisions.
- (c) It is a clear preference of the Panel that the fund not be used to carry additional or unanticipated costs of projects originally funded through the PGF.

The meeting closed at 4.30pm.

Mr Rodger Finlay
Chairperson

Date

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Subject	Minutes of the Independent Advisory Panel meeting held at MBIE on Monday 16 July 2018, 12.30pm – 4.30pm
Panel members:	Mr Rodger Finlay (Chairperson), Mr Neville Harris, Ms Rosie Mercer, Mr John Rae, Dr Charlotte Severne, Mr John Sproat & Dr David Wilson
In attendance:	Mr Nigel Bickle (Acting Head of Regional Development Unit), Ms Jane Frances (Strategic Advisor to Hon Shane Jones), Mr Robert Pigou (Acting Head of Investments), & Ms Kate Kuska (Secretariat)
Attendees:	Mr Eliot Linforth-Hall, Mr Nick Hough, Mr Paul Swallow, Mr Alex Matheson & Mr Jerome Wyeth (Consultant)
Apologies:	Ms Sarah Brown

1. Meeting Administration

Reference # 16/07/2018/01

Commentary: (a) The Chair noted the apology of Sarah Brown

2. Chairperson / Ministerial / Head of PDU insights

Reference # 16/07/2018/02

Commentary: (a) Head of PDU Nigel Bickle provided a verbal report back from the RED Ministers meeting held 2 July 2018. Regarding proposals previously considered by the IAP, of note was;

- (i) Confirmation that Te Hiku Sports Hub is an election manifesto commitment
- (ii) s 9(2)(b)(ii) [REDACTED]
- (iii) LINZ Better elevation data project – LINZ to continue to work with the unit to progress application, Ministers suggestion was to garner greater levels of financial support from third parties
- (iv) An update was provided on the 28th Maori Battalion project which will progress via alternative funding methods

(b) Nigel Bickle provided an update on the reach of the PGF in metropolitan areas. Wellington excludes the Kapiti Coast and the Wairarapa. Christchurch includes the Banks Peninsula. Helensville and Wellsford are part of Auckland and excluded for geographic coverage of the fund.

(c) Ministers provided insight that the IAP model has been working well to date, and the advice so far has been well received.

3.1 Gisborne Airport Terminal

Reference # 16/07/2018/03

Commentary:

- (a) The panel note the application to the PGF from Eastland Group for the redevelopment of the Gisborne Airport Terminal is a priority project for the region.
- (b) Agreement amongst panel members that the possibility of the District Council owning the asset (the Terminal) should be considered. It could be operated as a commercial entity with a long term lease and management agreement highlighted in the terms of the lease.
- (c) Noted that MOT is progressing work on air connectivity in regional New Zealand and the panel are of the view that funding decisions should be held until that work is completed (paper due August).

In order to support the project, the IAP would like to see evidence of:

- i. Concept and design drawings to support the application.
- ii. Potential additionality for freight connections off the back of the redevelopment; as a significant component of activity undertaken, what are the freight logistics and capacity into the future?
- iii. Funding option preferred would be in the form of a subordinated loan.
- iv. The employment generated by the Gisborne Airport redevelopment appears to be mostly in the start-up and construction phase of the Terminal redevelopment project; the IAP would like to see more evidence of permanent and sustainable jobs.

3.2 Mt Titirangi – Puhi Kai Iti Connection

Reference # 16/07/2018/04

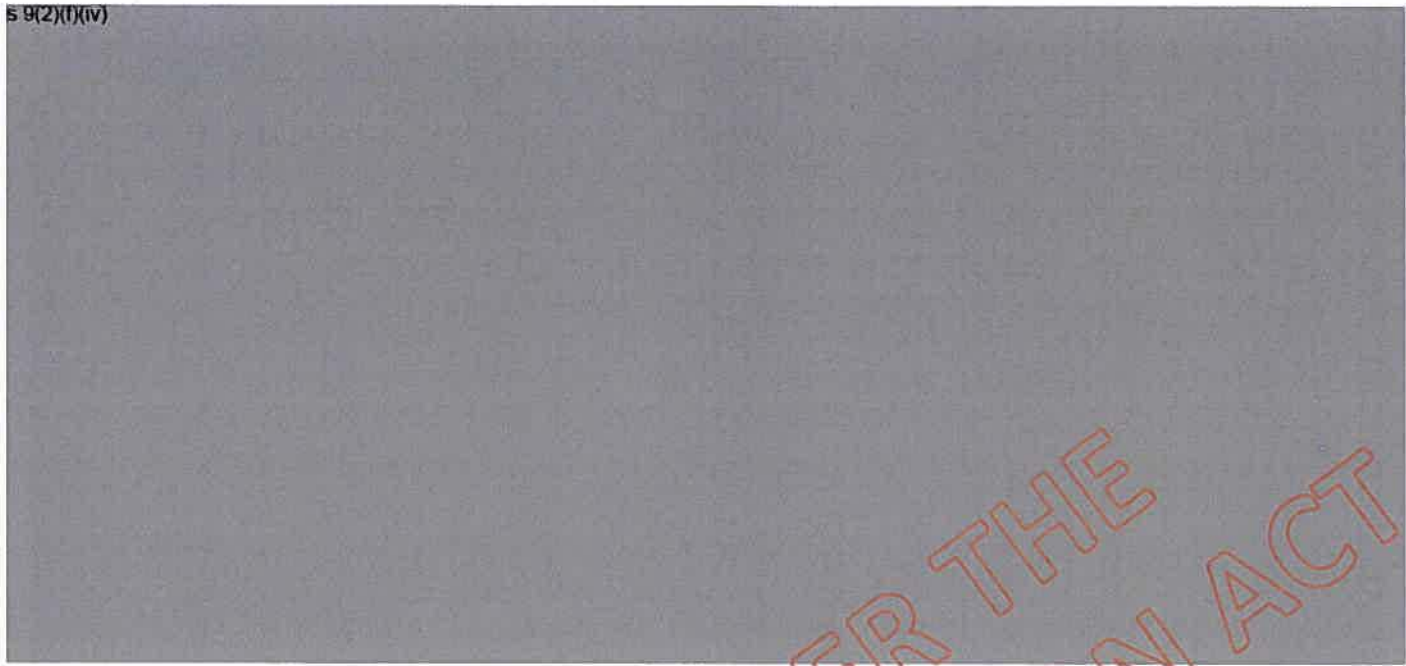
Commentary:

- (a) The panel note this is the second application to the PGF for the wider Mt Titirangi development programme; it follows the Cook's Landing restoration project presented to the IAP at its 18 June 2018 meeting.
- (b) The IAP note the projected benefits made by the PDU are based on assumed tourism spend, and uplift in employment numbers would be based on increased tourism.
- (c) The panel agree that there must be more evidence demonstrated of a 'bookable product' connected to the Mt Titirangi – Puhi Kai Iti Connection project. This would support the potential to generate long term revenue.
- (d) Panellists note the size of spend relative to other similar projects is high.

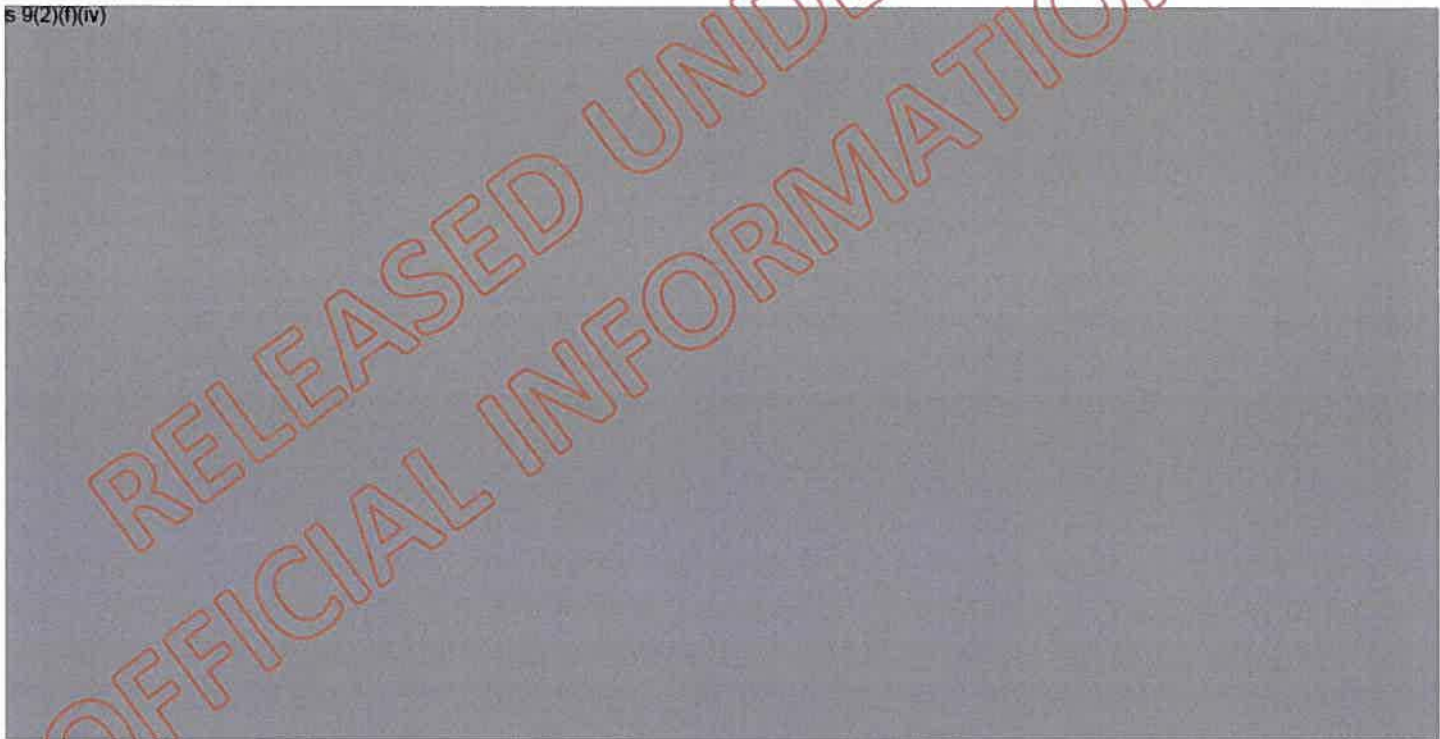
The panel would support the request for funding conditional on the following:

- i. Further work to be done with applicants to progress a 'bookable product' which would support long term sustainable revenue.

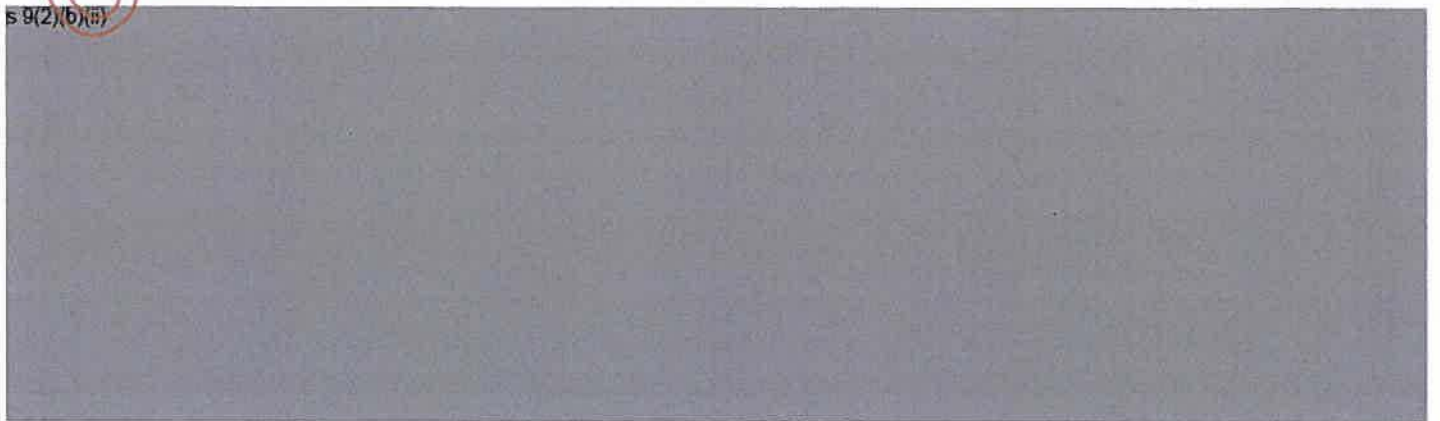
§ 9(2)(f)(iv)



§ 9(2)(f)(iv)



§ 9(2)(b)(ii)



§ 9(2)(b)(ii)

§ 9(2)(f)(iv)

4 Papers for discussion

Reference # 16/07/2018/09

Commentary: *PGF Sector Investment Approach*

- (a) Paper presented showing strawman outline of potential PGF allocation (illustrative only)
- (b) Jane Frances spoke to the paper and highlighted some key points; (1) a large portion of the fund is already committed in principle, which implies we should be looking for more co-investment, (2) it will be useful to develop strategies around the larger sectoral spends (rail/infrastructure/air connectivity), (3) the aim is to have Ministers comfortable with the sectoral approach, and then narrow it to focus on the regional split which will allow informed decisions
- (c) Key focus areas for the surge regions are; Engineering, ICT, Robotics & Data Processing, Construction, Wood processing, Horticulture processing, Agriculture processing, Fishing, Aquaculture and Energy

§ 9(2)(f)(iv)

§ 9(2)(f)(iv)

s 9(2)(f)(iv)

West Coast report

- (a) Report presented by Alex Matheson, Neville Harris and Mike Shaffrey highlighting initiatives from the region to form part of the wider West Coast Action Plan
- (b) It is acknowledged that the region requires strong stewardship to deliver on its Action Plan and to coordinate substantive regional packages out of the PGF.

The meeting closed at 4.30pm.

Mr Rodger Finlay
Chairperson

Date

RELEASED UNDER THE
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Subject	Minutes of the Independent Advisory Panel meeting held at MBIE on Monday 18 June 2018, 10am – 4.30pm
Panel members:	Mr Rodger Finlay (Chairperson), Ms Sarah Brown, Mr Neville Harris, Ms Rosie Mercer, Mr John Rae, Dr Charlotte Severne, Mr John Sproat & Dr David Wilson
In attendance:	Mr Nigel Bickle (Acting Head of Regional Development Unit), Ms Jane Frances (Strategic Advisor to Hon Shane Jones), Mr Alex Matheson (Political Advisor to Hon Shane Jones), Mr Robert Pigou (Acting Head of Investments), & Ms Kate Kuska (Secretariat)
Attendees:	Ms Abby Cheeseman, Mr Eliot Linforth-Hall, Mr David van der Zouwe, Mr Mark Feary, Mr Ward Tuite, Ms Gillian Dudgeon, Mr Nick Hough, Mr Paul Swallow & Mr Jerome Wyeth (Consultant)
Apologies:	

1. Panel only time

Reference # 18/06/2018/01

Commentary: Panel only time discussion focused on three key areas.

- (a) Discussion with Ministers
- (b) Reflected on the outcomes of Strategy Day (held 13 June)
- (c) Examined the next 6-8 weeks

2. Meeting Administration

Reference # 18/06/2018/02

Commentary:

- (a) Noted that Charlotte Severne would attend the second part of the meeting, discussion around proposals for review
- (b) Register of Interests reviewed by the panel, no additions were declared
- (c) The minutes of the IAP meeting held on 8 May 2018 were confirmed as an accurate record of the meeting, noting minor changes to be updated by the Secretariat.
- (d) It is the wish of the panel to move to a monthly meeting schedule, as opposed to bi-monthly which is the current structure. Secretariat to organise monthly dates in diaries and select venues where possible that align to Ministerial announcements, preference is for a PDU team member to lead these regional engagements.
- (e) Feedback from Strategy Day was discussed during panel only time and a communique to the Minister for Regional Economic Development has been drafted.

3. Chairperson / Ministerial / Head of PDU insights

Reference # 18/06/2018/03

Commentary: (a) The Head of PDU Nigel Bickle provided a verbal update which supported the written update submitted to the panel. Mr Bickle advised there has been a steady progression with proposals to the PGF. The Unit has progressed work on the Investment Statement to create a more external facing “glossy” version of the guide to investment. Work continues on identifying regional packages that can be brought forward to the PGF for investment and a key focus currently is planning looking toward the next 12 months and planning for success.

Deliberations of Strategic Partnerships

- (a) Discussion around strategic partnerships with other agencies; Mr Bickle outlined his intention to advocate for a joint approach to work with other agencies to bring forward significant proposals to the PGF. Strategic conversations about what could be achieved in the rail sector have already commenced. The panel agreed and noted that it would be beneficial to have senior representatives from the sectors to attend IAP meetings in the future to share regional and national priorities; this could include sharing of case studies and other key information supporting regional initiatives.
- (b) To support pipeline discussions around different sectors, it was proposed to provide the panel a current pipeline view of initiatives across sectors (i.e. road, rail, airports & wharves). This information will be important to ‘front foot’ proposals and provide key support in initiating applications. It was also noted that a comprehensive rail review will be released in December to inform Ministers.
- (c) The expectation is that over time, proposals that come to the IP for consideration will be more strategically focused. This aligns to the panel’s view that regional priorities should also align with an overarching NZ Inc. direction.

3.3 The panel’s role in origination

Reference # 18/06/2018/04

- Commentary:** (a) It is agreed that the panel’s role in origination is facilitative. This includes leveraging existing relationships to facilitate and support initiatives and give direction to potential applicants. All applications regardless of origination will be subject to the due diligence of the PDU and to the full application criteria.
- (b) Mr. Robert Pigou suggested that by August, the Investments team intend to have more capability around originating applications, giving further focus to generating significant commercial applications.

4. Standing Items

Reference # 18/06/2018/05

- Commentary:** (a) A list of proposals given to the SRO’s for approval/decline was presented to the panel.
- i. Agreed the panel wish to continue viewing proposals at the SRO level and can request further information at any given time.
 - ii. Further information on s 9(2)(b)(ii) proposal to be sent to panel
- (b) List of investments approved and announced by Ministers refer to funds which are allocated, formally committed or agreed in principle.

4.3. Risk awareness

Reference #	18/06/2018/06
Commentary:	The Risk Register will remain active and managed between the Secretariat and the Panel, and reviewed at each IAP meeting i. Addition to the risk register around the Panel's reputational risk

s 9(2)(f)(iv)

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5.2 Cook's Landing Restoration

Reference #	18/06/2018/08
Commentary:	The panel unanimously agrees to support the Cook's Landing Restoration proposal for funding. Key summary as follows;

	<ul style="list-style-type: none"> (a) The Cook's Landing Restoration project aligns well to the overarching Tairawhiti Navigations Programme and fits the PGF criteria well in terms of additionality and alignment to regional priorities. (b) Notwithstanding the support of the panel, there are further suggestions for success observed by the panel <ul style="list-style-type: none"> i. The application must consider how to 'scale out'; that is, provide a bookable product even after a one off event tied to the application has taken place ii. Infrastructure and amenities in the area must be available to support increased visitor numbers as well as connectivity between this visitor attraction site and other tourist sites
Decision	Panel agree to support the Cook's Landing Restoration proposal and will outline key suggestions in full letter to Minister.
Action	Ministerial advice to be prepared for the panel's review and agreement prior to the RED ministerial meeting on 2 July 2018.

5.3 Te Hiku Sports Hub Complex

Reference #	18/06/2018/09
Commentary:	(a) The panel notes the application for the PGF to fund the Te Hiku Sports Hub has been agreed as part of a manifesto commitment and does not require formal advice from the panel to the Minister.

s 9(2)(b)(II)

s 9(2)(b)(II)

§ 9(2)(b)(ii)

§ 9(2)(f)(iv)

§ 9(2)(b)(ii)

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5.8 Better elevation data infrastructure - LINZ

Reference # 18/06/2018/14

Commentary: The panel discussed the application from LINZ which seeks funding for the coordinated capture of provincial elevation data in 3D.

The panel unanimously agree that this is a worthy proposal for funding to enable more accurate sub-metred data to be made available across the country, enabling regions to make decisions using better quality data

- (a) The panel strongly advocate for the 5 year funding option as presented in the briefing notes
- (b) It is recorded that there are differing views within the panel about whether the project as it stands meets criteria to access the fund. In addition, the IAP question the role of the PGF to fund Government projects that were not allocated funding in the current budget.
- (c) The panel strongly recommend that alternative funding is sourced, for example, it could be supported by Ministry for Primary Industries forestry funding given that improved forestry management would be a key benefit of the project.

5.9 Rotorua Big Moves and Feasibility Assessment for Dunedin Waterfront Project

Reference # 18/06/2018/15

Commentary: The panel discussed the applications of Rotorua Big Moves and the Feasibility Assessment for Dunedin waterfront project, noting the previous decisions that were made by the SRO's.

- (a) In light of new information, the panel believe that the Dunedin Waterfront project is worthy of funding support from the PGF to fund the feasibility assessment and development of business case supporting the vision of Dunedin's waterfront
- (b) The panel note the reasons for decline by the SRO's, however believe that on balance the Dunedin Waterfront presents a well thought out application and is a worthy case to access funds from the PGF

Decisions Recommend that the Dunedin Waterfront feasibility assessment be funded by the PGF

Actions The IAP's position on the funding application for the Feasibility Assessment for Dunedin Waterfront Project will be made available for consideration to the SRO's.

The meeting closed at 4.30pm.

