



COVERSHEET

Minister	Hon Stuart Nash	Portfolio	Economic Regional Development
Title of Cabinet paper	A focused evolution of Regional Economic Development	Date to be published	22 July 2021

List of documents that have been proactively released

Date	Title	Author
July 2021	A focused evolution of Regional Economic Development	Office of Minister for Economic Regional Development
22 July 2021	Minute of Decision CBC-21-MIN-0013	Cabinet Office

Information redacted

YES / NO (please select)

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Cabinet Business Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

A Focused Evolution of Regional Economic Development

Portfolio Economic and Regional Development

On 26 January 2021, the Cabinet Business Committee:

- 1 **noted** that Regional Economic Development aims to improve the economic prospects and living standards of all New Zealanders by delivering local approaches tailored to the particular needs of individual regions – especially those regions, or areas within regions, that are falling behind;
- 2 **noted** that the Minister for Economic and Regional Development (the Minister) proposes an evolution of the previous Regional Economic Development approach by growing and weaving the Provincial Development Unit’s partnership and investment capabilities together, within a more coherent and coordinated strategic framework, with a stronger focus on achieving collective impact by targeting and aligning investments;
- 3 **noted** that the key elements of the proposed approach are regional strategic partnerships, guided by a Productive, Sustainable, Inclusive, Resilient, and Māori-enabling vision for regional economies, framed by a more strategic investment approach and coordinated Regional Economic Development work programme with the following work streams:
 - 3.1 Stream 1 – Facilitating regional strategic partnerships;
 - 3.2 Stream 2 – Enabling regional economic and business development;
 - 3.3 Stream 3 – Accelerating Māori economic aspirations;
 - 3.4 Stream 4 – Supporting sector transformations;
 - 3.5 Stream 5 – Coordinating a more effective all-of-government system;
- 4 **noted** that the proposed approach is connected to the government’s strategic priorities for broader regional development, such as Regional Public Service Leads and Regional Skills Leadership Groups, and alignment with the government’s overall regional approach is important;
- 5 **noted** that Ministry of Business, Innovation and Employment officials will work with officials from other agencies, particularly from the Ministry for Social Development and Employment, and Public Service Commission, to explore opportunities to create a high performing integrated government approach to broader regional development;

- 6 **agreed** in principle, subject to final decisions referred to in paragraph 7 below, to the broad parameters of a focused evolution of Regional Economic Development proposed in the paper under CBC-21-SUB-0013;
- 7 **noted** that the Minister intends to seek Cabinet approval to final decisions on an evolved Regional Economic Development approach by April 2021, including options considering the future role and membership of the Independent Advisory Panel, following more detailed policy development and consultation;
- 8 **invited** the Minister to consult with and refer key decisions to the Employment, Education and Training Ministerial Group prior to seeking Cabinet approval in April 2021;
- 9 **noted** that there are some immediate governance decisions which should be made now to help ensure an effective transition to an evolved Regional Economic Development approach;
- 10 **noted** that, in July 2019, Cabinet updated Regional Economic Development delegations to be jointly placed with the Minister of Finance, the Minister for Regional Economic Development, the Minister for Economic Development, the Minister of Transport, and the Minister for Trade and Export Growth [CAB-19-MIN-0341];
- 11 **agreed** that given the combining of the Economic and Regional Economic Development portfolios, and the smaller scale and refined type of investment decisions anticipated, Regional Economic Development delegations be updated and placed with the Minister of Finance and the Minister for Economic and Regional Development;
- 12 **agreed** that the updated Regional Economic Development delegations referred to in paragraph 11 above provide decision-making authority over any outstanding Provincial Growth Fund investment decisions and new funding decisions progressed through the evolved approach to Regional Economic Development;
- 13 **noted** that any outstanding decisions relating to approval of funding committed through the COVID-19 Worker Redeployment Package will be consulted on with the Minister of Social Development and Employment;
- 14 **agreed** that, given the proposal to include a specific Māori economic development work stream in the evolved Regional Economic Development approach, a Māori Economic Development Ministers group be established to help to guide the development of the accelerating Māori economic aspirations, and regional strategic partnerships work streams, and input into the development of the wider evolved approach;
- 15 **agreed** that the Māori Economic Development Ministers group initially consist of the Minister for Māori Crown Relations: Te Arawhiti, Minister of Local Government, Minister for Economic and Regional Development, and Minister for Māori Development, with final arrangements, including membership of the group and any potential financial delegations, to be confirmed alongside other upcoming Cabinet decisions;
- 16 **noted** that the Senior Regional Officials (SROs) have played an important role in coordinating Regional Economic Development at the regional level over the last three years;
- 17 **agreed** that, given the transition towards a more strategic Regional Economic Development approach, particularly through more coordinated investment decisions, financial delegations be removed from SROs and placed with Regional Economic Development Delegated Ministers so they can have a complete overview of potential funding decisions;

- 18 **agreed** that SROs will continue to coordinate and lead all-of-government Regional Economic Development activity in regions;
- 19 **agreed** to change the name of Provincial Growth Fund Limited to Crown Regional Holdings Limited;
- 20 **invited** the Minister for Economic and Regional Development to issue drafting instructions to the Parliamentary Counsel Office to give effect to paragraph 19 above.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Carmel Sepuloni
Hon Andrew Little
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Kris Faafoi
Hon Jan Tinetti

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet