

Regional Economic Development

Weekly Report

18 February- 22 February 2019

To: Hon Shane Jones

Minister for Regional Economic Development

Fletcher Tabureau

Under-Secretary for Regional Economic Development



PROVINCIAL
DEVELOPMENT
UNIT

IN-CONFIDENCE

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1. Dashboard updates

1.1 Status of applications as at 20 February

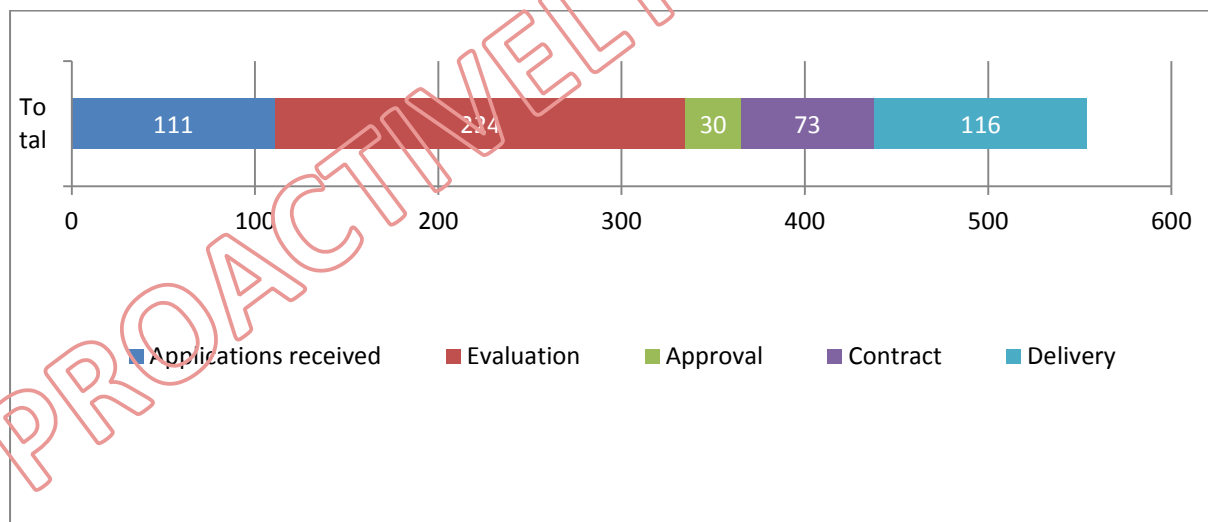
| | |
|-------------------------------|----|
| New projects this week | 11 |
|-------------------------------|----|

| Total number of projects | Expressions of interest (EOI) | Applications |
|--------------------------|-------------------------------|--------------|
| 883 | 333 | 550 |

| Total funding approved to date | Total funding announced |
|--------------------------------|----------------------------|
| 229 projects for \$647.4m | 167 projects for \$727.9m* |

* Note this does not include major sector allocations such as Te Ara Mahi, Whenua Māori, 1BT, Transport.

1.2 Progress of applications as at 20 February



2. Regional Updates

2.1 Top of the South

PipeDrive update

As of 20 February 2019, 28 applications and EOI have been lodged in PipeDrive. The status of those applications is:

- 1 is being assessed
- 9 have been approved
- 9 have been declined, withdrawn or are unsupported
- 5 are awaiting further information
- 1 is on hold
- 3 are waiting assessment.

Regional Activity

On 4 February, forest fires broke out in the Tasman district. The fires escalated and continued, resulting in a Civil Defence State of Emergency being declared. At present there are still homes and businesses that cannot be accessed.

Following the fires, the extreme drought conditions continue to keep fire risks high across the region and are causing significant water and other restrictions. These are severely impacting horticulture, forestry, seafood processing, tourism and related economic sectors. Government agencies have been working to respond to the immediate situation and ongoing drought implications.

A Labour and Skills hui is planned for Marlborough on 21 February as part of the Marlborough Smart and Connected economic strategy.

The Omaka Aviation Heritage Centre business case has now been completed and submitted as the final deliverable for this contract.

Upcoming Announcements

The 2077 Te Taihū Regional Growth Strategy has now been signed and is ready for announcement once the Minister's Office advises.