Mr Rodger Finlay
Chairperson

Date

Subject	Minutes of the Independent Advisory Panel meeting held at MBIE on Tuesday 8 May 2018, 10am – 4.30pm
Panel members:	Mr Rodger Finlay (Chairperson), Ms Sarah Brown, Mr Neville Harris, Ms Rosie Mercer, Mr John Rae, Dr Charlotte Severne, Mr John Sproat & Dr David Wilson
In attendance:	Mr Ben Dalton (Acting Head of Regional Development Unit), Mr John Doorbar (Director, Regional Development Unit), Ms Jane Frances (Strategic Advisor to Hon Shane Jones), Mr Alex Matheson (Political Advisor to Hon Shane Jones), Mr Robert Pigou (Acting Head of Investments), Ms Alta Kilsby (Secretariat) & Ms Kate Kuska (Secretariat)
Attendees:	Ms AJ Millward, Mr Stuart Taylor, Mr David van der Zouwe, Mr David Smol
Apologies:	

1. Panel only time

Reference # 8/05/2018/01

Discussion Panel only time discussion focused on three key areas:

- (a) The panel's role in providing independent advice.
- (b) Structural initiatives.
- (c) Influence on advice provided by the Panel from other government departments, notably Treasury.

2. Meeting Administration

Reference # 08/05/2018/02

Commentary:

- (a) Register of Interests reviewed by the panel, no additions were declared.
- (b) The minutes of the IAP meeting held on 10 April 2018 were confirmed as a true and accurate record of the meeting.
- (c) The panel awaits the formal Letter of Expectation from the Minister as well as the Investment Statement as key inputs to guide future advice on proposals.

3. Chairperson / Ministerial / Head of PDU insights

Reference # 08/05/2018/03

Commentary:

- (a) The Acting Head of PDU provided a verbal update which supported the written update submitted to the panel. Mr Dalton emphasised the preference to build the capability of the Unit by leveraging existing resources rather than building a new team. The desired end state for the Unit is to garner support from other agencies, particularly at the Regional Engagements level. Mr Dalton added that a

	<p>key focus will be to drive communication and workflow between the Unit and the field teams.</p> <p>(b) An update on resourcing was provided with Mr Robert Pigou informing the panel that a number of key resources have joined the PDU to support, where necessary, the investment component of advice. Ms Millward GM Strategy & Governance advised that the PDU at full complement, will look to utilise around 70-80 team members.</p>
Actions:	Calendar of engagements to be developed out of the PDU to guide and support the IAP members' travel.

3.1 Update on Investment Statement

Reference #	08/05/2018/04
Commentary:	<p>(a) Mr David Smol provided the panel with a verbal update on the progress of the Investment Statement. The intention is to have the Statement in draft form made available to relevant Ministers by the end of May 2018.</p> <p>(b) The panel agrees that grants are the least preferred financial instrument for funding a proposal. Preference is given to the range of financial instruments available from the fund, in this order:</p> <ol style="list-style-type: none"> 1. Debt 2. Equity 3. Underwrite 4. Grants <p>(c) The Chair emphasised the importance of the finalised Investment Statement to guide decisions and advice made by the panel.</p> <p>(d) The panel agreed that the Investment Statement should include messaging as to what success of the PGF looks like in terms of potential allocations.</p>

3.2 Discuss and agree process for future advice to Ministers

Reference #	10/04/2018/05
Commentary:	<p>(a) The panel considered the requirement to construct independent advice to the Minister. Options to allow for quality and independent advice to be drafted using an appropriate resource were discussed, and will be further explored during an IAP strategy session to take place mid-June.</p> <p>(b) A process for providing advice from the IAP to the Minister was presented. It is noted that the proposal is partially accepted, with rework to consider;</p> <ol style="list-style-type: none"> i. The panels' need to receive information further in advance in order to review it to an effective level. ii. All information pertaining to an application should be made available as reference documentation so the option to further probe into an application is available. Suggestion is to have this available within the resource centre in Board Books. <p>(b) Ms Rosie Mercer expressed the interest, supported by the Panel, to work with a senior resource that would assist the Panel in crafting independent advice to the Minister, based on the panels' combined feedback.</p> <p>(c) It is noted that when advice is drafted by the Panel, it is sent to the Lead Minister whose office is then responsible for distributing advice to other relevant Ministers.</p>

	(d) Ahead of the next RED Ministers meeting 28 May 2018, and in the absence of a formalised process, the panel agrees to shape advice to the Minister by way of conference call and use of email, led by Ms Rosie Mercer.
Action	Draft process for submitting advice to Ministers to be updated, circulated prior to, and agreed at the IAP Strategy session mid-June

4 Role of the IAP in large and complex Expressions of Interest

Reference # 08/05/2018/06

Commentary: It is the wish of the panel that for large and complex Expressions of Interest, there should be an engagement with the panel prior to the final submission of advice from the PDU. Flagging projects of significance well in advance will assist the panel to make decisions once the proposal is submitted for consideration.

5.1 Inclusive list of investments approved by SROs and Ministers

Reference # 10/04/2018/07

Commentary: The panel noted the proposal pipeline for SROs consideration during May 2018.

(a) Ms Sarah Brown requested further information on the Curio Bay Heritage request, specifically what the funding is for.

Action PDU to provide information to the panel on the specifics of the Curio Bay Heritage request

5.2 Risk awareness

Reference # 10/04/2018/08

Commentary: A draft risk register was presented to the panel for discussion. It is agreed going forward that the risk register will be actively managed between the IAP Secretariat and the panel. Further risks identified are;

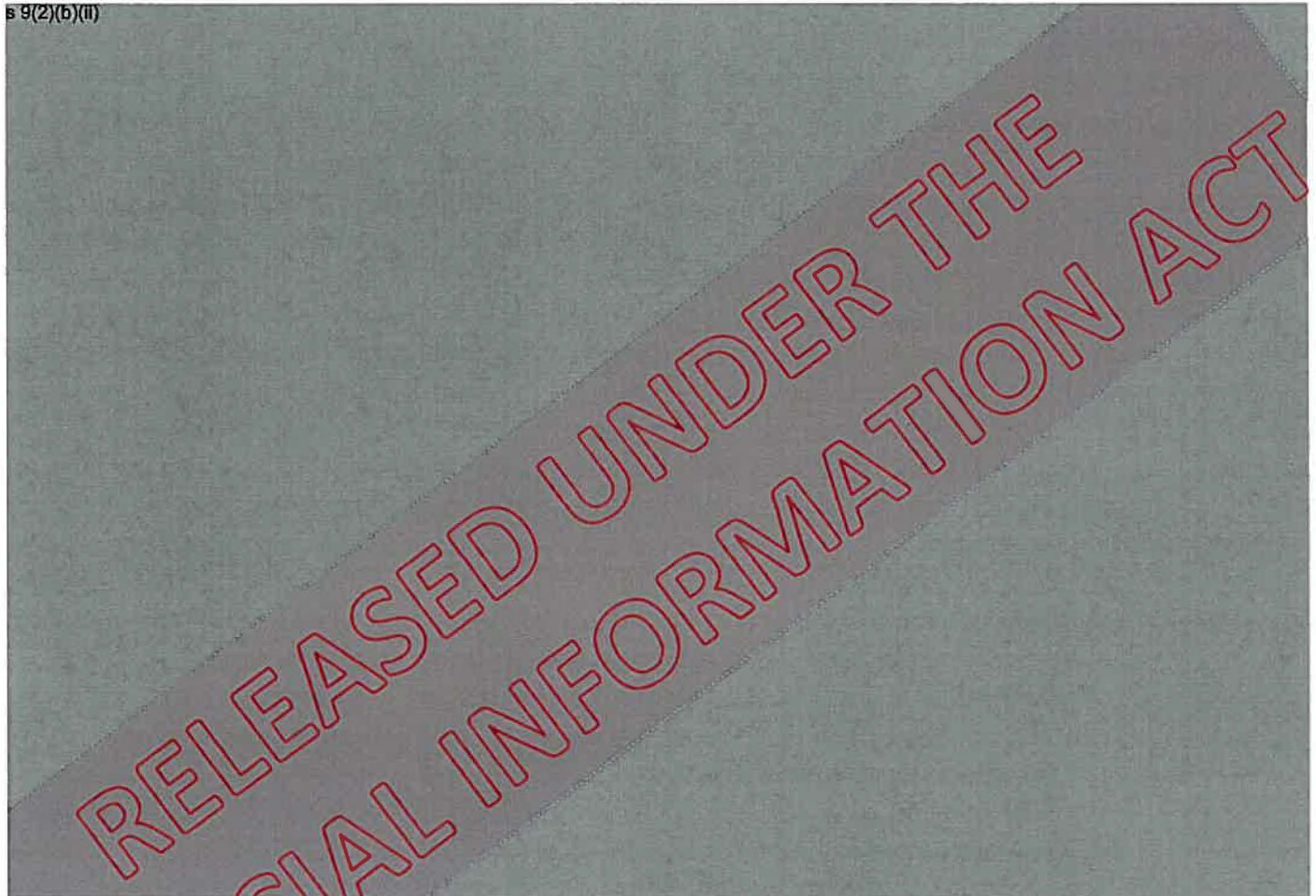
- i. Not managing a conflict of interest appropriately
- ii. Panel not delivering to expectations of the Minister
- iii. Failure to distribute money appropriately across different regions
- iv. Supporting a number of proposals at the project level which may not tie into an overarching strategic direction

