



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



Briefing for Incoming Minister for Regional Development

February 2023



MBIE Karakia

Tāwhia tō mana kia mau, kia māia

Ka huri taku aro ki te pae kahurangi,
kei reira te oranga mōku

Mā mahi tahi, ka ora, ka puāwai

Ā mātau mahi katoa, ka pono, ka tika

TIHEI MAURI ORA

TRANSLATION:

Retain and hold fast to your mana, be bold, be brave

*We turn our attention to the future, that's where the
opportunities lie*

By working together we will flourish and achieve greatness

Taking responsibility to commit to doing things right

TIHEI MAURI ORA

MĀIA
BOLD & BRAVE

**PAE
KAHURANGI**
BUILD OUR FUTURE

MAHI TAHI
BETTER TOGETHER

**PONO
ME TE TIKA**
OWN IT


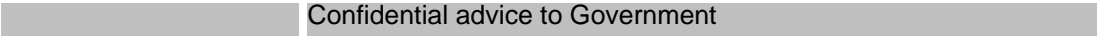






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1. About this briefing

Purpose

1. This briefing provides you with information about the Regional Development portfolio, including your responsibilities and links with other portfolios.

2. 
 Confidential advice to Government







Executive Summary

3. New Zealand's regions are vital to our economic future. Regions across New Zealand face different economic challenges and opportunities depending on the businesses and industries based there, the resources they need to thrive, the infrastructure they rely on, and the skills of the people who call these places home.
4. Regions, and their people, often best understand local challenges and opportunities. Partnerships between central government and regions can help address long-standing inequities, support sustainable development, and respond to different emerging needs and priorities. Economic Development Agencies, local councils, iwi, and other stakeholders may drive economic development at a regional level.
5. Through the Regional Development portfolio, the government can support all regions to achieve their potential. By tailoring responses to the particular needs of people and the places they live, government can improve the prosperity and living standards of New Zealanders. Economic development that focuses on the specific characteristics and unique opportunities of a region, or a place within a region, enables regions to build on their unique existing strengths and competitive advantages to grow New Zealand's economy for all.
6. Kānoa – RDU within the Ministry of Business, Innovation and Employment (**MBIE**) is the lead government agency responsible for Regional Development. Since its establishment in 2018, Kānoa – RDU (previously known as the Provincial Development Unit) has built significant knowledge and expertise. It is responsible for the delivery of a number of regional funds.
7. The Regional Strategic Partnership Fund (**RSPF**) is currently the Government's primary lever for Regional Development. To implement the RSPF, Kānoa – RDU has formed/identified and partnered with 15 Regional Economic Development (**RED**) Partnerships to develop economic development priorities for their regions. Through these partnerships Kānoa – RDU does not seek to tell regions what's best for them

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but holds true to one of the foundational tenets which is to help regions decide what its priorities are and work to help them realise these.

8. As Minister for Regional Development, you are the lead Minister for the RSPF, you chair the Regional Economic Development (**RED**) Ministerial group and (subject to decisions on the make-up of the group) the Māori Economic Development Ministerial group (**MEDM**). Your role is responsible for driving a broader view of economic development.

9. Confidential advice to Government



2. Portfolio overview

Section Overview

10. This section provides an introduction to the Regional Development portfolio.
11. It also covers the roles of Kānoa – RDU and CRHL and provides information about the funds managed by Kānoa – RDU.
12. Details about operational settings, including governance and decision-makers in relation to the portfolio, and the various funds administered by Kānoa – RDU are set out in Annex 3.

Introduction to Regional Development

What is Regional Development?

13. The Regional Development portfolio aims to improve the economic prospects and living standards of the more than 50 per cent of New Zealanders living outside of the major metropolitan centres. Kānoa – RDU aims to stimulate regional economic development through place-based approaches tailored to the particular needs of individual regions. Kānoa – RDU works with each region to identify the opportunities that will grow their region and aims to provide the necessary assistance to help regions seize these opportunities.
14. This assistance continues to be important. Global growth in 2023 is likely to be the lowest since the early 1990s excepting the global pandemic and global financial crisis. Many economies are expected to contract for at least two quarters by the end of 2023. High cost of living, deteriorating global growth, ongoing supply chain challenges and labour market pressures have led to high inflation, and a strong monetary policy response from the Reserve Bank of New Zealand. The distribution of these costs will be uneven across firms, households, and regions. This has made it more difficult for New Zealand businesses to run effectively, as production stalls due to difficulties in obtaining goods and price rises for available items.
15. Long-standing economic challenges are further impacting our current and future wellbeing and sustained effort is required across a range of levers to address these challenges across New Zealand. Such work is underway within your Regional Development portfolio and in collaboration with other portfolios.
 - **Productivity performance is poor** relative to other Organisation for Economic Co-operation and Development (**OECD**) economies. The reasons for this are well understood: a small domestic market, weak international connections, a lack of large firms relative to other small economies, under-investment in knowledge assets and infrastructure, weak technology and knowledge diffusion, shallow capital markets, and skills mismatch in our labour market. Improvements in productivity that may grow the quality and quantity of

output by businesses and sectors may be limited by insufficient income to fund the necessary equipment or technology.

- **Environmental costs have not been factored into economic activity**, resulting in emissions intensity, waste and impacts on water quality and native biodiversity. Businesses with innovative ideas to improve sustainability and waste management both locally and more widely may lack the funding to establish and implement these ideas.
- **Economic outcomes are not evenly distributed across groups of people and regions**, and income distribution is more unequal than the OECD average. Opportunities for businesses to grow and innovate are less available in some areas of New Zealand or are harder to fund, meaning new ideas that may be successful are not always able to be tested.

Vision for more productive, resilient, inclusive, sustainable, and Māori-enabling regional economies

16. The Government aims to reduce these long-standing economic challenges by supporting regional economies to become more productive, resilient, inclusive, sustainable and Māori-enabling (**PRISM**). The PRISM Regional Economies Framework was developed for the RSPF to help deliver local approaches tailored to regions' particular needs and advantages. Achieving more PRISM communities is a long-term vision, which takes time and requires funding not only through the RSPF but other funding avenues and interventions across government, regions, local communities, and businesses.
17. Historically, successive governments have implemented a number of regional economic development programmes with time-limited funding to target different groups and objectives. The PRISM framework aims to take a more strategic approach to regional development funding.

Substantial progress has been made through this portfolio to contribute to the Government's Economic Plan

18. Regions across New Zealand face different economic challenges and opportunities depending on the businesses and industries based there, the resources they need to thrive, the infrastructure they rely on, and the skills of the people who call these places home. The Government wants to make regional economies stronger and more resilient to improve the economic prospects, wellbeing and living standards of all New Zealanders. You are responsible for initiatives to improve the economic prospects and living standards of all New Zealanders through place-based approaches tailored to the particular needs of individual regions, especially those regions that are falling behind.
19. These activities contribute to the Economic Plan objectives of unleashing business potential, increasing capabilities and opportunities, supporting Māori and Pasifika aspirations and strengthening our foundations.
 - **Unleashing business potential:** by delivering government funding to support regional economies so they can grow and develop to reach their full

potential. This includes providing seed funding for businesses and projects that enable regional economic and business development, and support sector transformations.

- **Increasing capabilities and opportunities:** by creating employment opportunities, not only through the construction or administration of projects, but in sustainable employment post project completion. As of June 2022, Kānoa – RDU managed funds have supported the creation of over 17,000 jobs across New Zealand’s regions.
- **Supporting Māori and Pasifika aspirations:** through targeted investment to support Māori economic development and to improve outcomes for Māori and Pasifika people. Kānoa – RDU managed funds have directly invested \$Commercial Information into projects known to contribute to Māori economic development. This investment is in projects delivered by, or in partnership with, Māori groups or entities; and through projects where Māori people, communities or assets are the primary focus for the service or infrastructure development. A summary of support for Māori Economic Development through Kānoa – RDU managed funds is provided in Annex 5.
- **Strengthening our foundations:** by investing in key regional infrastructure that enables regional economies to thrive. Kānoa – RDU managed funds have invested approximately \$1.5 billion across rail, road, climate resilience, port and airport infrastructure projects.

