

# Regional Economic Development

**Weekly Report**

**2 – 6 December 2019**

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**To: Hon Shane Jones**  
Minister for Regional Economic Development

**Fletcher Tabuteau**  
Under-Secretary to the Minister for Regional Economic  
Development



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# 1. Dashboard updates

## 1.1 Status of applications as at 2 December 2019 (weekly)

<b>New projects this week</b>	18
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## 1.2 Headline Numbers as at 31 October 2019 (monthly)

Total PGF funding committed	Total funding contracted	Total value of funding paid to date
\$2,611.0m	\$1,076.0m	\$336.9m

## 1.3 Job numbers as at 31 October 2019 (monthly)

<b>Number of jobs created</b>	2,218
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\*Based on information provided by funding recipients

## 1.4 Progress of applications and EOI as at 31 October 2019 (monthly)

Stage	Count*
EOI / Application received	211
Being processed	154
Unsuccessful	696
Approved	331
<b>Total</b>	<b>1,392</b>

\* Approved projects also includes out of process projects that are managed by other PGF agencies. Application numbers and project numbers may differ, as an application may result in multiple projects.

## 2. Upcoming announcements

Date	Region	Projects being announced	Additional information
13 Dec 2019	West Coast	Blackwater Mine	Minister O'Connor
16 Jan 2020	Kaikōura	Three projects including Kaikōura Marina Development's Wakatu wharf, South Bay business case and Timatangi Hou (Bros for Change)	Work has commenced
Jan 2020	Wairarapa	Wairarapa Water announcement	Under Secretary and Minister Ron Mark to announce
3-7 Feb 2020	Waitangi	A package of national and local announcements, and events	Work has commenced
Early 2020	Cambridge	Cambridge Synthetic Race Track Event Briefing and Comms to be sent to DPM this week.	Media release and talking points under development

## 3. Communications activities

Date	Region	Media projects	Additional information
w/c 4 Dec	Manawatū/ Whanganui	Forgotten World Highway road resealed	Social media
w/c 4 Dec	West Coast	Paparoa Track and Croesus Road	Social media
w/c 4 Dec	Northland	Wahine Toa Forestry Cadets from He Pou Rangatahi funded project	Social media
4 Dec	Manawatū	Story on Ohakune digital hub funding Te Pae Tata pitched to local media	Also on website
4/5 Dec	Tairāwhiti	Photo of the new training facilities at the Macadamia nut project	Social only due to previous coverage in Gisborne Herald
w/c 9 Dec	Whanganui	Pitching story on the Uenuku Pou carving project to the Whanganui Chronicle; story to also be on website	
w/c 9 Dec	Tairāwhiti/ Wairoa and Wairarapa	Media release announcement of the Growing Future Farmers project	