Action: IAP Secretariat to update risk register post meeting and circulate to the panel for approval

5.3 Provincial engagement update

Reference #	10/04/2018/09
Commentary:	The panel discussed recent engagements undertaken in various regions. It is agreed that an engagement register/calendar be managed by the IAP Secretariat with further advice to be agreed on a coordinated travel approach between panel members and the PDU.

s 9(2)(b)(ii)



6.2 Northland Rail

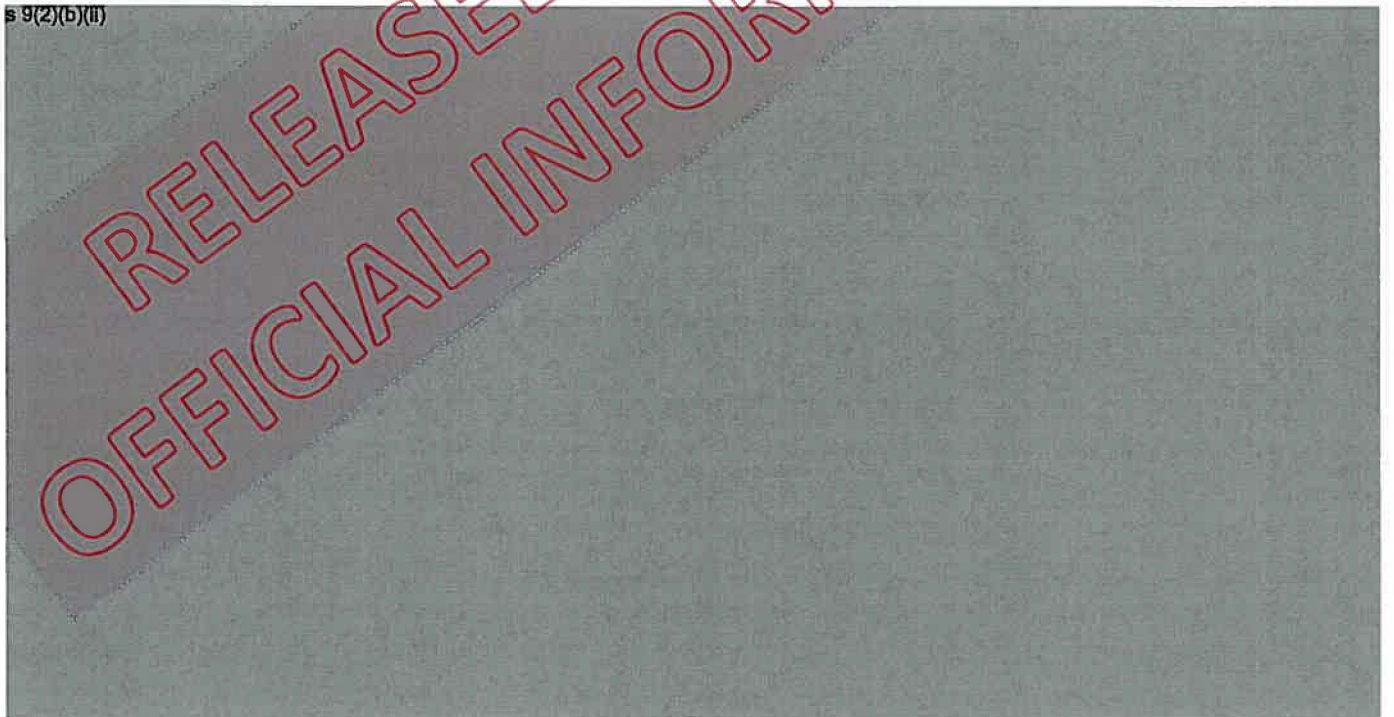
Reference #	10/04/2018/11
Commentary:	<p>Conflict of interest declared by Ms Rosie Mercer. Ms Mercer remained present for the discussion. Conflict of interest declared by Dr David Wilson. Dr Wilson remained present for the discussion.</p> <p>(a) The panel note the application is for the Business Case Development of the North Auckland Rail Line Upgrade</p> <p>(b) Mr John Rae emphasised his concern around setting a precedent for approving funding of a project before an overarching strategy is developed.</p>
Decision	The panel agrees that the funding amount of \$500,000 be made available to support the business case development of the Northland Rail. Note the application is approved in order to expedite the current timelines of the project.

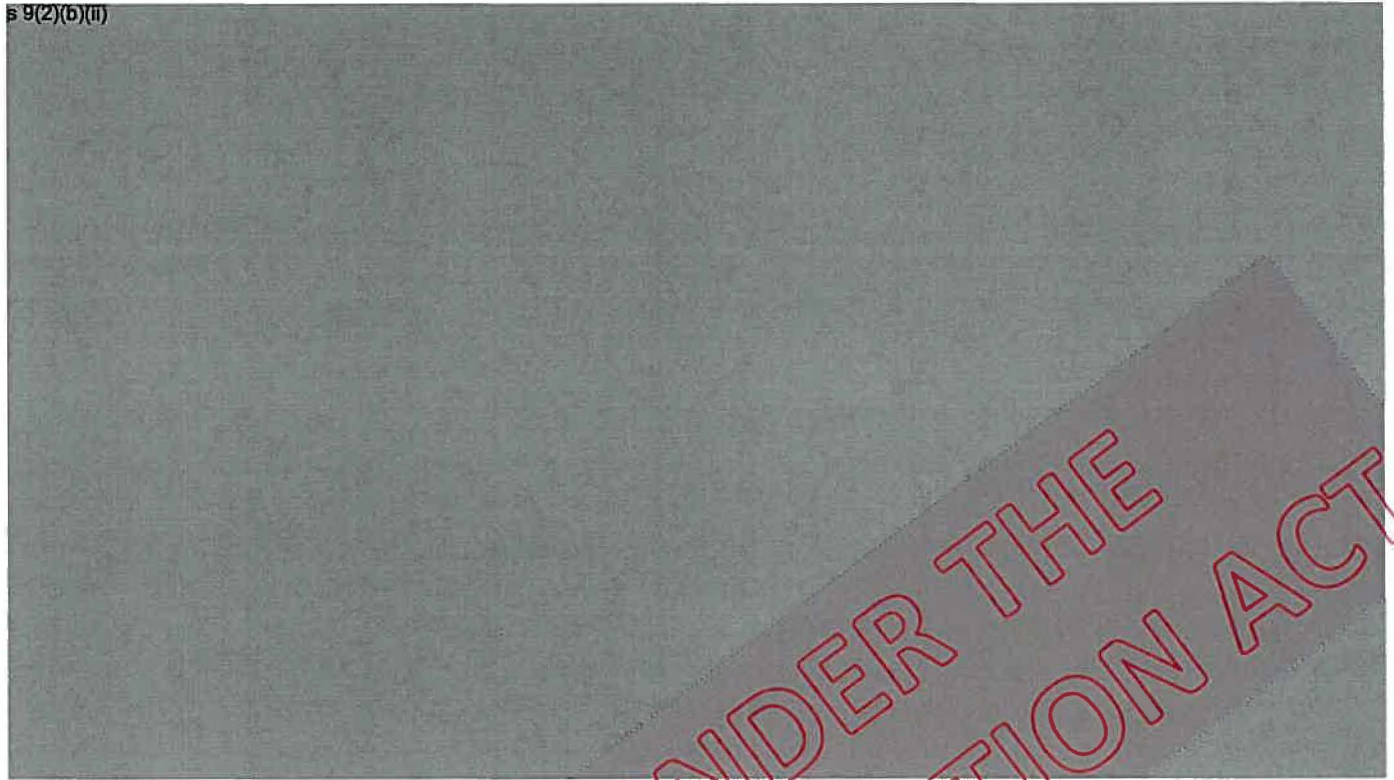
Action	Draft ministerial advice to be prepared for the panel's review and agreement prior to the RED ministerial meeting on 28 May.
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6.3 Three Wharves

Reference #	10/04/2018/12
Commentary:	<p>(a) The panel notes the application for the PGF to fund a portion of the upgrade to Russell, Paihia and Opuia Wharves.</p> <p>(b) It is a clear assumption from the panel that the CCTO will cover the OPEX costs of the Three Wharves operation.</p>
Decision	<p>The panel agrees to support the funding request of ^{s 9(2)(b)}(ii) to the 'Three Wharves' proposal, subject to the following conditions;</p> <ul style="list-style-type: none"> i. Confirmation of the funding instrument being used. It is the panel's preference that a loan be applied to this application ii. Confirmation that the CCTO will cover the ongoing OPEX cost of the wharves iii. Consider funded depreciation for assets
Action	<p>PDU assessment team to provide clarity on the conditions (set out above)</p> <p>Draft ministerial advice to be prepared for the panel's review and agreement prior to the RED ministerial meeting on 28 May</p>

s 9(2)(b)(ii)





The meeting closed at 4.30pm.

Mr Rodger Finlay
Chairperson

Date

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Subject	Minutes of the Independent Advisory Panel meeting held at MBIE on 10 April 2018, 10am – 4.30pm
Panel members:	Mr Rodger Finlay (Chairperson), Ms Sarah Brown, Mr Neville Harris, Ms Rosie Mercer, Mr John Rae, Dr Charlotte Severne, Mr John Sproat & Dr David Wilson
In attendance:	Mr Nigel Bickle (Head of Regional Development Unit), Mr John Doorbar (Director, Regional Development Unit), Ms Jane Frances (Strategic Advisor to Hon Shane Jones), Mr Alex Matheson (Political Advisor to Hon Shane Jones) & Ms Alta Kilsby (Secretariat)
Attendees:	Mr Paul Stocks, Mr John Brandeis, Mr Stuart Taylor
Apologies:	Dr Charlotte Severne
Conflicts of Interest:	Mr John Rae disclosed a potential conflict of interest with the Ruapehu Alpine Lifts Dr David Wilson declared a potential conflict of interest with Hundertwasser Ms Brown declared a potential conflict of interest with the item in relation to Southland - sheep milk joint venture (with Ag Research)

1. Opening & mihi

Reference # 10/04/2018/001

Commentary:

- (a) The Chairperson declared the meeting open at 10am and Mr Doorbar opened with a karakia.
- (b) The panel agreed that Committee time was not required.
- (c) A panel member sought clarification regarding the panel's fee structure. The Secretariat advised that, given the panel members are conducting duties in addition to their meeting preparation and attendances, their fee structure is subject to Section E of the Cabinet Fees Framework, which requires ministerial approval for any amendments to the framework. Such ministerial advice is currently prepared by the Provincial Development Unit team and is recommending panel members receive a pro rata'd amount at the agreed rate of \$500 per diem, to be invoiced, based on their attendances at events/engagements.
- (d) It was discussed that having the fees annualised at \$20,000 per year (and \$36,000 for the Chairperson) would be preferable as it aligns with the original Cabinet intention of \$500/\$800 per diem and is a more traditional and simplified process, with panel members keeping daily records of attendances, with the option of adjusting the annual fee structure after 12 months, if required.

Actions:

- (a) The Secretariat to keep a Register of engagement attendances on behalf of the panel; and
- (b) The Secretariat to liaise with the Minister's office to ensure the panel's fee structure is confirmed at \$20,000 per year, annualised.

2. Meeting Administration

Reference # 10/04/2018/002

Commentary:

- (a) The minutes of the inaugural meeting held on 13 March 2018 were confirmed as a true and accurate records of the meeting, subject to the following amendments:

	<p>Item 6: Opotiki Harbour Development:</p> <p>(i) The panel agreed to await further project-specific information and advice from the Provincial Development Unit to assist in further considering the advice to be given to the Ministers.</p> <p>(ii) Remove (b)</p> <p>Item 7: Ruapehu Alpine Lifts</p> <p>(i) The panel agreed to, with a positive disposition, await further project-specific information and advice from the Provincial Development Unit to assist in further considering the advice to be given to ministers.</p> <p>(ii) Remove (b)</p> <p>(b) The panel agreed to a briefing note being submitted to the Minister's office (via the Chairperson) after each meeting which includes, at a high level, the items for consideration and the progress made at the meeting.</p>
Actions:	The Secretariat, in consultation with the Chairperson, to develop a briefing note to the Minister's office after each meeting which includes, at a high level, the items for consideration and the progress made at the meeting.

