



COVERSHEET

Minister	Hon Shane Jones	Portfolio	Regional Economic Development
Title of Cabinet paper	Provincial Growth Fund: priority decisions for late-2019	Date to be published	23 September 2020

List of documents that have been proactively released

Date	Title	Author
23 September 2020	Minute of Decision DEV-19-MIN-0338	Office of Minister for Regional Economic Development
23 September 2020	Provincial Growth Fund: priority decisions for late-2019	Office of Minister for Regional Economic Development

Information redacted

YES / NO (please select)

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Cabinet Economic Development Committee

Minute of Decision

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Provincial Growth Fund: Priority Decisions for Late-2019

Portfolio Regional Economic Development

On 4 December 2019, the Cabinet Economic Development Committee:

Ōpōtiki Harbour Development and historic sites of national importance

- 1 **agreed** to fund up to \$79.4 million from the Provincial Growth Fund (PGF) for the Ōpōtiki Harbour Development, subject to confirmation from the **Commercial Information** that it will also contribute **\$Commercial** funding;
- 2 **agreed** to allocate up to \$20 million from the PGF towards projects on historic sites of national importance;

Reprioritising the PGF's Tairāwhiti Roding Package

- 3 **noted** that up to \$136.4 million funding from the PGF has been allocated to the Tairāwhiti Roding Package;
- 4 **noted** that the Waikare Gorge project will not be substantially underway in 2020;
- 5 **noted** that \$5 million of the Waikare Gorge contingency will be invested in that project to complete the pre-work stages and leave the project ready for implementation when funding becomes available in future;
- 6 **agreed** to reprioritise \$44 million of PGF funding for the Waikare Gorge project, taking it out of contingency and putting it back into the general PGF;
- 7 **noted** that officials will report back to Regional Economic Development Ministers (RED Ministers) on alternative investment opportunities, and that the funding will remain ring-fenced for projects that benefit Tairāwhiti;
- 8 **authorised** the Minister of Transport and the Minister for Regional Economic Development, until 1 February 2020, to approve PGF funding for transport-related projects in Tairāwhiti from these ring-fenced funds;

Clarifying delegations relating to Contingency Funding for emerging priorities

9 **agreed** to transfer \$5.000 million of the tagged capital contingency ‘Manifesto Commitments to the Regions – Capital’ to the tagged operating contingency ‘Manifesto Commitments to the Regions – Operating’, as follows:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24
Manifesto Commitments to the Regions – Capital	(5.000)		-	-	-
Manifesto Commitments to the Regions – Operating	5.000				

10 **confirmed** that RED Ministers have authority to:

10.1 draw down the remaining tagged operating and capital expenditure contingency funding, subject to approval through RED Ministers;

10.2 swap, but not increase, total funding available, between the tagged operating and capital expenditure contingency as required, based on approved projects;

Transfer of investments funded by MBIE (Supporting Capital Projects) to Provincial Growth Fund Limited

11 **agreed** that, for the transfer of the PGF investments within the Ministry of Business, Innovation and Employment’s non-departmental balance sheet, there should be no impact on the PGF funding;

12 **noted** that the investments referred to in paragraph 11 above have already been advanced to recipients and counted against Budget allowances;

13 **noted** that a key principle of the Fiscal Management Approach is to avoid double counting the fiscal impact of decisions against allowances;

14 **agreed** to establish the following new appropriation to account for the transfer of the PGF investments from the Ministry of Business, Innovation and Employment to Provincial Growth Fund Limited:

Vote	Appropriation Minister	Title	Type	Scope
Business, Science and Innovation	Minister for Regional Economic Development	Regional Economic Development: Transfer of investments	Non-Departmental Capital Expenditure	This appropriation is limited to the transfer of Provincial Growth Fund investments to Provincial Growth Fund Limited

- 15 **noted** that this appropriation is required because the investments are being transferred outside the legal Crown, but that the appropriation is fiscally neutral as the Crown will be issued shares in Provincial Growth Fund Limited in return for the transfer of the investments;
- 16 **agreed** that the funding cannot be transferred out of the appropriation established in paragraph 14 above;
- 17 **approved** the following changes to appropriations to give effect to the principle agreed in paragraph 11 above, with a corresponding impact on the operating balance:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24
Vote Business, Science and Innovation Minister for Regional Economic Development					
Non-departmental Capital Expenditure Regional Economic Development: Transfer of investments	Commercial Inform				

- 18 **agreed** that the changes to appropriations for 2019/20 above be included in the 2019 Supplementary Estimates and in the interim, the increase be met from Imprest Supply;
- 19 **authorised** the Minister of Finance and the Minister for Regional Economic Development to increase the appropriation established in paragraph 14 above as necessary to meet the value of the investment transfers between the Ministry of Business, Innovation and Employment and Provincial Growth Fund Limited.

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Phil Twyford
Hon Nanaia Mahuta
Hon Jenny Salesa
Hon Kris Faafoi
Hon Shane Jones
Hon Willie Jackson
Hon Eugenie Sage

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

Hard-copy distribution:

Minister for Regional Economic Development