## 4. Schedule of recent and upcoming recommendations

### 4.1 Update on decisions made in 28 November 2019 Senior Regional Officials (SRO) meeting

Project title	Decision
[REDACTED]	Commercial Information - Declined Application [REDACTED]
Development of Institute – Digital training and employment Hub (TAM), Tai Tokerau	SROs approved funding of \$670,000 from the TAM portion of the PGF.
Commercial Information - Declined Application [REDACTED]	[REDACTED]
South Canterbury Transport and Logistics Panel (TAM), Canterbury	SROs approved funding of \$600,000 from the TAM portion of the PGF.
Wairoa Digital Employment Programme (TAM), Hawkes Bay	SROs approved funding of up to \$960,000 from the TAM portion of the PGF.
Commercial Information - Declined Application [REDACTED]	[REDACTED]
Work Readiness to Employment (TAM), Waikato	SROs approved funding of \$393,500 from the TAM portion of the PGF.
Pathways Horowhenua (TAM), Manawatū-Whanganui	SROs approved funding of \$806,277 from the TAM portion of the PGF.
The Ruapehu Whānau Transformation Plan (TAM), Manawatū-Whanganui	SROs approved funding of up to \$960,000 from the TAM portion of the PGF.
Talent Central – Equipping Young People for the World of Work (TAM), Manawatū-Whanganui	SROs supported funding of \$1,778,000 from the TAM portion of the PGF.
Port Employment Precinct Whanganui (TAM), Manawatū-Whanganui	SROs supported funding of \$1,545,670 from the TAM portion of the PGF.
[REDACTED]	Commercial Information - Deferred Project [REDACTED]
Wahine Toa (TAM), Hawkes Bay	SROs supported \$2,137,785.96 of funding from the TAM portion of the PGF.
Blue Light Youth Driver Navigator Programme (TAM), Bay of Plenty	SROs supported funding of \$3,002,968 from the TAM portion of the PGF.
Youth Employment Plus – Rotorua (HPR), Bay of Plenty	SROs approved in-principle funding of \$960,000 from the He Poutama Rangatahi (HPR) portion of the PGF subject to conditions.

Commercial Information - Deferred Project		
NZ Shearing Training Model – Pilot Schemes (TAM), Tairāwhiti, Hawkes Bay, Otago, Southland		SROs supported funding of \$1,864,000 from the TAM portion of the PGF.
Timber Offsite Manufacturing Factory in Cromwell – Residential and Commercial Construction, Otago		SROs approved a loan of \$600,000 from the PGF.
Paetawa Station Development, Manawatū-Whanganui		SROs approved funding of \$457,477 from the Whenua Māori portion of the PGF.
Whanau Camping ground expansion and Māori Myths & Legends Mini Putt (Resubmission), Waikato		Noting that the application no longer included funding for the Māori Myths and Legends Mini Putt, SROs approved funding of \$283,178 from the Whenua Māori portion of the PGF.
Commercial Information - Deferred Project		
Mangamaire Ara Ki Mua, Hawkes Bay		SROs approved funding of \$535,000 from the Whenua Māori portion of the PGF subject to conditions.
Hakurenga: Enabling on Farm Production, Tairāwhiti/East Coast		SROs approved funding of up to \$115,200 from the Whenua Māori portion of the PGF subject to conditions.
Buller District Regional Digital Hub		SROs approved funding of \$400,000 from the PGF.
Regional Digital Hub in Wairoa, Hawkes Bay		SROs approved funding of \$400,000 from the PGF subject to conditions.
Grey District Regional Digital Hub and the Outreach Hub, West Coast		SROs approved funding of \$800,000 from the PGF.
Opotiki Regional Digital Hub, Bay of Plenty		SROs approved funding of \$400,000 from the PGF subject to conditions.
Katikati Regional Digital Hub, Bay of Plenty		SROs approved funding of \$400,000 from the PGF subject to conditions.
Regional Digital Hub, Woodville, Tararua District, Manawatū-Whanganui		SROs approved funding of \$400,000 from the PGF subject to conditions.

