



Weekly Report to the Minister for Regional Economic Development

For the period 28 May to 1 June 2018

Date:	1 June 2018	Priority:	Medium
Security classification:	In confidence	Tracking number:	3573 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	Privacy of natural persons
AJ Millward	General Manager - Strategy and Governance	
Robert Pigou	Acting Head of Investment Management	

AJ Millward
General Manager Strategy and Governance
Provincial Development Unit

1. REGIONAL ECONOMIC DEVELOPMENT PORTFOLIO OFFICIALS MEETING

1.1 Outstanding items from previous officials meetings

Item	Action	Who	By when	Status update
EDNZ applications	PDU staff 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	Underway

2. PROVINCIAL GROWTH FUND PROGRESS UPDATES

2.1 Provincial Growth Fund Weekly Update

Robert Pigou

Privacy of natural persons

As at 31 May 2018, 215 projects had been lodged in PipeDrive. This is an increase of 18 from last week. Of the 215 projects, 103 are Expressions of Interest (Eols) and 112 are Applications.

We can confirm that all applicants for both the Eols and Applications have been personally contacted and are all under active management.

An overview of the pipe-line projects, and their status, will be provided in next week's report, including analysis by sector, region and tier.

3. INFORMATION ON UPCOMING PROVINCIAL GROWTH FUND PROPOSALS

3.1 28th Māori Battalion

John Doorbar

Privacy of natural persons

The Senior Regional Officials group approved investment of up to \$297,000 for continued design and development work for the Museum. This investment allows the recipient to continue work up until the next request for PGF funding.

The business case for the Museum will be considered by the Waitangi National Trust Board at its meeting on 15 June 2018. Subject to Board approval, the business case will form the basis for its request for capital funding for the Museum from the Provincial Growth Fund (PGF), which will be presented to the PGF Ministers Group for consideration on 2 July 2018.

The Waitangi National Trust is awaiting confirmation from Far North District Council on its resource consent application. The Trust lodged its request as non-notified on 15 May 2018.

The Waitangi National Trust has completed its initial round of engagements with representatives of A, B, C and D companies. Officials have been informed that A Company Te Taitokerau Association has passed a resolution in support of a national museum commemorating the 28th Māori Battalion at Waitangi. Consultation by company representatives within their regions is underway, but is unlikely to have been completed by 2 July.

Privacy of natural persons and Privacy of natural persons are being contracted by the Provincial Development Unit (PDU) to engage with the descendants of 28th veterans to garner their support for the museum

project. They will also engage with A, B, C and D Company representatives and other key stakeholders e.g. Ngāti Porou.

In view of the above factors, a decision to release capital funding is expected to be conditional on success of the resource consent and support from the companies.

PDU will report-back once information is available regarding timeframes for the resource consent process, the Waitangi National Trust Board's decision on the business case, and progress with the Trust's consultation with the companies.

4. REGIONAL ECONOMIC DEVELOPMENT UPDATES

4.1 Silviculture update

Hinemaui Rikirangi

Privacy of natural persons

Updates on the reported labour shortages in the silviculture industry in the Wairoa district are outlined below. This is linked to requests for support to bring migrant labour in to the region [MBIE 3523 17-18 refers].

4.1.1 Hawkes Bay/Wairoa, East Coast/Gisborne Regional silviculture labour shortage and opportunities

Initial reports received from small businesses in the Wairoa district indicated a labour shortage. Further review indicated specific requests came from Gisborne based business owners and contractors including Vailea Silviculture, Mac Kapene, Lydia Edwards and Hikurangi Forest Farm. While these businesses are Gisborne based, the issue of labour shortage for the forestry industry (and horticulture) could be a regional issue.

To better understand the regional situation, meetings are being held over the next two weeks with a number of key stakeholders from Hawke's Bay iwi and hapū including ^{Privacy of natural persons} [redacted], and possibly ^{Privacy of natural persons} [redacted].

The purpose is to scope the issue, the opportunities for employment and training and fully appreciate the complexities that they are operating in. Also to gain information about existing initiatives already operating in the rohe, whether these can be leveraged and what role stakeholders could play in addressing the labour shortage issue.

Follow-ups are being progressed with Gisborne based forestry businesses, and with ^{Privacy of natu} [redacted] and ^{Privacy of natural persons} [redacted] who have local knowledge and involvements with forestry and training within the Tairāwhiti.