Kānoa – RDU managed investments have had a positive impact already

20. A wide range of evidence points to the positive impact of Kānoa – RDU managed investments to date. One of the key sources of evidence is the *2021-22 Evaluation of the Provincial Growth Fund (the Evaluation)* by Allen + Clarke. A copy of the Evaluation, or a full briefing on the Evaluation can be supplied.
21. The Evaluation criteria covered the period from the inception of the Provincial Growth Fund (PGF) in December 2017 up to 31 March 2020 (when there was a reprioritisation of the fund in response to COVID-19).
22. The Evaluation found that the PGF successfully achieved a great deal in a short time. From being established with ambitious goals in 2018, the PGF provided regions with billions of dollars in funding, helping them build strong and resilient economies, while increasing the confidence and wellbeing of their communities.
23. The Evaluation found the following positive themes:
 - **PGF projects generated community-level optimism**
The majority of applicants (68-74%) agreed their community felt more optimistic about the future because of PGF investments. Community-level optimism is an important holistic indicator, as it is the type of indicator which

effectively captures the complex dynamics that underpin regional economic development.

- **Māori economic development was a key area of success**

The PGF's focus was on whenua Māori development, marae connectivity, skills and employment programmes, and developing sites of national significance. At \$386 million, the total approved and allocated investment in direct Māori economic development accounts for 17 per cent of the PGF. According to the Evaluation, the "evidence suggests that PGF funding is contributing to improved environmental, social, spiritual, and economic wellbeing for tangata whenua."

- **Collaboration was a key area of strength**

The Evaluation assessed collaboration across three areas: between government agencies; between central government and regional stakeholders and Māori; and between regional stakeholders including Māori. All three areas were considered effective overall. A key driver of success within relationships was a shared commitment to achieving positive outcomes. Another key driver of success was pre-existing positive relationships among regional stakeholders and iwi/Māori.

- **A large majority reported positive experiences dealing with the PGF**

Of funded applicants, 85% considered Kānoa – RDU to have engaged with them collaboratively, and 79% considered PGF partner agencies to have engaged collaboratively.

24. Another report, *'The impact of the Provincial Growth Fund on the Gisborne economy'* (commissioned by the Gisborne District Council), estimated that the PGF created 1,500 full-time equivalent (FTE) jobs in the region (6.57% of all FTEs created in the region in the period), increased regional GDP by \$176 million, enhanced the competitiveness of the Gisborne economy on an ongoing basis, and made a positive contribution to Māori. A copy of this, or a full briefing on its contents can be supplied.

Kānoa – RDU is the lead agency responsible for delivering regional economic development

25. Kānoa – RDU was originally established in 2018 (as the PDU) within MBIE) to be the lead Regional Economic Development agency. Kānoa – RDU works with other government organisations and industry, communities, iwi, and local government to manage and deliver funds tailored to build New Zealand's regional economies. Kānoa – RDU oversees a \$4.4 billion investment portfolio.
26. Kānoa – RDU is made up of the following branches:
- The Office of the Head of Kānoa – RDU: which supports the Head of Kānoa – RDU to implement their strategic direction.
 - Investment Management: which assesses applications for Crown funding, presents proposals for funding to decision makers, and negotiates and monitors loan, equity, and complex grant contracts.

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- **Regional Development:** which assesses applications, works with regional and cross-government stakeholders and applicants, monitors funding for skills and training, and manages grant contracts.
- **Strategy, Planning & Performance:** which provides operational and strategic support to Kānoa – RDU and Ministers, including policy, governance support, planning, data and impact management, quality assurance, Ministerial services, continuous improvement, and reporting.

27. As at 25 January 2023, Kānoa – RDU employs 115 FTE, of which 26 FTE are based outside of Wellington.

Kānoa – RDU administers other Regional Economic Development and Employment funding

28. Ministers have recognised Kānoa – RDU's investment and delivery capability and mandated the unit to administer \$4.39 billion in the following regional investment funds:

- ***Regional Strategic Partnership Fund:*** \$200 million of funding is allocated to support regional economies to be more productive, resilient, sustainable, inclusive, and Māori-enabling. Kānoa – RDU partners with regions to invest in projects they have identified as regional economic development priorities. The fund is currently open and aiming to be fully allocated by 1 July 2023.
- ***Provincial Growth Fund:*** The \$3 billion fund, which ran from 2017-2020, aimed to invest in projects that intended to raise the productivity potential of regional New Zealand by accelerating regional development and contributing to the creation of higher-paying jobs. 1,351 recipients were approved under this fund and 798 projects have now been completed.
- ***COVID-19 Response and Recovery Fund Infrastructure Reference Group (IRG):*** Kānoa – RDU administers around \$714 million in 161 shovel-ready infrastructure projects. This is a portion of the shovel-ready infrastructure projects funded from the COVID-19 Response and Recovery Fund (**CRRF**), which is being led by Crown Infrastructure Partners (**CIP**). Kānoa – RDU performs due diligence, contract negotiations, project monitoring, and reporting.
- ***Regional Investment Opportunities (RIO):*** In December 2019, Budget Ministers allocated \$300 million of funding for regional infrastructure investments, which are part of the Government's \$12 billion New Zealand Upgrade Programme. These assets include almost \$90 million in coastal assets, (including the Ōpōtiki Harbour Development), \$88.2 million on regional roads, and upgrades to the Taupō and Milford airports. Uncommitted funding of \$102.3 million from this allocation was reprioritised into the PGF as part of the PGF COVID-19 response.

- **Worker Redeployment Package:** Kānoa – RDU also assists with the delivery of the \$100 million Worker Redeployment Package. The package has helped redeploy workers affected by COVID-19-related job losses into short-term employment opportunities. Kānoa – RDU is administering this funding due to the high level of engagement and cooperation between Kānoa – RDU and district councils and Kānoa – RDU’s experiences in contracting, monitoring, and administering payments. Projects have been funded in Queenstown Lakes, Northland, Central Hawke’s Bay, Wairoa, and Rotorua, and are predominantly designing/constructing footpaths, cycleways, playgrounds, vegetation management, roadside clearing, and marae and church renovations.
- **Strategic Tourism Assets Protection Programme (STAPP):** Kānoa – RDU is responsible for delivering STAPP loans, including loans for Inbound Tourism Operators (ITO). The Government has allocated \$107.4 million of funding for STAPP loans, including \$20 million for loans that will be offered to 26 ITOs. This is part of the broader Tourism Sector Recovery Fund to cushion the impact of COVID-19 on the tourism sector and to position the sector for recovery. CRHL holds the loans on the Crown’s behalf.
- **Queenstown Economic Transformation and Resilience Fund:** A \$18 million fund was approved to support Queenstown’s economic diversification beyond tourism, increase economic resilience and develop higher paying jobs. The \$18 million fund is currently open for applications and aims to be fully allocated by November 2023.
- **Regional Growth Initiatives (RGI):** 72 approved projects totalling more than \$12 million have been approved to support the implementation of regional action plans. This fund was created in 2016 to support each region to identify opportunities for further economic development in their region as well as potential growth paths.

29. Kānoa – RDU administers two specific skills and training focused initiatives:

- **Te Ara Mahi (TAM):** the PGF allocated \$82.4 million to support people into jobs and equip them with skills and experience to find work and build a sustainable career. \$60 million is allocated for programmes in Northland, Bay of Plenty, Tairāwhiti, Hawke’s Bay and Manawatū-Whanganui. An additional \$20 million is allocated to remaining regions. \$2.4m supports programme delivery.
- **Sector Workforce Engagement Programme (SWEP):** SWEP is a cross-government initiative to help employers get access to skilled regional staff. SWEP partners with industries to develop solutions to improve their access to labour and create training pathways for local people to enter local industry. Establishment of Jobs and Skills hubs is a key SWEP intervention. In 2021, responsibility and funding of Jobs and Skills hubs was transferred to the Minister of Social Development and Employment and the Ministry of Social Development. The SWEP programme is currently working through a reset.