#### 4.2 Update on recommendations made in 13 November 2019 Independent Advisory Panel (IAP) meeting

Project title	Recommendation
Commercial Information - Declined Application [Redacted]	[Redacted]
Hiringa - Renewable Power and Green Hydrogen Project, Taranaki	The IAP supported the PDU recommendation for in-principle approval of this project to the value of 50% of the PGF funding requested (\$Com million), with the balance being sought from Commercial Information [Redacted]
Ngawha Innovation and Enterprise Park - Stage 2, Northland	The IAP supported the PDU recommendation for in-principle approval of a PGF grant at the reduced amount of \$Com million.
Blackwater Gold Mine Exploration Project, West Coast	The IAP supported the PDU recommendation for approval of a loan (to be secured or guaranteed) of up to \$15 million from the PGF subject to conditions.
Te Ara Pounamu - The Pounamu Pathway, West Coast	The IAP supported the PDU recommendation for approval subject to conditions with a preferred funding structure as equity investment.
Ngā Ara Tipuna - Waipukurau Pā Site Interpretation Project Construction Phase, Hawke's Bay	The IAP supported the PDU recommendation for approval of \$Commerci as a grant from the PGF, subject to conditions, once the applicant has raised a co-contribution to the value of \$C [Redacted] o
Wai Ariki Hot Springs a Spa, Bay of Plenty	The IAP supported the PDU recommendation for approval of \$9 million as a commercial loan from the PGF, subject to conditions.
QE Health Regeneration, Bay of Plenty	The IAP supported the PDU recommendation for approval of \$7.8 million as a revised loan from the PGF, subject to conditions.
Te Ara Moana a Toi - a path to the sea, Bay of Plenty	The IAP supported the PDU recommendation for approval of \$Com million from the PGF, with an equity agreement and a contribution from the Bay or Plenty Regional Council.
Commercial Information - Deferred Project [Redacted]	[Redacted]
Commercial Information - Deferred Project [Redacted]	[Redacted]
Northland Water Storage and Use – Project 2 and Kaipara Kai Water, Northland	The IAP supported the PDU recommendation for approval, subject to conditions.
Ruamahanga (Wairarapa) and Aerial Hydrogeology Survey, Wairarapa	The IAP supported the PDU recommendation for approval, subject to conditions.
Whenua Māori Raukokore/Waihau Bay 200ha Kiwifruit Development, Bay of Plenty	The IAP supported the PDU recommendation for approval, subject to conditions.

Whenua Māori Blueberry Production in South Taranaki - Whenua Māori, Taranaki		The IAP supported the PDU recommendation for approval of a loan of up to \$ <sup>commercial</sup> million, subject to conditions, including obtaining water consents.
Commercial Information - Declined Application [Redacted]		[Redacted] [Redacted]
Commercial Information - Deferred Project		[Redacted]
Commercial Information - Declined [Redacted]		[Redacted] [Redacted]
[Redacted] [Redacted]		Commercial Information - Declined Application [Redacted] [Redacted]



## 5. Delivery of projects update

### 5.1 Top priority projects of interest

Project name	Description/ update
<p>[Redacted]</p>	<p>Commercial Information - Withdrawn Application</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Kupe Waka Centre</p>	<p>Commercial Information</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>This contract has an Oversight Advisor from the MBIE Commercial Team performing an initial assessment and recommendation on any risks with this course of action. An official request for a variation will be presented to Regional Economic Development Ministers.</p> <p><b>Amount:</b> \$4.600m   <b>Region:</b> Northland   <b>Status:</b> Contracted</p>
<p>Wilson's Training Centre</p>	<p>Commercial Information</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p><b>Amount:</b> \$4.351m   <b>Region:</b> Northland   <b>Status:</b> Approved – Drafting Contract</p>
<p>Te Hiku Sports Hub</p>	<p>Commercial Information</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p><b>Amount:</b> \$3.000m   <b>Region:</b> Northland   <b>Status:</b> Contracted</p>