Once we have a better understanding of the situation and have identified the key parties involved we will work together to determine whether the immediate issue of forestry shortage is able to be addressed. We will also scope opportunities together with a broader range of local stakeholders, including government, businesses, tertiary education provider/s, hapū/iwi providers and agencies for the development of initiatives and strategies to address medium to longer-term sustainable local employment.

4.1.2 Immigration Applications

Recent discussions have taken place with independent immigration advisor, ^{Privacy of natural persons} [redacted] who is based in Wairoa. ^{Privacy of natural} [redacted] has strong views that there is a need for migrant labour across the region that is not able to be filled locally. She advocates for a change to enable a 'special forestry industry visa' to respond to the immediate local forestry business need. ^{Privacy of natural} [redacted] has not yet linked in with iwi, hapū, or local organisations that are working with potential employees.

4.2 Māori Economic Development Advisory Board appointments:

Hinemaui Rikirangi

Privacy of natural persons

There are currently eight Māori Economic Development Advisory Board (MEDAB) members (three of which have terms scheduled for reappointment) and two vacancies.

The terms of three members ended in late March 2018 and these members are available for re-appointment and supported by the MEDAB Chair. As proposed (2544 17-18 refers) members re-appointed will be appointed for staggered terms to provide continuity and more timely transition arrangements in future.

Following confirmation of yours and Minister Mahuta's preferred candidates for the two vacancies, we will contact them and prepare the necessary documentation for you to lodge papers with Cabinet office for the 20 June 2018 APH committee meeting.

4.3 Report on socioeconomic deprivation in the Waikato region

Stephanie Weller

Privacy of natural persons

A report entitled "*Socioeconomic Deprivation in the Waikato Region: Using the Index of Multiple Deprivation to understand drivers of deprivation*" has just been published, and shows that districts and communities within the Waikato region rank amongst the most deprived areas in New Zealand. The report was compiled as a tool to help drive decision-making for targeting funding and initiatives to improve social outcomes.

The report uses the New Zealand Index of Multiple Deprivation (IMD), released by the University of Auckland last year. The IMD was developed using data from government departments, Census statistics and methods comparable to current international deprivation indices to measure different forms of disadvantage. It looks at 28 indicators which are grouped into seven domains of deprivation: employment, income, crime, housing, health, education, and access to services.

Highlights from the report include:

- Two Waikato districts - South Waikato and Hauraki - are amongst the twelve most deprived districts in the North Island, with more than 40 per cent of their population living in the top quintile for deprivation.
- A total of 70 per cent of the Hauraki population are living in either deprivation 4 or 5 quintiles (high and very high deprivation). South Waikato and Waitomo follow with 68 per cent of their population living in deprivation quintile 4 or 5.
- Within the region, South Waikato district has the most people living in areas with quintile 5 (very high) employment deprivation at 71 per cent.
- South Waikato also has the highest percentage of population living in quintile 5 for income deprivation at 46 per cent, followed by Hauraki at 39 per cent.
- Hamilton City has the 2nd most deprived data zone in New Zealand for income (out of a total of 5958 data zones across New Zealand).
- The Waikato region ranks worse than the New Zealand median for education deprivation. South Waikato has the highest percentage of people living in quintile 5 data zones for education deprivation at 64 per cent. Hauraki follows with 47 per cent and Waitomo at 42 per cent.

The report will now be used by regional stakeholders, including councils and District Health Boards, to target funding and initiatives at local communities. It will also inform the South Waikato Action Plan work which is currently underway with South Waikato, Waitomo and Otorohanga districts.

5. PAPERS DELIVERED FROM PDU THIS WEEK

Tracker Number	Title	Minister/USEC	Signed out by	Date delivered
3303 17-18	Estimates 2018	Minister Jones	AJ Millward	25 May 2018
3329 17-18	June 2018 In Principle Expense Transfer Submission: Regional Economic Development Portfolio	Minister Jones	Ben Dalton	25 May 2018
3543 17-18	Reported labour shortages in the Silviculture industry in the Hawkes Bay	Minister Jones	Hinemaua Rikirangi	25 May 2018
3557 17-18	Kerikeri Airport blessing and sod turning	Minister Jones	Stephanie Weller	28 May 2018
3567 17-18	Advice on managing equity shares taken and loans advanced under the PGF	Minister Jones	Robert Pigou	28 May 2018
3342 17-18	Kōkiri Māori accelerator in Auckland on 15 June 2018	USEC	Hinemaua Rikirangi	31 May 2018