30. An overview of Kānoa – RDU administered and managed funds is outlined in the dashboard below. Further information on each fund can be found in Annex 2.

Kānoa – RDU Project Status Report



This report provides an overview of Kānoa – RDU project portfolios. Kānoa – RDU has a role in the management of eight key funds¹ and has 1,789 projects under management for a combined total of \$4,390.3m as at 22 January 2023².

PROVINCIAL GROWTH FUND <i>To accelerate regional development, increase regional productivity and contribute to more, higher-paying jobs.</i> \$3,028.9m Total Fund \$3,020.1m Approved \$2,952.1m Contracted \$2,199.4m Paid 1351 approved projects 798 completed projects	COVID-19 RESPONSE AND RECOVERY FUND INFRASTRUCTURE REFERENCE GROUP <i>To support construction-ready infrastructure projects and accelerate construction-related spend.</i> \$713.8m Total Fund \$705.7m Approved \$685.4m Contracted \$458.5m Paid 161 approved projects 33 completed projects	REGIONAL INVESTMENT OPPORTUNITIES <i>To support regional economic development through infrastructure as part of the \$12b Capital Investment Package.</i> \$210.5m Total Fund \$206.0m Approved \$205.0m Contracted \$162.1m Paid 18 approved projects 8 completed projects	REGIONAL STRATEGIC PARTNERSHIP FUND <i>To support regional economies to be more productive, resilient, sustainable, inclusive and Māori-enabling.</i> \$200.0m Total Fund \$60.6m Approved \$12.0m Contracted \$6.1m Paid 23 approved projects 0 completed projects
STRATEGIC TOURISM ASSETS PROTECTION PROGRAMME <i>To ensure Tourism assets survive the disruption caused by COVID-19.</i> \$107.4m Total Fund \$105.5m Approved \$105.5m Contracted \$99.7m Paid 74 approved projects 0 completed projects	WORKER REDEPLOYMENT <i>To create immediate jobs and income growth with high visibility to the community giving public confidence economic activity is underway.</i> \$99.5m Total Fund \$96.4m Approved \$96.4m Contracted \$86.3m Paid 87 approved projects 64 completed projects	QUEENSTOWN ECONOMIC TRANSFORMATION AND RESILIENCE FUND <i>To support diversification beyond tourism, increasing economic resilience and developing higher paying jobs.</i> \$18.0m Total Fund \$3.5m Approved \$0.0m Contracted \$0.0m Paid 3 approved projects 0 completed projects	REGIONAL GROWTH INITIATIVES <i>To support the implementation of regional action plans.</i> \$12.2m Total Fund \$12.4m Approved \$12.4m Contracted \$12.1m Paid 72 approved projects 70 completed projects

Definitions: Total Funding - the value appropriated into the relevant fund to administer; Approved Funding - funding approved at an individual project level; Contracted Funding - funding written into signed agreements with recipients or transferred to a partner agency to administer; Paid - funding disbursed from the relevant agency to the recipient.

¹ Kānoa – RDU administers the Sector Workforce Engagement Programme which has a baseline funding of \$4.258m at SUPPS 2021/22. However, this funding is all operational expenses and as such, has been removed from this report.

² Partner Agency data as at 30 November 2022, Kānoa – RDU data as at 22 January 2023. The total fund value is a representation of the post-SUPPS appropriated value for each fund and includes uncommitted funding and operational expenditure. The Provincial Growth Fund (PGF) includes Regional Investment Opportunities funding that was transferred as part of the COVID-19 response.

31. Commercial Information

Key agency relationships

32. Kānoa – RDU's programme has been broad and overlaps with a range of regulatory systems and portfolios. It is therefore necessary to partner with other government agencies in the delivery. Key partners include:

- Crown Infrastructure Partners
- Ministry for Primary Industries
- Te Puni Kōkiri
- Ministry of Foreign Affairs and Trade
- Ministry for the Environment

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- Ministry of Transport
 - Department of Internal Affairs
 - Department of Conservation
 - Waka Kotahi NZ Transport Agency
33. Cross-agency collaboration with partner agencies and other government departments occurs throughout Kānoa – RDU 's operations, from working with potential applicants, through to the monitoring of contracted projects. Kānoa – RDU also works with agencies, both nationally and regionally based teams, in the assessment of applications, the submission of advice to decision-makers, and the contracting of projects.
34. The collaborative approach to relationships, particularly with regional stakeholders, means that Kānoa – RDU has accrued in-depth knowledge and understanding of regional economic challenges and opportunities. This has provided a strong foundation for the RSPF, and we work closely with other agencies to develop proposals and gather information. In the instance where the proposal is not a clear fit for Kānoa – RDU, we use Stream 5 of the RSPF to collaborate with other agencies to determine who is best able to assist.
35. Further information on the key cross-agency links for regional economic development is detailed in the Portfolio Links section.

Other bodies delivering Regional Economic Development

36. Economic Development Agencies (**EDAs**), Economic Development Units within councils, iwi, and stakeholders may deliver economic development at a regional level. To support economic development in a planned way, some of these bodies have developed regional strategies and action plans. Kānoa – RDU has supported some bodies to update strategies and action plans, especially considering the post-COVID context.
37. To implement the RSPF, Kānoa – RDU has formed/identified and partnered with 15 RED Partnerships to develop economic development priorities for their regions. Proposals for funding from the RSPF must align with the regional economic development priorities developed by the RED Partnership (and the priorities available in existing or refreshed regional economic development strategies and action plans). Through these partnerships, Kānoa – RDU does not seek to tell regions what's best for them but holds true to one of the foundational tenets which is to help regions decide what its priorities are and work to help them realise these.
38. Economic Development New Zealand (**EDNZ**) is a national non-for-profit organisation that aims to empower and enable individuals and organisations practicing, or associated with, economic development across New Zealand. EDNZ successfully applied to the PGF for funding to address short term capacity issues of EDAs and equivalent bodies within regions. These bodies could apply to the PGF for up to \$200,000 a year, per region, for up to two years to enable them to undertake PGF-

related activities as well as business-as-usual activities. Recipient organisations were expected to demonstrate that they would take steps to improve their long-term capacity and capability through identifying their future needs, budgeting appropriately, and building the skills they required. A senior Kānoa – RDU staff member is on the elected EDNZ Board.

Crown Regional Holdings Limited

39. CRHL was established as a Schedule 4A asset holding company in September 2019. It was established to hold the Crown's loan and equity investments made through the PGF and other regional economic development initiatives, including:
- Regional Investment Opportunities (from New Zealand Upgrade Programme);
 - 'Shovel-Ready' infrastructure projects (from the COVID-19 Response and Recovery Fund IRG); and
 - STAPP (from the Tourism Sector Recovery Fund).
40. The Minister of Finance and you are the Shareholding Ministers.
41. While CRHL holds the investments, it has no staff or operational role in the day-to-day management and administration of its investments. CRHL has outsourced these functions to Kānoa – RDU through a Management Agreement, authorising it to act on behalf of CRHL. Decision-making responsibilities for future investments sit with Ministers.
42. CRHL is a fully functional company, with the Board of Directors meeting regularly to discuss operational matters. The company reports to Shareholding Ministers quarterly and report to Parliament annually.
43. Further information about CRHL is provided in Annex 3.

3. Portfolio responsibilities

44. This section provides an overview of your responsibilities as Minister for Regional Development. Further detail on each fund, including eligibility criteria, can be found in Annex 2.