## 5.2 Other projects

Project name	Description/ update
Tokerau Miro - Blueberry expansion on Māori-owned land in the Mid to Far North of Tai Tokerau	<p>This project was approved in October 2019 and the Investment team is negotiating the terms of the loan agreement with the recipient. PDU officials expect this to be contracted by the end of the first quarter of 2020.</p> <p><b>Amount:</b> \$962,500   <b>Region:</b> Northland   <b>Status:</b> Approved – Drafting Contract</p>
National Aquarium of New Zealand (NANZ) – Business Case	<p>The recipient, Napier City Council, has completed the detailed business case for the development of the National Aquarium of New Zealand. <b>Commercial Information</b></p> <p><b>Amount:</b> \$350,000   <b>Region:</b> Hawke's Bay   <b>Status:</b> Contracted</p>
[Redacted]	<p>Commercial Information - Withdrawn Application</p> <p>[Redacted]</p>
Greymouth Master Plan	<p>This Master Plan is currently underway and the CBD Forum is working on an action plan with a project plan for allocation to be finalised in <b>Commercial Information</b>. The recipient has requested a tender for the construction of new access ways for the outdoor events area which is part of the Master Plan. Once a contractor is confirmed, costs can be finalised and fed into the Master Plan. The construction will then proceed at the cost of the Council.</p> <p><b>Amount:</b> \$250,000   <b>Region:</b> West Coast   <b>Status:</b> Contracted</p>
SH1 - Rosebank Industrial Estate Slip Lane	<p>The work on the slip lane for this project has now commenced. <b>Commercial Information</b> is relocating the existing copper cables and installing ducting and fibre. The <b>Commercial Information</b>, the contractor for the project, will be onsite once the cabling work is complete.</p> <p><b>Amount:</b> \$218,000   <b>Region:</b> Otago   <b>Status:</b> Contracted</p>
BISON – Container Systems	<p>The recipient has recently completed two demonstration presentations to prospective clients of their model container system. The physical demonstration space is due for construction by the end of <b>Commercial Information</b>. PGF investment for this project was for both the manufacture of the container system, and the demonstration space.</p> <p><b>Amount:</b> \$110,000   <b>Region:</b> Otago   <b>Status:</b> Contracted</p>

### 5.3 He Poutama Rangatahi (HPR) update

<p>Nga Pumanawa Tupuna Project</p>	<p>On 2 July 2019, the Nga Pumanawa Project in the Wairarapa was awarded \$948,000 over two years to support Co at-risk rangatahi on pathways to employment. The initiative targets predominantly rangatahi Māori to build the skills, attitudes, habits, and confidence necessary to effectively transition into further education or training or directly into employment. The first cohort of C students will be graduating at a special event on 18 December 2019. They are now recruiting students for their next cohort that begins on 10 February 2020.</p>
<p><b>Amount:</b> \$948,000   <b>Region:</b> Wairarapa   <b>Status:</b> Contracted</p>	
<p>Kawerau Pathways to Work</p>	<p>Kawerau District Council received an HPR grant of \$311,000 in May for its Kawerau Pathways to Work (KPtW) programme. KPtW works with Tuwharetoa Ki Kawerau Health, Education and Social Services on pre-employment programmes to make people not in employment, education or training (NEETs) ‘work-ready’ and connect them to employers. KPtW has recently secured four cadetship opportunities for local rangatahi where cadets will commence Commis-week cadetships to gain experience in tourism, logistics and warehousing. Up to Commis rangatahi NEETs will be supported by the KPtW programme over Commis years.</p>
<p><b>Amount:</b> \$ 311,000   <b>Region:</b> Bay of Plenty   <b>Status:</b> Contracted</p>	

### 5.4 Major upcoming project deliverables – due in December

Contract Title	Region	Condition
Ohaeawai Visitor Centre Feasibility Study	Northland	Final feasibility study submitted to the Ministry.
Paihia Wharf Extension and Upgrade Project	Northland	Project completed in accordance with the construction contract.
Wahine Toa Programme	Northland	Final report submitted to the Ministry.
The Camera Obscura Sculpture	Northland	Foundations installed.
Development Phase Project to Support Northland Rail Business Case	Northland	Final report submitted to the Ministry.
Mussel Farming and Production Facility	Bay of Plenty	Final refreshed business case, approved by the Board of Directors of the applicant and submitted to the Ministry. All progress reports and the final report are submitted by their due dates.
Te Kaha Nui a Tiki - Te Kaha Development Project	Bay of Plenty	Final planning documents for the delivery of the Te Kaha Gold Project submitted to the Ministry.
Alternative Land Use Options for the Tararua District	Manawatū-Whanganui	Final report submitted to the Ministry.
Turakina Māori Girls College Redevelopment Project - Te Poho O Tuariki	Manawatū-Whanganui	Final report submitted to the Ministry.