3. Chairperson / Ministerial / Head of PDU insights

Reference #	10/04/2018/003
Commentary:	<p>(a) Ms Frances and Mr Matheson joined the meeting.</p> <p>(b) Ms Frances provided a verbal update on the proposed projects in the pipeline for the panel's consideration. A discussion ensued regarding clarification of the panel's role, responsibilities and scope and it was agreed that Ms Frances and Mr Matheson should communicate a letter of expectation with the panel to clarify their role, responsibilities and scope. Secondly, PDU to provide a statement of the projects already included in the fund.</p> <p>(c) The Head of the PDU provided a verbal update which supported the written update provided to the panel. The panel noted the various appointments that have been made to support the structure of the PDU and also noted that a proper integrated view of the pipeline of proposed projects is being built.</p>
Actions:	A letter of expectation to be provided to the panel which clarifies their role, responsibilities and scope and which also includes a statement of the projects already included in the fund and how that is being prioritised in terms of "getting everyone to the start line" and ensuring a joined up and consistent approach across the system.

4.1 Register of Interests

Reference #	10/04/2018/004.1
Commentary:	(a) The panel reviewed the Register of Interests. Mr Rae disclosed a potential conflict of interest with the Ruapehu Alpine Lifts item to be discussed at a later stage in the meeting. The Chairperson noted Mr Rae's declaration and it was agreed that he should choose to recuse himself from the discussion, if appropriate.

- (b) The panel received a Non-Disclosure Agreement to review and sign. The panel discussed the potential implications and limitations this might have on them conducting their business and it was agreed that an exemption should be made in terms of specific functions for the IAP.

4.2 Terms of Reference

Reference # 10/04/2018/004.2

- Commentary:**
- (a) The panel reviewed the draft Terms of Reference and provided the following amendments:
 - (i) Add a clause which stipulates that the panel has the ability to originate projects;
 - (ii) Include the function of the panel – “the panel has a function to ensure there is balance by region, industry sector and by investment media”;
 - (iii) 9(a) – be precise who the advice is provided to;
 - (iv) 20 – not relationships, but maintaining liaison with Ministers;
 - (v) 28 – provide as an exception. Add “can be disclosed with prior consent of the applicant”; and
 - (vi) 28 – Include “ Reliance on the performance of the IAP functions – canvassing issues that comes as a result of public interest”
 - (b) The panel approved the draft Terms of Reference, subject to the above amendments being made. It was discussed that the Terms of Reference should potentially be proactively released.

5.1 Potential Announcements for 2018

Reference # 10/04/2018/005.1

- Commentary:**
- (a) Ms Brown declared a potential conflict of interest with the item in relation to Southland - sheep milk joint venture (with Ag Research) as a result of her involvement with the Southland Regional Development Strategy.
 - (b) The panel discussed the potential announcements and made the following suggestions:
 - (i) The panel are inclined to see surge regions in early announcements in recognising that it is the priority of the fund;
 - (ii) There needs to be specificity about priority regions and what that means;
 - (iii) The regions need to provide a sense of what the priorities are;
 - (iv) The proposals need to come through the same gateway as the original proposals; and
 - (v) The reporting to the panel needs to include a tracking system for the projects which outlines the various stages, regions, themes, sizes and sectors as well as project partners and project leads.

5.2 Inclusive list of investments approved by SROs and Ministers

Reference # 10/04/2018/005.2

- Commentary:** The panel noted the decisions for funding made by SROs and Ministers since October 2017.

5.3 Risk awareness

Reference #	10/04/2018/005.3
Commentary:	The panel commissioned the population of the risk register in draft with any issues and risks, for review at their next meeting.
Action:	Populate the draft risk register and submit to next meeting.

5.4 Provincial engagement update

Reference #	10/04/2018/005.4
Commentary:	The panel agreed to discuss this item at their next meeting on 8 May due to time constraints.

6.1 Role of the IAP for large and complex Expressions of Interest

Reference #	10/04/2018/006.1
Commentary:	The panel agreed to discuss this item at their next meeting on 8 May due to time constraints.

6.2 Hundertwasser

Reference #	10/04/2018/006.2
Commentary:	(a) Dr David Wilson declared a potential conflict of interest and remained present for the discussion. (b) The panel received a verbal update from Ms Frances on the progress to date.

7.1 Ōpōtiki Harbour Development

Reference #	10/04/2018/007.1
Commentary:	<p>The panel noted that the Ōpōtiki Harbour Development Project Validation Stage has been led by the Ōpōtiki District Council (ODC) for the last two and a half years, with funding of over \$3 million provided by central Government to support investigations into its feasibility.</p> <p>ODC has based the concept on the premise that building a year-round navigable harbour entrance at the Waibeka River mouth adjacent to the Ōpōtiki township would unlock the development of off-shore mussel farms and a commitment from commercial parties to establish a processing factory in Ōpōtiki, creating hundreds of jobs locally.</p> <p>Officials have received information about the proposal from Vaughan Wilkinson, an Independent Director on the Whakatohea Mussels Ōpōtiki (WMOL) Board and Tony Bonne (Mayor of Whakatāne).</p> <p>The information appears to be inconsistent with some of the earlier advice officials have received about the proposal. The receipt of this new information warranted a discussion about how to proceed, including the opportunity to consider a broader set of options available for Ōpōtiki.</p>

Decisions:	<p>The panel commissioned the following:</p> <ul style="list-style-type: none"> a) The PDU to shape advice for the panel to agree to which stipulates that the panel's advice is not in agreement as the project is currently conformed; b) Include the benefits and risks in the proposed advice and that the sponsors should be encouraged to explore the opportunities in depth; c) Note the advice about the Treaty settlements' d) Circulate the draft advice to the panel prior to the next meeting by email for consensus prior to next ministers' meeting on 3 May.
Action:	Draft ministerial advice to be prepared for the panel's review and agreement prior to the RED ministerial meeting on 3 May.

7.2 Ruapehu Alpine Lifts

Reference #	10/04/2018/007.2
Commentary:	<ul style="list-style-type: none"> (a) Mr John Rae declared a potential conflict of interest and remained present for the discussion. (b) The panel noted that officials are progressing discussions with RAL management with a view to commencing detailed discussions about the nature and key terms of the debt financing.
Action:	The panel commissioned draft affirmative ministerial advice be prepared for the panel's review and agreement prior to the RED ministerial meeting on 3 May.

8. Investment Statement

Reference #	10/04/2018/008
Commentary:	<p>Mr David Smol attended the meeting to discuss the scope and content of an Investment Statement for the PGF. The panel offered various inputs to the proposed statement, in particular taking into account the Sectors work carried out by MBIE. The panel emphasised the importance of presenting the PGF Investment Statement in a way that is accessible and engaging for target audiences, for example through developing a video version of the Statement. The panel acknowledged a KPI to stakeholders of a timeline of progress within the first 50 days of a project entering the portal.</p> <p>The panel noted that senior government officials will be holding a co-design workshop to provide input to the preparation of the Investment Statement.</p>

The meeting closed at 4.30pm.

Rodger Finlay
Chairperson

Date

Subject	Minutes of inaugural Independent Advisory Panel meeting held at MBIE on 13 March 2018, 10am – 4.25pm
Panel members:	Mr Rodger Finlay (Chairperson), Ms Sarah Brown, Mr Neville Harris, Ms Rosie Mercer, Mr John Rae, Dr Charlotte Severne, Mr John Sproat & Dr David Wilson
In attendance:	Mr Alex Matheson (Political Advisor to Hon Shane Jones), Mr Nigel Bickle (Head of Regional Economic Development), Mr John Doorbar (Director, Regional Economic Development) & Ms Alta Kilsby (Secretariat)
Attendees:	Hon Shane Jones, Ms Jane Frances, Mr Paul Stocks & Ms Di Grennell
Apologies:	None
Conflicts of Interest:	Dr Charlotte Severne, Central Plateau (Ruapehu Alpine Lifts discussion)

1. Opening & mihi

Reference # 13/03/2018/001

- Commentary:**
- (a) The Chairperson declared the meeting open at 10.10am and Mr Doorbar opened with a karakia.
 - (b) Mr Bickle provided a health and safety briefing and a brief scene-setting introduction into the establishment of the regional economic development unit.
 - (c) Panel members were invited to introduce themselves during a roundtable session and shared insights into their professional and personal backgrounds.