Regional Strategic Partnership Fund

45. You are the lead Minister for the RSPF, the largest currently open fund administered by Kānoa – RDU. You have oversight of the management and delivery of RSPF investments.
46. The RSPF is a 2020 Labour Manifesto commitment, intended to “partner with regions to progress their regional economic development plans”. The RSPF is a \$200 million fund that supports achieving a PRISM vision for regional economies and is currently the Government’s primary lever for Regional Economic Development.
47. Investments made through the PGF recognised the growing disparities between and among regions and cities in New Zealand and aimed to lift the economic development in each region. The RSPF used the foundation of partnerships and trust built by the PGF to invest further in regional New Zealand with a stronger focus on achieving collective impact by targeting and aligning investments and building on regional comparative advantages.
48. RSPF investments are administered by Kānoa – RDU and CRHL and will require ongoing management and oversight.
49. The scale of the investment presents opportunities to support regional economic development going forward, particularly in the context of responding to the economic impact of COVID-19. Kānoa – RDU will work in partnership with regions to support them as different opportunities to leverage this investment arises, such as job creation, and supporting small businesses.
50. Further detail on the RSPF including criteria, allocations, and governance is outlined in Annex 2.

Queenstown Economic Transformation and Resilience Fund

51. You are the lead minister for Queenstown Economic Transformation and Resilience Fund, a \$20 million fund administered by Kānoa – RDU. You have oversight of the management and delivery of Queenstown Economic Transformation and Resilience Fund investments. Cabinet set aside \$2 million for administration, with \$18 million able to be allocated to projects. As at 2 February 2023, \$8.02 million has been approved for proposals, with \$9.98 million yet to be allocated.
52. The purpose of the fund is to support diversification across the Queenstown economy through providing loans and equity or by underwriting projects which will develop alternative industries to tourism within the Queenstown-Lakes District and surrounding areas. This fund aims to increase economic resilience in the area and aligns with the *Queenstown Lakes District Grow Well Wahiora – Spatial Plan*.

53. The fund aims to increase resilience, wellbeing, productivity, sustainability, and be Māori-enabling by investing in established businesses that have opportunities which are not directly reliant on the tourism sector.
54. Queenstown Economic Transformation and Resilience Fund investments are administered by Kānoa – RDU and CRHL and will require ongoing management and oversight.
55. Further detail on investments under management is set out in Annex 2.

Governance and decision-making bodies

CRHL

56. As Minister for Regional Development, you are a shareholding Minister (along with the Minister of Finance) of the Crown-owned company CRHL outlined in further detail in Annex 3. The Board of Directors is appointed through the Cabinet Appointments and Honours Committee (**APH**) process.
57. As Minister for Regional Development, you are responsible for appointing CRHL Board members through the APH process. Further information on the function of CRHL can be found in Annex 3.

Regional Economic Development Ministerial group

58. As Minister for Regional Development, you chair the RED Ministers group. RED Ministers make decisions on investments under \$20 million. Cabinet makes decisions about investments of \$20 million or more.
59. Current members of the Regional Economic Development Ministerial Group are:
 - a. The Minister of Finance,
 - b. The Minister for Economic and Regional Development,
 - c. The Minister for Social Development and Employment, and
 - d. The Minister for Māori Development.
60. The Minister for Regional Development and the Minister of Finance are original RED Ministers. Cabinet invited the Minister for Social Development and Employment and the Minister for Māori Development to join the group in 2021. Any change to the membership of this group will need to be agreed by Cabinet.

Māori Economic Development Ministerial Group

61. MEDM drives a broader government view of Māori Economic Development. It aims to ensure various work programmes, such as those at Te Puni Kōkiri, Te Kupenga (part of MBIE), and the Ministry for Primary Industries, are aligned so they are better able to deliver a collective impact. This reduces the fragmentation of government support which Māori often cite as a barrier to economic development.

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62. This group does not make decisions on investments but is consulted on all proposals as well as matters relevant to iwi, hapū, whānau, and Māori collectives.
63. Current members of the MEDM group are:
- a. The Minister for Economic and Regional Development,
 - b. The Minister for Māori Development,
 - c. The Minister for Māori Crown Relations: Te Arawhiti,
 - d. The Minister of Local Government,
 - e. The Associate Minister of Agriculture (Animal Welfare), and
 - f. The Parliamentary Under-Secretary for Trade and Export Growth (Māori Trade).
64. Given portfolio changes, we would like to discuss the membership of this group with you. Any change to the membership of this group will require agreement by Cabinet.

Other groups you are part of

65. Queenstown Economic Transformation and Resilience Fund Ministers. Decisions on investments from the fund were previously subject to approval by the Minister of Finance, the Minister for Economic and Regional Development (who was also the Minister of Tourism), the Minister of Research, Science and Innovation, and the Minister for Trade and Export Growth. Membership of this group was agreed by Cabinet. We would welcome a conversation with you about the membership of this group.
66. The Minister for Economic and Regional Development was a member of the Education, Employment and Training Ministers Group (**EET**). The EET's role is to oversee the Government's response to the labour market disruption arising from the pandemic and to support displaced workers to return to quality employment. Other members include the Ministers of Agriculture, Economic Development, Education, Employment, Finance, Seniors, Social Development, Tourism, and Workplace Relations and Safety. We will work with the secretariat to confirm the membership of this group and advise you in due course.

Legislative responsibilities

67. The Minister for Regional Development is not responsible for any legislation.

Māori Economic Development

68. He Kai Kei Aku Ringa: the Crown-Māori Economic Growth Partnership (**HKKAR**) is the Government's Māori Economic Development Strategy. HKKAR was jointly led by the Minister for Economic and Regional Development and the Minister for Māori Development.

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69. An independent evaluation of the PGF found that Māori economic development was a key area of success. Under the RSPF, up to \$40 million has been earmarked to help fund the creation of productive whenua Māori assets.
70. Māori economic development is supported by an independent Māori Economic Development Advisory Board (**MEDAB**) and public sector teams in MBIE and Te Puni Kōkiri. Key areas of focus are to:
 - a. provide advice to MBIE on the implementation of an action plan,
 - b. provide regular reports to the Minister of Regional Economic Development and Minister of Māori Affairs,
 - c. provide an annual report on progress to our Chief Executive, and
 - d. work with us to produce recommendations at 5-yearly intervals on renewing the strategic direction.
71. You, along with other Ministers, will receive advice on how MBIE supports Māori Economic Development.
72. Kānoa – RDU calculates that the funds it manages have invested over \$Commercial into the Māori economy. An independent evaluation of the PGF found that Māori economic development was a key area of success with Commercial of the PGF directly invested into the Māori economy. Annex 5 provides further detail on these investments.

4. Regional Development Context – Immediate Challenges and Opportunities

Section Overview

73. This section provides information about the immediate challenges and opportunities in the Regional Development portfolio.
74. It covers the following topics:
- Kānoa – RDU role in Waitangi celebrations
 - Confidential advice to Government
 - Confidential advice to Government
 - Regional Strategic Partnership Fund
 - Confidential advice to Government
 - Overview on project cost pressures
 - Overview of at risk projects
 - Ruapehu Alpine Lifts
 - Measuring our impact – the Impact Management Framework and Kānoa – RDU Impact Studies
 - Office of the Auditor-General overview
 - Delegations

Kānoa – RDU role in Waitangi celebrations

75. You have agreed to attend an event on Sunday 5 February, at Pākinga Pā in Kaikohe as part of the Waitangi celebrations.
76. Approximately 200 people will attend this event. The audience will be largely made up of people involved with the project, local hapū and government officials.
77. Pākinga Pā, located 3km west of Kaikohe, is a site of historic and cultural significance to Ngāpuhi. The Kānoa – RDU funded project enables access over private land and presents Ngāpuhi and local hapū with an opportunity to restore the historic Pā site.
78. In 2020, Coleman Family Farms Ltd received a \$650,000 grant from the PGF for the Pākinga Pā project, with a further \$100,000 grant allocated. The Coleman family own the land upon which the Pākinga Pā sits but have agreed to gift the return of the land to the two hapū who adjoin the Coleman farm. The PGF grants enabled the creation

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of an access road to the Pā site, appropriate access from SH12 and procurement of various consents.