Contact: Kate Styles, Manager Regional Development - Central/South, Privacy of natural persons

2.2 Hawkes Bay

PipeDrive update

As of 20 February 2019, 92 applications and EOI have been lodged in PipeDrive. The status of those applications is:

- 11 are being assessed
- 20 have been approved
- 18 have been declined, withdrawn or are unsupported
- 4 are awaiting further information
- 14 are on hold
- 25 are awaiting assessment.

Regional Activity

Local Authority Applications:

There are four local authorities in the region who have five applications being assessed by the Provincial Growth Fund (PGF). Central Hawke's Bay District Council and Wairoa District Council have three projects which have been contracted with the Ministry of Business, Innovation and Employment (MBIE). We are currently considering water security and food innovation applications from the Hawke's Bay Regional Council and Hastings District Council respectively. Water security is a key concern for the region.

Private Sector Applications:

There is a large technology services provider who is evaluating potential sites for a contact/support centre in the Hawke's Bay. Their visit to the region was supported by two of the district councils, other government agencies and the local training organisation.

Regional PDU staff continue to engage with a broad range of organisations interested in PGF funding support. There are a number of applications from local iwi groups which the PDU are progressing in a diverse range of areas such as technology, One Billion Trees, hemp, land improvement, and skills and training programmes.

Upcoming Announcements

A package announcement is planned for 5 April 2019 comprising regional investments, sector priorities, infrastructure, skills and training.

Contact: Nicki Sutherland, Manager Regional Development North - Privacy of natural persons

2.3 Waikato

PipeDrive update

As of 20 February 2019, 62 applications and EOIs have been lodged in PipeDrive. The status of those applications is:

- 3 are being assessed
- 9 have been approved
- 23 have been declined, withdrawn or are unsupported
- 5 are awaiting further information
- 2 are on hold
- 20 are waiting assessment.

Regional Activity

Commercial Information - application withdrawn

The Waikato Business Summit will be held on 27 February at the Hamilton Gardens and includes presentations from the Hon Grant Robertson and also the CEO of Te Waka, Michael Bassett-Foss.

Tainui Waka Tourism with support from Te Waka and Hamilton Waikato Regional Tourism Office will host a one day Cultural Tourism symposium on 5 March at the Don Rowlands Centre in Karapiro. The purpose of this workshop is to develop a Cultural Tourism package for the region. Te Waka has identified Cultural Tourism as a priority and a game-changer for the region.

The region is still facing challenges around labour shortages and transitioning youth into training and employment, and the approval of the Smart Waikato application was well received. Whilst Te Puni Kokiri lead our cross agency work in Hamilton City, we are working with a provider, Commercial Information to develop their programme into Commercial Information. They have submitted their application to He Poutama Rangatahi.

Upcoming Announcements

We are working hard to ensure there are a suite of projects across Whenua, Employment and Skills and cultural tourism that can potentially be announced at Field Days in June.

Contact: Nicki Sutherland, Manager Regional Development North - Privacy of natural persons

3. Other updates

The Maxim Institute Paper release

The Maxim Institute (the Institute) has written a paper titled: *Smarter Specialisation: Ensuring the PGF is a Risk Worth Taking*, which is to be released on 26 February 2019.

The paper discusses aspects of regional development policy (referred to therein as 'spatial policy'), including elements of best practice, describes the PGF, and compares it to what the Institute considers best spatial policy practice. In doing so, they have drawn a number of conclusions, many of which are critical of the PGF or its underlying processes. These include:

- a concerning lack of collaboration and co-ordination across the current regional development strategy;
- undue risk created by a sector-based investment approach; and
- a lack of evaluation and ongoing monitoring of significant funding initiatives.

We have engaged with the Institute (through the author, Julian Woods) and provided feedback. We have been informed that much of this will be included.

The Institute intends to provide us an embargoed copy of the paper on the morning of 25 February 2019.

Q&A will be provided for the Minister's Office ahead of this.