Sarjeant Gallery Te Whare o Rehua Whanganui Redevelopment	Manawatū-Whanganui	Site blessing to take place before construction commences.
Wairarapa Dark Sky Reserve - International Certification	Wairarapa	Final report submitted to the Ministry.
Site Weld - Engineering Machinery	Otago	Equipment Piece One – Luxcut Z660 Lathe, installed and operational.
Development Phase Studies for Rail Freight Opportunities: Southland	Southland	Draft project report submitted to the Ministry.
Development Phase Study for Tourism Services - Hokitika to Westport	West Coast	Final report submitted to the Ministry.
Westport Airport - Critical Infrastructure Resilience	West Coast	Approximately █ % completion of airport seawall as demonstrated by quantitative survey of seawall rock volume placement.

## 6. Policy Updates

### 6.1 PGF Limited

<p>On 11 December 2019, PGFL Directors will meet with PDU for the third time to discuss updates on the work regarding the establishment and operationalisation of PGFL. PDU is now in the operational establishment phase to confirm details of the operational processes to ensure that PGFL can accept loan and equity investment.</p> <p>The Treasury will soon provide a briefing to the Minister of Finance seeking his approval to an indemnity for PGFL under the Public Finance Act. The briefing will be referred to you once it has been considered.</p>	
<b>Contact:</b>	Isabel Poulson, Manager Strategy and Policy, 04 897 5364

## Appendix 1 – Completed Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Date sent
1244 19-20	Proposed approach to PGF waste investment	Jones	David van der Zouwe	3 Dec
1744 29-20	Mahia PGF Roding Project	Jones Twyford Parker	Ben Dalton	3 Dec

## Appendix 2 – Upcoming Cabinet Papers, Briefings, Aides Memoire & Reports

Tracking number	Title	Minister/ USEC	Signed out by	Due Date
TBC	Provincial Growth Fund Funding Transfer to Department of Conservation for approved projects	RED Mins	Robert Pigou	Commercial Information
TBC	Kaikōura Marine announcement	USEC	Kate Styles	

## Appendix 3 – Official Information Act requests

Ministerial OIA						
Tracking Number	Name	Date received	Due to Minister's Office	Due to request or	Status	Request
OIA357	Privacy of natural persons	4 Oct	16 Oct	23 Oct	Gathering Information	I refer to written question 30980 (2019). Under the official information act could I please request copies of the following papers
OIA373		1 Nov	21 Nov	28 Nov	Review	Copies of all emails, letters and other correspondence between Regional Economic Development Minister Shane Jones and/or staff from his office and the Dunedin City Council (staff or elected), the Ministry of Business, Innovation and Employment (MBIE) and/or Provincial Growth Fund officials, relating to Dunedin's waterfront development plan.
OIA386		27 Nov	12 Dec	19 Dec	Sign out	Under the OIA I ask for all weekly reports to the Minister for Regional Economic Development from 1 March to 15 November 2019.
1920-0540		28 Sept	1 Dec	9 Dec	Review	All papers – internal and external - generated by MBIE relating to the aviation connectivity fund idea.
1920-0660		21 Oct	11 Nov	19 Nov	Scoping	General information about the Far East Sawmill, Mānuka Honey Appellation Society, Marine Farming Association Capability Project and Greymouth dredge projects.
1920-0428		9 Sep	15 Oct	22 Oct	Gathering Information	All correspondence and material between Eastland Community Trust, Provincial Growth Unit and the Minister relating to the Wood Cluster Centre of Excellence between 1 January 2019 and 1 September 2019.