79. This project represents a model of respect, partnership, and understanding the significance of Pākinga Pā's history. The Pā has historical significance to hau kāinga, hapū and Ngāpuhi. This project provides an opportunity for Ngāpuhi and New Zealanders to regain access to their nation's heritage.
80. A briefing has been supplied to your office that outlines your role in the event and provides more detail to support your attendance.

Confidential advice to Government

81. Confidential advice to Government

82. Confidential advice to Government

83. Confidential advice to Government

84. Confidential advice to Government

Confidential advice to Government

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87. Confidential advice to Government

Confidential advice to Government

88. Confidential advice to Government

89. Confidential advice to Government

90. Confidential advice to Government

Regional Strategic Partnership Fund

91. To date 27 projects have been approved for funding through the RSPF, for a total of \$68.2 million.
92. The first stages of the RSPF centred around the development of Regional Economic Development Partnership groups in each region, to support regional economic development aspirations. These groups developed regional economic development priorities that are used to understand the individual needs and priorities of each region and assess each proposal. Regional profiles attached at Appendix 7 include the priorities set by the Partnership Groups for each region.
93. While the current economy has reduced the likelihood that businesses will be open to expansion or innovation, many good proposals are in the RSPF pipeline. In the last six months the pace has built for assessing and approving proposals for the RSPF and a large number of projects will be put to RED Ministers for assessment in the coming months.
94. Further information about the RSPF is available in Annex 2, and a briefing with more detail can be provided on request.
95. Prior to the January 2023 Cabinet reshuffle, the following meeting dates had been proposed to August 2023. Your Office may wish to liaise with other RED and MEDM Ministers' offices to determine if these dates are still appropriate. We would welcome a conversation on the make-up of these groups.

RED Ministers	MEDM
Confidential advice to Government	

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96. Officials recommend that if the meeting dates mentioned above are changed, a similar number of meetings is scheduled again. Any reduction in meeting number or frequency would influence the ability of Ministers to consider and approve the number of projects required to most effectively and strategically allocate the remaining RSPF funds.
97. Kānoa – RDU officials will continue to prepare proposals for presentation to RED Ministers in March.

Confidential advice to Government

98. Confidential advice to Government

[Redacted]

99. Confidential advice to Government

[Redacted]

100. Confidential advice to Government

[Redacted]

101. Confidential advice to Government

[Redacted]

102. Confidential advice to Government

Overview on project cost pressures

103. At times projects in which Kānoa – RDU has invested have faced cost pressures after they have started. These arise due to various reasons, for example, COVID-19 related delays, unexpected earthquake strengthening, or delays in materials.

¹ Confidential advice to Government

[Redacted]

104. Kānoa – RDU funding agreements do not provide rights for the recipient to access additional Crown funding. Where possible, Kānoa – RDU works with recipients to manage cost increases without seeking additional government funding through options including:

- redesigning their proposal (which may include reducing the scope of the project),
- using existing contingency,
- proposing that the recipient meet additional costs, and/or
- finding other sources of funding.

105. Confidential advice to Government

Use of reprioritised funds

106. Where additional funding is still required once all other options have been explored, Kānoa – RDU has developed key criteria that must be satisfied before additional funding is recommended to Ministers. This ensures requests have consistency and appropriate assessment. The key criteria are as follows:

- There are no alternative funding sources available to the recipient (within the context of the project) prior to seeking additional Crown funding.
- The recipient has shown evidence of project costs, and that all reasonable efforts have been made to make the project delivery as efficient as possible and the costs as low as practicable.
- Benefits of the project have either been realised partially or will be demonstrably and evidentially realised by the completion of the project.
- Without funding, the completion of the project is at significant risk.

107. Funds available for reprioritisation come from projects that have been completed with surpluses or projects that have withdrawn and are no longer proceeding.

108. As reprioritising these funds is an ongoing exercise, the Cabinet Economic Development Committee agreed that any decisions on the future use of funding made available from Kānoa – RDU managed funds be delegated to you and the Minister of Finance to consider on a twice-yearly basis.

109. Confidential advice to Government

110. The next reprioritisation exercise will occur in March 2023. Kānoa – RDU is currently working to identify funds available for reprioritisation and projects that need additional support due to cost pressures. We will provide you and the Minister of Finance with a briefing in due course.

Overview of at risk projects

111. Kānoa – RDU works closely with funding recipients to monitor and manage at-risk projects. Kānoa – RDU projects are monitored by assigning them Red, Amber, or Green (RAG) status. They are defined as such in the following table:

RAG	Definition
Red	Project advancement is at risk without an agreed solution.
Amber	Project advancement is at risk but solutions have been agreed and/or mitigations are underway.
Green	Project is on track.

112. The risk status of projects are updated as Kānoa – RDU officials become aware of changes in projects that warrant a change in risk status. There are currently ^{Commercial} projects with 'red' status and ^{Commercial} projects with amber status out of a total 582 projects that have been or are being contracted, equivalent to ^{Commercial} per cent and ^{Commercial} per cent of all in-progress projects respectively.

113. All projects with a 'red' risk status will be included in the Kānoa – RDU Weekly Report for your visibility. CRHL projects identified as high risk are reported to the CRHL Board monthly. IRG project risks are reported to CIP and IRG Ministers monthly. You will receive updates on IRG projects with a 'high' risk status when IRG Ministers (the Minister of Finance, the Minister for Infrastructure, and the Associate Ministers of Finance) are updated.

114. Annex 4 includes an overview of all projects in 'red' risk status.

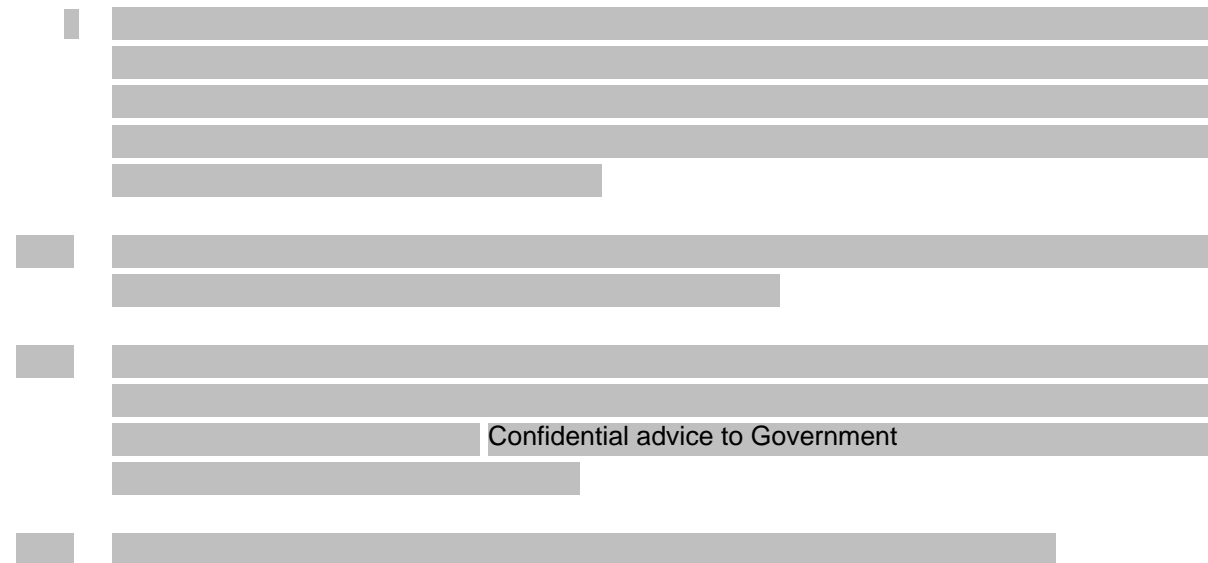
Annex 4 withheld in full - commercial information

115. Confidential advice to Government

Ruapehu Alpine Lifts Limited (RAL)

116. Confidential advice to Government

- Confidential advice to Government



Measuring our impact – the Impact Management Framework and Kānoa – RDU Impact Studies