Contact: Isabel Poulson, Manager, Strategy and Policy, PDU - Privacy of natural persons

Appendix 1 – Upcoming Meetings & Events

| Meeting / Event | Support |
|--------------------------------------|---------|
| Monday, 18 February 2019 | |
| | |
| Tuesday, 19 February 2019 | |
| | |
| Wednesday, 20 February 2019 | |
| 20 Feb MBIE Weekly Officials Meeting | |
| Thursday, 21 February 2019 | |
| | |
| Friday, 22 February 2019 | |
| USEC Hawkes Bay visit | |

February

March

25 RED Ministers Meeting

Appendix 2 – Media & Communications Schedule

| Media & Communications Schedule | | |
|---------------------------------|--|-------------------|
| Date of Event/ Announcement | Activity | MBIE Contact |
| 26 Feb | Undersecretary Tabuteau to announce PGF funding for the Rural Innovation Lab in Manawatū-Whanganui | Jonathan Gee |
| 27 Feb | Minister Davis to announce PGF funding for several Far North projects in Kaitaia | Laura Barnsley |

PROACTIVELY RELEASED

Appendix 3 – Completed Briefings, Aides Memoire & Reports

| Tracking number | Title | Minister/ USEC | Signed out by | Date delivered |
|-----------------|--|----------------|---------------------|----------------|
| 2323 18-19 | Regional Economic Development Weekly Report for week ending 8 February 2019 | Minister/ USEC | Isabel Poulson | 7 Feb |
| 2381 18-19 | Draft Cabinet paper on the establishment of PGF Limited for consultation | Minister | Isabel Poulson | 13 Feb |
| 2471 18-19 | Announcement of Methven Thermal Pools Funding | Minister | Kate Styles | 14 Feb |
| 2503 18-19 | Predator Free 2050 Announcement 18 February 2019 | Minister | Isabel Poulson | 14 Feb |
| 2468 18-19 | Regional Economic Development Weekly Report for week ending 15 February 2019 | Minister/ USEC | Isabel Poulson | 14 Feb |
| 2530 18-19 | Local Digital Connectivity: Regional Digital Hubs and Marae Connectivity | Minister | Ben Dalton | 18 Feb |
| 2314 18-19 | Clutha Gold Great Ride - Cycle Trail | Minister | David van der Zouwe | 19 Feb |
| 2546 18-19 | Provincial Growth Fund Proposals for Review | Minister | David van der Zouwe | 19 Feb |
| 2558 18-19 | Regional Economic Development Weekly Report for week ending 22 February 2019 | Minister/ USEC | Isabel Poulson | 19 Feb |
| 2570 18-19 | Under Secretary Tabuteau Visit to Hawkes Bay Feb 22 2019 Final | Minister | Kate Styles | 19 Feb |
| 2545 18-19 | Te Ara Mahi proposals for review | Minister | David van der Zouwe | 19 Feb |
| 2934 18-19 | Energy and the Provincial Growth Fund position paper | Minister | Isabel Poulson | 20 Feb |

Appendix 4 – Upcoming Cabinet Papers, Briefings, Aides Memoire & Reports

| Tracking number | Title | Minister/ USEC | Signed out by | Due Date |
|-----------------|---|----------------|---------------------|----------|
| 2567 18-19 | Chatham Islands Airport Upgrade | Minister | David van der Zouwe | 25 Feb |
| 2502 18-19 | Proactive release of Waitangi announcement papers | Minister | Isabel Poulson | 25 Feb |
| 2150 18-19 | March 2019 DEV Report back | Minister | Isabel Poulson | 07 Mar |

PROACTIVELY RELEASED

Appendix 5 – Official Information Act requests

| Ministerial OIAs | | | | | | |
|------------------|----------------------------|---------------|-------------------------------|-----------------------|----------|---|
| Tracking Number | Name | Date received | Date due to Minister's Office | Date due to requestor | Status | Request |
| OIA-009 | Privacy of natural persons | 20 Feb | 22 Feb | 27 Feb | Drafting | Copy of all communications to do with He Poutama Rangatahi from 1 October, 2017. I would expect this to include all communications between you and your office and any other ministerial office or any government department as well as all advice, reports, briefing notes, emails, texts, meeting notes, and summaries of telephone conversations which fall within the scope of my request. Where information is withheld, I request you provide the title and date of the communication/document withheld, the reason for refusal and the grounds in support of that reason as required by section 19 (a) (i) and (ii) of the Official Information Act. |
| OIA 238 | | 4 Feb | 26 Feb | 5 Mar | Sign out | List of briefings received between 01 Jan and 31 Jan 2019 |

| Departmental OIAs | | | | | | |
|-------------------|----------------------------|---------------|-------------------------------|-----------------------|--------------|---|
| Tracking Number | Name | Date received | Date due to Minister's Office | Date due to requestor | Status | Request |
| 1819-0275 | Privacy of natural persons | 23 Aug | 1 Nov | 15 Feb | Consultation | Items relating to funding Waitangi National Trust since November 2017 |
| 1819-0864 | | 30 Nov | 14 Jan | 22 Feb | Drafting | Tourism projects receiving PGF grants on the West Coast |
| 1819-0868 | | 30 Nov | 14 Jan | 23 Mar | Scoping | Copies of papers regarding PGF between 24 Sep to 30 Nov 18 |