2. Panel business

Reference # 13/03/2018/002

Commentary: The panel discussed the establishment of various protocols to provide guidance and support in conducting their business. The following was discussed:

Register of Interests & Conflicts of Interest policy

- (a) A comprehensive Conflicts of Interest policy to be developed to guide the Chairperson and panel members in the management of any perceived/actual/potential conflicts of interest. It was discussed and agreed that members should declare their current perceived/actual/potential interests in the appropriate form supplied by Mr Doorbar, for inclusion in a Register of Interests which will be included with future meeting papers. In addition, the Chairperson will seek new declarations of interest at future meetings which substantively relate to any matters on the agenda and such interests will be formally recorded in the minutes of the meeting.

Gift Register

- (b) The panel agreed to adopt a principles-based approach to the declaration of gifts, reflective of their role.

Meeting dates for 2018

- (c) The panel reviewed the proposed meeting dates for 2018 and advised that the 19th June, 16th August and 18th October are unsuitable for some members. Alternative meeting dates will be sought and confirmed, bearing in mind the constraints in place with ministerial meetings already scheduled 2 weeks after the IAP meetings. It was suggested that the latter half of the month should ideally be avoided given competing governance commitments for some members.

Forward Panel plan for 2018

- (d) A forward Panel plan should be developed. The following items were raised for potential inclusion:
- (i) A panel discussion on risk awareness, supported by a risk matrix;
 - (ii) An inclusive list of all the investments approved by SROs, for transparency, as a standing item (suggested format as an appendix providing project analysis); and
 - (iii) A project pipeline (inventory).

Letter of Appointment & Fees

- (e) Members received their appointment letters. The Chairperson confirmed the fee structure at \$500 per diem. The Secretariat will liaise with panel members to ensure their fees and any related expenses (including travel and meals) are paid promptly and in an acceptable format (payroll or invoice).

Secretariat support

- (f) Members agreed to receive meeting papers via Boardbooks, with A3 or larger material provided in print. The Secretariat will ensure that all members are set up to receive their papers electronically prior to the next meeting. Business cards will be arranged for members.

Format of advice & communication protocols

- (g) Members agreed to adopt the following principles in the shaping of any advice they provide:
- (i) All advice/outputs should be collectively agreed (by email once draft advice is published on Boardbooks for review), i.e. all 8 panel members need to agree to any representation thereby exercising a quorum by consensus and having a collective view for the avoidance of doubt, minority opinions can be represented;
 - (ii) The protocol of how advice is being reached through collegial consensus with any minority/dissenting views captured in the risks section of the advice, will be captured in the Terms of Reference;
 - (iii) The panel will be cognisant of the strategic context when shaping their advice and take into account the advice from regional stakeholders to provide context;
 - (iv) Take a modular format approach to reporting on decisions made;
 - (v) A mechanism will be adopted to accept and adopt disagreement/disparate views;
 - (vi) The minority view will be respected and any advice will be kept "in cabinet"; and
 - (vii) A common set of principles should be developed to enable the panel to have a collective/shared understanding of their messaging to their stakeholders.

Terms of Reference

- (h) The following additions should be made to the draft Terms of Reference:

- (i) A confidentiality clause; and
- (ii) Protocol of how ministerial advice is being reached through collegial consensus with any minority/dissenting views captured in the risks section of the advice.

Role of the panel in the shaping of funding proposals

- (i) Members discussed the timing of their involvement in the shaping of proposals and their ability to influence and shape proposals. It was noted that the scale and complexity of proposals will dictate whether the panel provides early input or not. The panel agreed the following:
 - (i) As an advisory body they are empowered to originate proposals;
 - (ii) Members need to have visibility of curatorial processes;
 - (iii) Members need to have visibility on the proposals in the pipeline and have early engagement, where possible; and
 - (iv) Members need to have a clear understanding and visibility of which proposals have been turned down by the SROs.

3. Hon Shane Jones' visit

Reference # 13/03/2018/003

Commentary: Hon Shane Jones joined the panel for lunch at 12 – 1pm and shared his objectives and how he expects the panel to operate.

4. Regional Economic Development

Reference # 13/03/2018/004

Commentary: Mr Bickle and Mr Doorbar provided an update on the progress to date. The panel noted that the required capability (including financial and commercial literacy) is being put in place to support them. The next steps were outlined in terms of defining the investment strategy and establishing the delivery model while harnessing the panel's expertise to enable successful execution.

It was confirmed that the panel is able to seek additional advisory support where specific skills and expertise are required.

5. Provincial Growth Fund (PGF) policy and design

Reference # 13/03/2018/005

Commentary: Ms Frances provided an overview of the PGF policy and design in terms of measures of success, criteria and what it means for the role of the panel.

Members discussed the regional context and how it fits with regional strategies. The key elements/criteria/principles were identified as infrastructure and connectivity which increases productivity and aligns with:

- (a) Fit with objectives
- (b) Good governance
- (c) Fit with regional plans
- (d) Buy in from regions

The three phases were identified as:

- (a) 1st phase – feasibility studies
- (b) 2nd phase – training & development (high quality programmes, pastoral care, enabling the workforce)
- (c) 3rd phase – investing in remedial infrastructure

6. Opotiki Harbour development

Reference # 13/03/2018/006

Commentary: Mr Paul Stocks and his support team joined the meeting and delivered the proposal on the Opotiki Harbour development for the panel's consideration.

The panel noted that this project has been under development for quite some time and led by Opotiki District Council, Whakatohea Iwi and private aquaculture investors. Government's role has been to investigate the feasibility and cost of building harbour entrance infrastructure. Mr Stocks, in his role as SRO, resides on the Governance Board as the government representative.

The SRO advised that the community is invested and there is very strong social licence for the aqua-culture farms and harbour development. Whakatohea has invested financially and other Iwi across the regions are interested in investing also. There are different Iwi interests in Whakatane if the off-shore farms were serviced from there rather than from Opotiki.

Decisions: The panel *agreed* to:

- (a) Ministerial advice being drafted by the SRO and the Regional Economic Development team, which captures the project risk; and
- (b) The draft advice being circulated to the panel members for their review and consensus prior to it being submitted for ministerial approval.

7. Ruapehu Alpine lifts

Reference # 13/03/2018/007

Commentary: Dr Charlotte Severne declared a potential conflict of interest with the discussion and remained present for the discussion.

Ms Di Grennell joined the meeting and delivered a proposal in support of funding the Ruapehu Alpine lifts project. The panel noted the high, in principle commitments, from the council and other interested institutions.

Decisions: The panel *agreed* to:

- (a) Affirmative ministerial advice being drafted by the SRO and the Regional Economic Development team, which captures structural exit clauses; and
- (b) The draft advice being circulated to the panel members for their review and consensus prior to it being submitted for ministerial approval.

The meeting closed at 4.25pm with a karakia by Dr Severne.

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Mr Rodger Finlay
CHAIRPERSON

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Date

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