Ministerial OIA						
Tracking Number	Name	Date received	Due to Minister's Office	Due to request or	Status	Request
1920-0227	Privacy of natural persons	13 Aug	1 Nov	8 Nov	Gathering Information	Ruapehu Alpine Lifts - questions
1920-0707		31 Oct	21 Nov	28 Nov	Gathering Information	Information relating to PGF investment in Dunedin creative digital industry.
1920-0737		6 Nov	27 Nov	4 Dec	Gathering Information	How much money has been spent on consultants as part of the Provincial Growth Fund investment?
1920-0745		7 Nov	28 Nov	5 Dec	Gathering Information	Documents relating to the Waioura Trust application for grants relating to Kapiti Island or any other application to the PGF relating to Kapiti Island.
1920-0772		12 Nov	2 Dec	9 Dec	Scoping	Info on jobs created that were funded by the PGF
1920-0783		13 Nov	4 Dec	11 Dec	Scoping	Commercial Information - Declined Application
1920-0825		21 Nov	12 Dec	19 Dec	Scoping	Commercial Information - Declined Application
1920-0819		21 Nov	12 Dec	19 Dec	Scoping	Commercial Information - Declined Application
1920-0837		22 Nov	13 Dec	20 Dec	Drafting	Applicants for funding from the PGF
1920-0838		22 Nov	13 Dec	20 Dec	Drafting	PGF weekly reports and oia requests
1920-0845	25 Nov	16 Dec	23 Dec	Gathering Information	Correspondence re: funding development of wind turbines on Stewart Island	

## Appendix 4 – Ministerial Correspondence

Ministerial Correspondence				
Tracking Number	Name	Date received	Due to Minister's Office	Subject
SJ3441	Privacy of natural persons	26 Nov	17 Dec	PGF thoughts
SJ3418		26 Nov	17 Dec	Regional development
SJ3421		26 Nov	17 Dec	Commercial Information
SJ3438		29 Nov	20 Dec	Dargaville Pontoon
SJ3454		29 Nov	20 Dec	Ringfence
SJ3444		29 Nov	20 Dec	Processing of Lithium ion batteries
SJ3445		29 Nov	20 Dec	Support for Southland Engineering firms
SJ3451		29 Nov	20 Dec	Kia ora ehoa
SJ3506		29 Nov	20 Dec	Tourism idea
SJ3487		29 Nov	20 Dec	Commercial Information
SJ3497		29 Nov	20 Dec	Provincial Growth Fund - Invercargill



## Appendix 5 – Parliamentary Questions

Written Parliamentary Questions				
Tracking Number	From	Date received	Due to Office	Question
PQ 39183 – 40390 (2019)	Andrew Falloon	29 Nov	6 Dec	706 x PQs received re dates projects were confirmed and amounts received.
PQ 40823 (2019)	Hon Louise Upston	3 Dec	6 Dec	What funding, if any, has Cambridge had from the Provincial Growth Fund this year?
PQ 41497 (2019)	Lawrence Yule	5 Dec	9 Dec	How many trains have operated on the Napier to Wairoa railway line since its reopening on July 14 2019, if any, broken down by date of service and type of freight?
PQ 38628 (2019)	Chris Bishop	28 Nov	6 Dec	Why is the most recent Regional Economic Development weekly report on the Ministry of Business, Innovation and Employment dated 28 June 2019?

## Appendix 6 – Proactive Release

Documents for Proactive Release			
Name / Document Type	Quantity	Due for release	Status
Cabinet Papers & PGFL documentation	6	Commercial Information	Minister's Office
Regional Economic Development Weekly Reports	57		Sign-out
	36		Minister's Office
Applications	212		Various
	4		Sign-out
Funding Agreements	226		Various
Regional Economic Development Ministers Meeting Papers	203		Review
Position Papers	0		N/A
Senior Regional Officials Meeting Papers	177		Collation
Independent Advisory Panel Meeting Papers	223		Collation
30 September job data	1		With Minister's Office
Centre of Digital Excellence Business Case	1		Sign-out

Documents Released This Week	
Tracking Number	Document Title