Impact Management Framework

120. On 9 March 2022, the Cabinet Economic Development Committee agreed an impacts management framework (**IMF**) to measure the success of the RSPF against its PRISM objectives [CAB-21-MIN-0114, DEV-22-SUB-0024] as the RSPF impact measurement approach. The IMF will mean the Government is well-positioned to understand the impacts of the RSPF portfolio and communicate this impact to partners, stakeholders, and the public.
121. The PRISM vision and the IMF address a key recommendation from the early evaluation of the PGF that Kānoa – RDU take a more holistic approach to impact measurement so that the wider benefits of PGF investments can be captured. This approach also builds on and supports other government work such as emissions reduction, broader procurement outcomes, environmental, social and corporate governance reporting expectations, and social enterprise development.
122. The indicators used in the IMF are underpinned by an outcomes logic model connecting them to the PRISM dimensions. Information gathered from funded projects will be used to measure what impact the funding is having. The aggregated data will be complemented by other project and regional data to tell a programme-level story about the success of the RSPF.
123. IMF reporting requirements are included in loan and grant contracts. The next steps will be collecting, analysing, and making use of the data. Reporting will be collected quarterly and is expected to commence in April 2023. Kānoa – RDU will provide you and RED Ministers with regular reporting on the RSPF's benefits realisation.

Kānoa – RDU impact studies

124. Kānoa – RDU has commissioned four impact studies to measure the impact of Kānoa – RDU’s regional investments to date. The study areas are:
- Te Tai Tokerau / Northland;
 - Ōpōtiki;
 - aquaculture; and
 - manufacturing/engineering.
125. Each study area varies in the size, number, and type of investments. One study area is the large regional area of Te Tai Tokerau / Northland, another the small community of Ōpōtiki while the other two are private sector industries. This variety is designed to generate different approaches to understanding the economic and social impacts of Kānoa – RDU’s investments. They will also help inform Kānoa – RDU’s monitoring and reporting on future impacts.
126. The Te Tai Tokerau / Northland and manufacturing/engineering impact studies are being undertaken by s 9(2)(b)(ii) . The Ōpōtiki and aquaculture impact studies are being undertaken by s 9(2)(b)(ii) .
127. Funding recipients were approached for their involvement in the studies in December 2022, with more active research (surveys and interviews) starting in early 2023. Draft reports are expected in mid-2023.
128. Kānoa – RDU will keep you updated with progress on the impact studies through the Kānoa – RDU Weekly Report.

Office of the Auditor-General (OAG) overview

129. The OAG has commenced two performance audits involving Kānoa – RDU:
- The first audit assesses the effectiveness of systems and processes that have underpinned two significant infrastructure programmes since 2019: the \$12 billion New Zealand Upgrade Programme, and the \$3 billion Infrastructure Reference Group Shovel Ready Fund.
 - These programmes were selected due to their scale, complexity, and the level of public interest. The audit focuses on four key parts relating to the planning and decision-making processes. Both the Ministry and the Treasury are key entities of focus.
 - Work on this audit took place over March-June 2021. A completion date for this audit has not been advised.
 - The second performance audit focuses on the changes made to the PGF to support economic recovery from COVID-19. The OAG’s main question is:

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“Were decisions to repurpose previously allocated funding to support COVID-19 recovery the result of a robust process that was well set up to deliver on the objectives of the PGF reset?”

- This audit started in late 2021, with an expected completion date in April 2022. An updated completion date has not been advised.

130. Commercial Information

131. Commercial Information

Commercial Information

132. Confidential advice to Government

133. Confidential advice to Government

Delegations

134. The RSPF provides funding to recipients in the form of grants, loans, and equity. While the RED Ministerial Group can agree loans from the RSPF, the loans also require the approval of the Minister of Finance under s65L of the Public Finance Act 1989. s65L enables the Minister of Finance to lend money to a person or organisation if it appears to the Minister to be necessary or expedient in the public interest to do so.

135. Confidential advice to Government

136. Confidential advice to Government

5. Major links with other portfolios

137. As the Minister for Regional Development, you are a leader in the regional development system. You will likely be a key member of Ministerial groups that oversee the delivery of the Government's regional development priorities.
138. The Regional Development portfolio intersects with a range of other portfolios across the economic development, labour market and social development systems. You will likely work closely with the Minister for Economic Development as the two portfolios strongly align. Kānoa – RDU will support you in your role on any relevant Cabinet Committees, Ministerial groups, and bilateral meetings with other Ministers.
139. You will be able to bring a cross-system perspective to discussions with your colleagues across portfolios including:



Just Transitions Partnership




140. Kānoa – RDU supports the work of MBIE’s Just Transition Partnerships team (**JTP**), which is led by the Minister of Energy and Resources. JTP works in specific regions for a fixed period to partner with regional stakeholders to plan and run a just transition. This process leads to stronger economies and communities in alignment with the Government’s economic, social, and environmental strategies.
141. Kānoa – RDU works closely with JTP in both Southland and Taranaki. The RED Partnership group in Southland is the Just Transitions Project Oversight Group. So far, they have endorsed several projects including Commercial Information project. Confidential advice to Government
142. Kānoa – RDU and JTP also have a strong partnership in Taranaki and will continue to collaborate on future work, including on energy and our relationship with Ngā iwi o Taranaki.

New Zealand Trade and Enterprise




143. Te Taurapa Tūhono | New Zealand Trade and Enterprise (**NZTE**) is the government’s international business development agency focused on economic transformation by growing companies internationally for the good of New Zealand. By working with exporters to grow their international business and supporting investment customers in securing high-value capital into New Zealand growth opportunities, NZTE plays a key role in accelerating and delivering the Government’s objectives to develop a high-wage, low-emissions, secure economy.
144. In addition to its international footprint, NZTE has eleven regional offices across New Zealand. Outside of the three metropolitan regions, these offices are in Dunedin, Hamilton, Napier, Nelson, New Plymouth, Palmerston North, Tauranga and Whangārei. Regional representation allows NZTE’s Customer and Investment Managers to engage directly with exporters based throughout regional New Zealand, and regional economic development agencies, to ensure NZTE’s work is integrated into broader Government initiatives that support regional economic development priorities.
145. More broadly, NZTE works closely with other agencies, primarily MBIE, Ministry of Foreign Affairs and Trade, Ministry for Primary Industries, Tourism New Zealand, Te Puni Kōkiri, Callaghan Innovation etc, on economic and regional development and trade and export growth objectives. NZTE is happy to provide you with further information on its role if required.

6. How MBIE assists you

146. The Regional Development portfolio is supported by Kānoa – RDU. The following table provides a summary of key initial contacts:

Contact	Role	Contact details
Carolyn Tremain 	Chief Executive, MBIE	E Carolyn.Tremain@mbie.govt.nz P 04 901 1357 M <small>Privacy of natural persons</small>
Robert Pigou 	Deputy Secretary, Head of Kānoa – RDU	E Robert.Pigou@mbie.govt.nz P 04 896 5824 M <small>Privacy of natural persons</small>
Isabel Poulson 	General Manager, Strategy, Planning & Performance	E Isabel.Poulson@mbie.govt.nz P 04 897 5364 M <small>Privacy of natural persons</small>

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<p>Kay Read</p> 	<p>General Manager, Regional Development</p>	<p>E Kay.Read@mbie.govt.nz M <small>Privacy of natural persons</small></p>
<p>Paul Swallow</p> 	<p>Acting General Manager, Investment Management</p>	<p>E Paul.Swallow@mbie.govt.nz P 04 896 5049 M <small>Privacy of natural persons</small></p>
<p>Ashley Stuart</p> 	<p>Private Secretary, Regional Economic Development</p>	<p>E Ashley.Stuart@parliament.govt.nz M <small>Privacy of natural persons</small></p>

The advice and support MBIE provides to you

147. MBIE provides a range of support and advice to you in your role as Minister for Regional Development. This includes:

- **Policy advice** on areas identified above as well as advice on broader regional development goals.
- **Management of regional development appropriations**, including multi-category appropriations for the PGF, RSPF, Regional Investment Opportunities,

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Infrastructure Reference Group and Strategic Tourism Asset Protection Programme.