6. UPCOMING PAPERS FROM PDU

Tracker Number	Title	Minister/USEC	Signed Out By	Date expected
3494 17-18	Toowoomba and Surat Basin Enterprise conference opening in Auckland on 12 June 2018	USEC	Stephanie Weller	6 June 2018
TBC	Information on what work to date has occurred between MBIE and MSD on the flexi-wage and the Provincial Growth Fund.	Minister Jones	AJ Millward	6 June 2018
TBC	Developments within BOP and the Whakarewarewa Forest.	USEC	John Doorbar	6 June 2018
3240 17-18	Information for meeting with Tourism Export Council NZ on 14 June 2018	USEC	Richard Davies	8 June 2018
2823 17-18	Ongoing resourcing for the PDU and other agencies to administer the PGF	Minister Jones	AJ Millward	8 June 2018
2473 17-18	Māori Innovation Fund: briefing on governance arrangements and priorities for 2018/19	Minister Jones	Hinemaua Rikirangi	8 June 2018
TBC	Information on how Ministers are informed of PGF proposals	Minister Jones	AJ Millward	8 June 2018
TBC	Cabinet paper seeking further decisions on the PGF	Minister Jones	Nigel Bickle	14 June 2018
TBC	Event Briefing: Meeting with West Coast Mayors and Chairs	Minister Jones	Stephanie Weller	15 June 2018

7. UPCOMING EVENTS AND MEETINGS

Date	Details	Minister/USEC	Briefing
7 June	Economic Development Select Committee - Regional Economic Development portfolio and Infrastructure portfolio Estimates Hearing	Minister Jones	Briefing sent 25 May
8 June	Meeting with Neal Barclay, Meridian Energy 12:30-1pm	Minister Jones	Official requested to attend
12 June	Toowoomba and Surat Basin Enterprise Conference opening in Auckland	USEC	Briefing sent 31 May
14 June	Meeting with Tourism Export Council NZ	USEC	Briefing due 7 June
15 June	Kōkiri Māori accelerator in Auckland	USEC	Briefing due 31 May
15 June	Site visit to MBIE Auckland offices	USEC	N/A
18 June	Independent Advisory Panel meeting	For information	N/A
19 June	Meeting between the Deputy PM, Minister Jones and the West Coast Mayors and Chair	Minister Jones	Briefing to be provided
22 June	Launch of Pakihi	Minister Jones/USEC	Briefing to be provided
30 June	Launch of the Wairarapa Economic Strategy	Minister Jones/USEC	Briefing to be provided
22 June	Hawkes Bay Matariki Event	Minister Jones/USEC	Briefing to be provided
2 July	RED Ministers Meeting	Minister Jones	Briefing due 26 Jun
3 Aug	Bay of Connections Forum	Minister Jones/USEC	Briefing to be provided
15 Aug	Independent Advisory Panel meeting	For information	N/A
21 Aug	Eastern Bay of Plenty Meeting	Minister Jones	TBC
30 & 31 Aug	Waikato Economic Summit	Minister Jones/USEC	Briefing to be provided
3 Sept	RED Ministers meeting	Minister Jones	Briefing due 28 Aug
16 Oct	Independent Advisory Panel meeting	For information	N/A
5 Nov	RED Ministers Meeting	Minister Jones	Briefing to be provided
6 Dec	Independent Advisory Panel meeting	For information	N/A

8. MEDIA AND COMMUNICATIONS SCHEDULE

Date	Details	Communications material
TBC	Bay of Plenty-focused announcements on the Big Moves Projects (SROs approved), Visitor Economy Strategy and the Regional Cruise Gateway	Minister Jones' office will be provided with communications material
15 June	Ruapehu Alpine Lifts loan & tbc 1 Million seedlings	Minister Jones' office will be provided with a draft media release
22 June	Hawkes Bay Matariki event and investment announcement: <ul style="list-style-type: none"> Hawke's Bay aquarium feasibility study Hawke's Bay Food Hub Feasibility Funding (SROs approved) Wairoa Capability Funding	Under Secretary's office will be provided with communications material
30 June	Launch of Wairarapa Economic Strategy	
TBC – July	Provincial Growth Fund investment strategy released	Minister Jones' office will be provided with communications material