Departmental OIAs

| Tracking Number | Name | Date received | Date due to Minister's Office | Date due to requestor | Status | Request |
|-----------------|----------------------------|---------------|-------------------------------|-----------------------|--------------|--|
| 1819-0945 | Privacy of natural persons | 13 Dec | 25 Jan | 25 Feb | Consultation | Copy of Application for Funding form submitted by Barton; all documents submitted by Barton in support of their application; PGF Funding Agreement (or Loan Agreement) between Barton and MBIE; and, all MBIE documents relating to both the assessment of, and the decision to approve, the Application for Funding Copy of Application for Funding form submitted by WMP; all documents submitted by WMP in support of their above application; PGF Funding Agreement (or Loan Agreement) between WMP and MBIE; and, all MBIE documents relating to both the assessment of, and the decision to approve, the Application for Funding. |
| 1819-0890 | | 4 Dec | 25 Feb | 1 Mar | Consultation | All documents held related to the PGF loan to Westland Milk Products. |
| 1819-1028 | | 11 Jan | 11 Feb | 13 Feb | Consultation | All correspondence between the Serious Fraud Office and the Provincial Growth Fund, including advice - official or otherwise - on how the fund can protect itself from fraud. |

PROACTIVELY RELEASED

Departmental OIAs

| Tracking Number | Name | Date received | Date due to Minister's Office | Date due to requestor | Status | Request |
|-----------------|----------------------------|---------------|-------------------------------|-----------------------|---------|--|
| 1819-1155 | Privacy of natural persons | 06 Feb | 27 Feb | 06 Mar | Scoping | <p>I request the following information in relation to the Provincial Development Unit statement on Tuesday 5 February 2019 that "10,000 jobs may be created as a result of PGF investment".</p> <ol style="list-style-type: none"> 1. A complete breakdown of the "10,000 jobs" figure in the form of an itemised list detailing the specific jobs that may be created, the investment that will produce each job and any conditions that must be met in order for each job to be created. 2. For each claim of potential job creation please provide the source document, all analysis and associated information that has been cited or otherwise used to produce a figure. 3. Any external advice that the Provincial Development Unit has sought or received on job creation numbers. 4. All internal correspondence relating to the statement that was released. 5. All correspondence with the Minister for Regional Economic Development's office relating to the statement that was released. 6. A copy of all correspondence including text messages and phone calls that Robert Pigou has had with the Minister for Regional Economic Development or his office relating to the statement that was released. 7. A copy of any spreadsheets or other documents which have been used to calculate the "10,000 jobs" figure. <p>As the Provincial Development Unit has already released this statement and has no doubt corroborated and based the contents on factual information in their possession, I would expect parts 1 and 7 of the information I have requested to be made immediately available.</p> |