- **Data collection and analysis** to support decision making, including provision of the status and performance of investments, providing detailed analysis at a sectoral and regional level, and developing tools and products to provide easy access to information.
- **Administration of CRHL:** Kānoa – RDU is responsible for the day-to-day management and administration of investments held by CRHL under a Management Agreement which authorises MBIE to act on behalf of CRHL.

7. Immediate priorities and deliverables

148. We welcome an early meeting with you to discuss your priorities for the portfolio.

Key decisions and appointments

Topic	Description	Driver	Timing	Area
Waitangi Celebrations	You have agreed to attend an event held at Pākinga Pā in Kaikohe, supported by Kānoa – RDU as part of the Waitangi celebrations.	Event	5 February 2023	Regional Development
Confidential advice to Government				
Confidential advice to Government				
Confirm dates for RED and MEDM Ministers meetings	<p>Prior to the January 2023 Cabinet reshuffle, meeting dates had been proposed to August 2023. Your Office may wish to liaise with other RED Ministers' and MEDM' Offices to determine if these dates are still appropriate.</p> <p>A Cabinet paper may be required if changes to the membership of these groups is desired.</p>	To enable Ministers to consider and approve the number of projects required to most effectively and strategically allocate the remaining RSPF funds	At your earliest convenience	Regional Development


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Ruapehu Alpine Lifts	<p>Cabinet invited you to report back on the final form of the deal regarding the continued operation of the ski field at Mt Ruapehu.</p> <p>Officials are continuing to progress discussions and will update you as a deal emerges.</p>	Cabinet report back	Confidential advice to Government	Regional Development
Delegations	<p>Confidential advice to Government</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	Process improvement	Confidential advice	Regional Development and Finance
Appointment of CRHL Board member	<p>Due to a vacancy on the CRHL Board, Kānoa – RDU proposes [REDACTED] be appointed for a three-year term. A briefing will be provided in due course.</p>	Resignation of Board member	In due course	Regional Development
Events	<p>Please advise your attendance at upcoming Regional Development events and announcements.</p>	Event planning	At your convenience	Regional Development
Reprioritisation of PGF funding to projects experiencing cost pressures	<p>The next reprioritisation exercise is expected to occur in March 2023. Kānoa – RDU is currently working to identify funds available for reprioritisation and projects that need additional support due to cost pressures. We will provide you and the Minister of Finance with a briefing in due course.</p>	To support projects experiencing cost pressures	Confidential	Regional Development and Finance

Confidential advice to Government

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Confidential advice to Government



Annexes

Annex 1: Funds and Appropriations

Annex 2: Operation of other funds and Kānoa - RDU

Annex 3: Overview of CRHL

Annex 3 withheld in full - commercial information

Annex 4: Projects in Red risk status

Annex 4 withheld in full - commercial information

Annex 5: Summary of support for Māori Economic Development through Kānoa – RDU managed funds