9. MINISTERIAL SERVICING

9.1 Written Parliamentary questions

Member	Tracker	Question	Date due to Minister's Office	Date due for reply
David Seymour	PQ 11276 (2018)	What specific outcome does he expect the Provincial Growth Fund to achieve in relation to 'more investments that enhance regions' natural capital', as noted in paragraph 25 of his February 2018 Cabinet paper?	5 Jun 2018	6 Jun 2018
David Seymour	PQ 11277 (2018)	What specific outcome does he expect the Provincial Growth Fund to achieve in relation to 'contribute to mitigating or adapting to climate change effects and a just transition to a low emissions economy', as noted in paragraph 25 of his February 2018 Cabinet paper?	5 Jun 2018	6 Jun 2018
David Seymour	PQ 11275 (2018)	If no specific outcomes, targets or performance measures have been established for the Provincial Growth Fund when will they be?	5 Jun 2018	6 Jun 2018
David Seymour	PQ 11279 (2018)	What specific outcome does he expect the Provincial Growth Fund to achieve in relation to 'improved resilience and sustainability of transport infrastructure, and supporting improved connections within and between regions', as noted in paragraph 25 of his February 2018 Cabinet paper?	5 Jun 2018	6 Jun 2018
David Seymour	PQ 11280 (2018)	What specific outcome does he expect the Provincial Growth Fund to achieve in relation to 'lower rates of young people not in employment, education and training', as noted in paragraph 25 of his February 2018 Cabinet paper?	5 Jun 2018	6 Jun 2018
David Seymour	PQ 11281 (2018)	What specific outcome does he expect the Provincial Growth Fund to achieve in relation to 'increased productivity', as noted in paragraph 25 of his February 2018 Cabinet paper?	5 Jun 2018	6 Jun 2018

Member	Tracker	Question	Date due to Minister's Office	Date due for reply
David Seymour	PQ 11282 (2018)	What specific outcome does he expect the Provincial Growth Fund to achieve in relation to 'increased employment (and reduced unemployment) and wages', as noted in paragraph 25 of his February 2018 Cabinet paper?	5 Jun 2018	6 Jun 2018
David Seymour	PQ 11283 (2018)	What specific outcome does he expect the Provincial Growth Fund to achieve in relation to 'enhanced utilisation and returns for Māori from their assets', as noted in paragraph 25 of his February 2018 Cabinet paper?	5 Jun 2018	6 Jun 2018
David Seymour	PQ 11284 (2018)	What specific outcome does he expect the Provincial Growth Fund to achieve in relation to 'increased regional economic output', as noted in paragraph 25 of his February 2018 Cabinet paper?	5 Jun 2018	6 Jun 2018
David Seymour	PQ 11278 (2018)	What specific outcome does he expect the Provincial Growth Fund to achieve in relation to 'improved digital communications', as noted in paragraph 25 of his February 2018 Cabinet paper?	5 Jun 2018	6 Jun 2018

9.2 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 persons	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 'Mareia 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
1718-1349		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, and 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
1718-1602		Any information relating to MBIE's current work around impact investment in developing countries. Any research, reports, briefings about New Zealand's profile and contribution in this area as well as detail on any partnerships it's involved in would be much appreciated. Material on support for innovation and business development would also be helpful	31 May 2018	8 Jun 2018
1718-1713		Can I please request the applications of all three Provincial Growth Fund submitters from the Wairarapa region	20 Jun 2018	27 Jun 2018

9.3 Ministerial Official Information Act Requests

Tracking number	Requestor	Summary of request	Date due to Minister's Office	Date due to requestor
SJOIA64	Privacy of natural persons	Recommendation for funding from the Regional Growth Initiative Fund and Provincial Growth Fund dated 9 February 2018	31 May 2018	7 Jun 2018
SJOIA75		Regional Economic Development Weekly Report week ending 29 March 2018, Papers for RED Minister Meeting on 2 May 2018	6 Jun 2018	13 Jun 2018
SJOIA76		Further decisions on Provincial Growth Fund appropriations dated 27 March	6 Jun 2018	13 Jun 2018
SJOIA78		He Poutama Rangatahi first tranche funding April 2018	6 Jun 2018	13 Jun 2018

PROACTIVELY RELEASED