Departmental OIAs

| Tracking Number | Name | Date received | Date due to Minister's Office | Date due to requestor | Status | Request |
|-----------------|----------------------------|---------------|-------------------------------|-----------------------|---------|--|
| 1819-1158 | Privacy of natural persons | 05 Feb | 26 Feb | 06 Mar | Scoping | I formally request all information, correspondence, funding applications, reports, briefings, agenda & minutes of meetings related to the following Provincial Growth Fund projects: 1) National Driver Training Centre Manfeild Park Trust (MPT) Charitable Trust \$ 2,862,000 15 November 2018 2) Establishment of Education and Employment program Turakina Māori Girls College Redevelopment Te Rūnanga o Ngā Wairiki – Ngāti Apa Trust \$ 95,000 15 November 2018 |
| 1819-1159 | | 05 Feb | 26 Feb | 06 Mar | Scoping | I formally request all information including any correspondence, funding applications, expression of interests (EOI), reports, briefings, plans, agenda & minutes of meetings related to the following He Poutama Rangatahi funded projects: 1) Hastings District Council The Youth Employment Connector work readiness and connections to whānau, employment and specialist services \$460,000 Hawke's Bay 2) Aotearoa Social Enterprise Trust ASET Poutama Rangatahi, work readiness and connections to employment programme \$447,268 Tairāwhiti 3) Kawerau District Council Pathways to Work - capacity building planning \$100,000 Eastern Bay of Plenty 4) Ōpōtiki College Youth to Work Ōpōtiki, retention in education with whānau support, connecting rangatahi to local sectoral and employment opportunities \$754,000 Eastern Bay of Plenty 5) Te Taiwhenua o Heretaunga Trust Takatū Youth Mentoring Programme, work readiness and connections to employment with a focus on support with drivers' licensing \$258,000 Hawkes Bay |
| 1819-1160 | | 05 Feb | 26 Feb | 06 Mar | Scoping | I formally request all official information including: correspondence, ministerial briefings, briefings, reports, agenda and minutes of meetings related to He Poutama Rangatahi |

Departmental OIAs

| Tracking Number | Name | Date received | Date due to Minister's Office | Date due to requestor | Status | Request |
|-----------------|----------------------------|---------------|-------------------------------|-----------------------|---------|--|
| 1819-1161 | Privacy of natural persons | 05 Feb | 26 Feb | 06 Mar | Scoping | I formally request all official information including: correspondence, ministerial briefings, briefings, reports, agenda and minutes of meetings related Te Ara Mahi |

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Appendix 6 – Ministerial Correspondence

| Ministerial Correspondence | | | | |
|----------------------------|----------------------------|---------------|--------------------------|---|
| Tracking Number | Name | Date received | Due to Minister's Office | Subject |
| SJ2103 | Privacy of natural persons | 16 Jan | 25 Feb | "Business Case Renewable Diesel Project – Miscanthus plant" |
| SJ2116 | | 24 Jan | 26 Feb | "Relocation of specialised strategic manufacturing machinery – S Auckland to Whangarei" |
| SJ2133 | | 25 Jan | 27 Feb | "Carruth House – Whangarei Boys' High School" |
| SJ2088 | | 25 Jan | 27 Feb | "Ideas for horticulture/ agriculture in Kaikohe area" |
| TBC | | 21 Feb | 21 Feb | "Kamo High School re urgent funding to run Hairdressing and trades" |
| TBC | | 21 Feb | 1 Mar | "Eastfield Ashburton Hairdressers and trades" |

PROACTIVELY RELEASED

Appendix 7 – Parliamentary Questions

| Written Parliamentary Questions | | | | |
|---------------------------------|---------------|---------------|--------------------------|--|
| Tracking Number | From | Date received | Due to Minister's Office | Question |
| PQ 5624 (2019) – PQ 5715 (2019) | David Seymour | 20 Feb 2019 | 26 Feb 2019 | 6 x WPQs: What briefings, papers, reports and aides memoire did the Minister received between X and X, both dates inclusive, by date and title? |
| PQ 5439 (2019) – PQ 5521 (2019) | Melissa Lee | 20 Feb 2019 | 21 Feb 2019 | 10 x WPQs re Digital Connectivity |

PROACTIVELY RELEASED

Appendix 8 – Proactive Release

| Documents for Proactive Release | | | |
|---------------------------------|---|--------------------------------|--------------------------|
| Tracking Number | Name | Due for release | Status |
| N/A | Senior Regional Official meeting papers | From 11 February 2019 | Preparing documents |
| Multiple | Weekly Reports (16/11, 23/11, 30/11, 7/12, 14/12 and 21/12) | From 11 February 2019 | Preparing documents |
| N/A | Cabinet papers <ul style="list-style-type: none"> • PGF West Coast Tourism Investment Package • DEV Report back | From 1 February 2019 | Ministerial consultation |
| N/A | Waitangi announcements <ul style="list-style-type: none"> • Whenua Maori Cabinet paper • Event briefing • Advice on Kaipara announcements • PGF Investment in skills and infrastructure | From 11 February 2019 (TBC) | Preparing documents |

| Documents Released This Week | | |
|------------------------------|---------|-----------|
| Tracking Number | Request | Published |
| | | |