Annex 6: MBIE overview

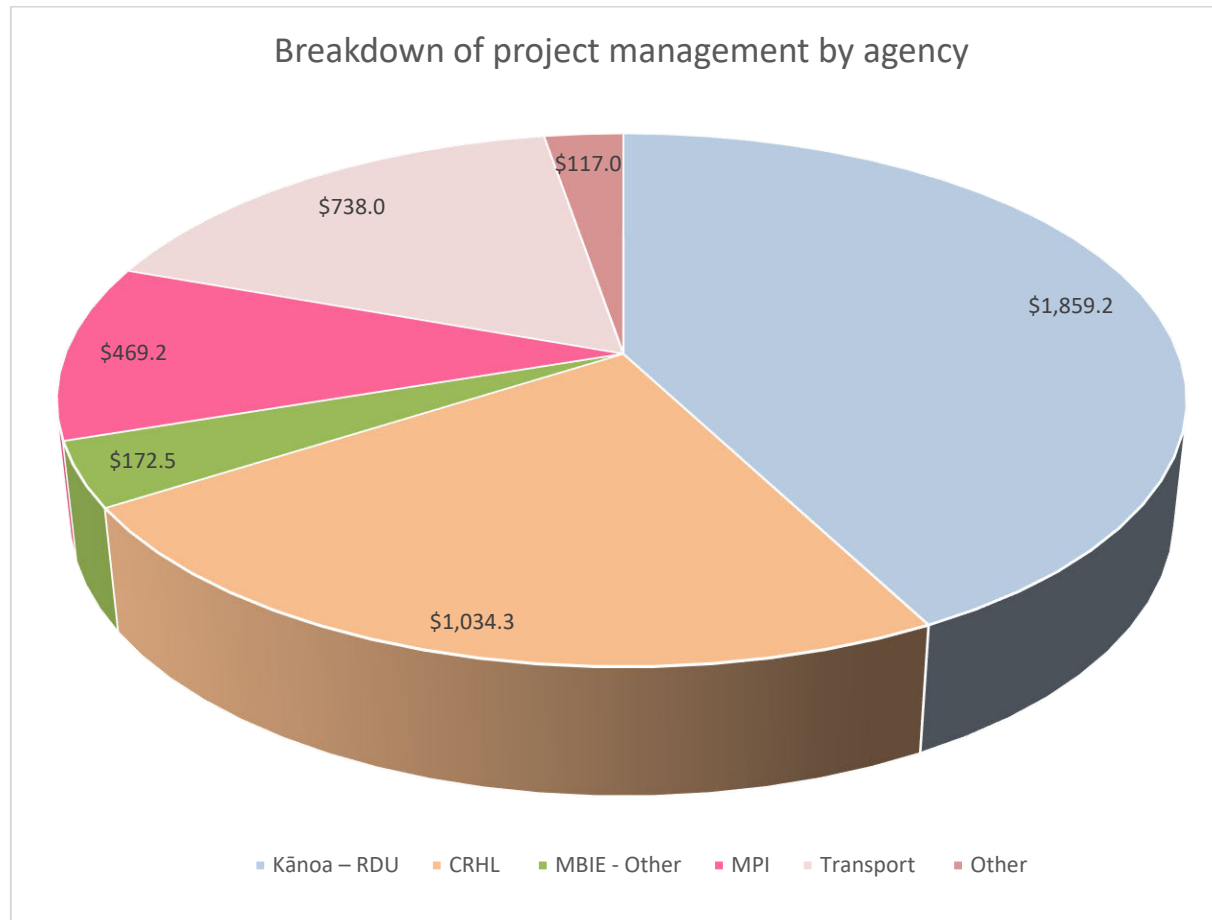
Annex 7: Regional Profiles

Annex 1: Funds and Appropriations

Appropriation	Category	Purpose of appropriation	Funding Administered by Kānoa-RDU OBU \$m	2022/23 OBU Funding \$m	2023/24 4 Mains Funding \$m	2024/25 5 Mains Funding \$m	2025/26 6 Mains Funding \$m	2026/27 7 Mains Funding \$m
Operational Support	N/A	Provides operational and capital funding for Kānoa-RDU to administer its portfolio of investments.	Commercial Information			-	-	-
Total funding to support Kānoa-RDU operations						-	-	-
Provincial Growth Fund MCA	Grants to support regional and sector initiatives	Funding for grants approved from the PGF.	918.6	215.9	-	-	-	-
	Investment through Crown-owned companies	Funding to purchase shares in CRHL to provide loans or equity approved from the PGF.	547.2	75.3	-	-	-	-
	Management of Investments in Crown-owned companies	Provides operational funding for CRHL to administer its portfolio of loan and equity investments.	Commercial Information					-
	Partner Agencies funding	Funding for grants approved from the PGF that are managed and paid by partner agencies.						-
Total Provincial Growth Fund								-
Regional Strategic Partnership Fund MCA	Grants to support regional and sector initiatives	Funding for grants approved from the RSPF	40.0	40.0	-	-	-	-
	Investment through Crown-owned companies	Funding to purchase shares in CRHL to provide loans or equity approved from the RSPF.	158.6	158.6	-	-	-	-
Total Regional Strategic Partnership Fund			198.6	198.6	-	-	-	-
Infrastructure Reference Group MCA	Grants to support regional and sector initiatives	Funding for grants approved from the IRG fund.	608.3	175.7	-	-	-	-
	Investment through Crown-owned companies	Funding to purchase shares in CRHL to provide loans or equity approved from the IRG Fund.	93.4	23.4	-	-	-	-
Total Infrastructure Reference Group			701.7	199.1	-	-	-	-
Regional Investment Opportunities MCA	Investment through Crown-owned companies	Funding to purchase shares in CRHL to provide loans or equity approved from the RIO Fund e.g. Ōpātiki Harbour Redevelopment.	111.4	18.5	-	-	-	-
	Partner Agencies funding	Funding for grants approved from RIO that are managed and paid by partner agencies.	99.1	-	-	-	-	-
Total Regional Investment Opportunities			210.5	-	-	-	-	-
Strategic Tourism Asset Protection Programme MCA	Investment through Crown-owned companies	Funding to purchase shares in CRHL to provide loans approved from the STAPP Fund.	107.4	35.0	-	-	-	-
Total Strategic Tourism Asset Protection Programme			107.4	35.0	-	-	-	-
Other Funds								
Worker Redeployment Package	N/A	Funding for grants approved from the WRP fund to enable redeployment of workers affected by COVID-19.	99.5	4.8	-	-	-	-
Queenstown Economic Transformation and Resilience Fund	N/A	Funding to support Queenstown's economic diversification beyond tourism, increase economic resilience and develop higher paying jobs.	18.0	18.0	-	-	-	-
Regional Growth Initiatives	N/A	Funding for grants approved from the RGI fund to support the implementation of regional action plans	12.2	18.0	-	-	-	-
Fair Value Write Down on capital investments	N/A	Non-cash appropriation to provide for any fair value write-downs on contracted capital investments.	Commercial Information			-	-	-
Transfer of Investments to Crown-owned Companies	N/A	Non-cash appropriation to provide for the novation of contracted capital investments from Kānoa-RDU to CRHL.				-	-	-
Total Other Funds						-	-	-
Total Funding Administered by Kānoa-RDU			4,406.9	833.9	11.9	0.4	0.4	-

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Though Kānoa – RDU administers this funding, a number of projects are managed by agencies other than Kānoa – RDU. Funding is transferred to these agencies by Vote transfer (or novation in the case of CRHL).



Kānoa – RDU holds funding for all grants and the operating costs for the unit.

CRHL holds funding for all loans and equity investments.

MBIE Other holds funding for:

- Tourism Infrastructure Fund \$75 million
- Regional Connectivity \$87.5 million

Transport funding is held by:

- Ministry of Transport/Waka Kotahi \$93.5 million
- KiwiRail \$439 million
- Other roading projects \$114.9 million

Ministry for Primary Industries mostly holds funding for the One Billion Trees programme \$460.2 million.

Other Agencies that hold funding include:

- Department of Conservation
- Ministry of Social Development
- Land Information New Zealand

Annex 2: Operation of funds and Kānoa – RDU

Regional Strategic Partnership Fund (Active)

1. The RSPF is a \$200 million fund that has run from 2021. Funding will be allocated until June 2023.

Objectives and Criteria

2. The RSPF aims to build more PRISM regional economies by delivering local approaches tailored to a region's particular needs and advantages [CAB-21- MIN-0006 refers].

Eligibility

3. All potential investments need to meet the following criteria [CAB-21-MIN-0114 refers]:

Located in regional New Zealand	<ul style="list-style-type: none"> • Projects must be located in regional New Zealand. The metropolitan areas of Auckland, Wellington and Christchurch are ineligible for funding
Alignment with Government and Regional Economic Development priorities	<ul style="list-style-type: none"> • Projects must support the RSPF's objectives and desired PRISM outcomes • Projects should be aligned with the regional economic development priorities based on existing or refreshed regional economic development strategies and action plans
Additionality	<ul style="list-style-type: none"> • Funding must be used to either implement a new initiative or expand an existing initiative • Projects must not duplicate financial support provided by other Government agencies, although funding can enhance existing support initiatives/funding that can deliver successful outcomes • Projects should not compete with, or crowd out, other sources of available capital
Co-contribution requirements	<ul style="list-style-type: none"> • As a guideline, at least 50 percent of co-funding is required for commercial and quasi-commercial projects • As a guideline, 20 percent of co-funding is required for non-commercial projects • Flexibility to these guidelines can be applied, particularly when working with Māori enterprises
Recipient's capability to deliver and implement the project	<ul style="list-style-type: none"> • Applicants must have the capacity and capability to deliver the project. In some cases, Kānoa – RDU will provide project management assistance to support the delivery of the project

RSPF Exclusions

4. A range of projects are excluded from RSPF funding because there is other government funding available or government-funded activity is already underway. The RSPF will not invest in social assets, publicly funded large-scale infrastructure, skills and training, housing infrastructure, and the purchase of land.
5. In exceptional circumstances, the RSPF may fund these types of investments as a sub-component of a broader proposal if there is no other available government or private sector funding. However, Māori-, iwi- and Pasifika-owned community assets and freehold land are eligible for funding because of a lack of alternative funding sources.
6. Sectors that have received significant funding over the past three years as a result of increased government investment are not a high priority for RSPF investment. These include tourism, energy, forestry, feasibility studies and business cases.

Allocations

7. The RSPF seeks to achieve PRISM regional economies through five work streams:
 - Stream 1 – Facilitating regional economic development partnerships.
 - Stream 2 – Enabling regional economic and business development.
 - Stream 3 – Accelerating Māori economic aspirations.
 - Stream 4 – Supporting sector transformations.
 - Stream 5 – Coordinating a more effective all-of-government system.
8. The RSPF will allocate up to \$180 million for seed funding through the following streams:
 - Up to \$60 million for Stream 2 – Enabling regional economic and business development.
 - Up to \$40 million for Stream 3 – Accelerating Māori economic aspirations.
 - Up to \$80 million for Stream 4 – Supporting sector transformations.
9. The remaining \$20 million was unallocated to allow the RSPF to respond to emerging government or regional economic development priorities as they arise.

Regional Economic Development Ministers

10. RED Ministers are a subgroup of Ministers. As of 2020, RED Ministers includes the Minister of Finance, the Minister of Social Development, the Minister for Regional Economic Development and the Minister for Māori Development.

Governance and decision-making

11. Decisions on RSPF applications are made under the following delegations:
 - Delegated RED Ministers make funding decisions on applications up to \$20 million; and

- Cabinet makes decisions on applications above \$20 million.

Regional Economic Development Senior Officials

- When PGF funding was being allocated, Senior Regional Officials (SROs) acted as the Government's central point of contact for a region and together ensured alignment across agencies to achieve the outcomes sought by Government and the regions. SROs were delegated the ability to make decisions on PGF funding proposals of up to \$1 million.
- With the establishment of the RSPF and the closure of the PGF, Cabinet agreed that SROs continue to coordinate and lead all-of-government regional economic development activity, but their financial delegation be removed [CAB-21-MIN-0006 refers]. SROs were renamed Regional Economic Development Senior Officials (REDSOs).
- The functions of REDSOs are to:
 - be members of their regional economic development partnership
 - provide leadership on central government's delivery of regional economic development priorities, and projects (where appropriate)
 - meet monthly to consider RSPF applications and provide advice on projects to decision-makers from a central government and individual region perspective
 - receive portfolio reporting to maintain strategic and operational oversight of the entire RSPF.

Current REDSOs	
Te Tai Tokerau	Ben Dalton, Chairperson, Ministry of Housing and Urban Development
Bay of Plenty	Jocelyn Mikaere, Ministry of Education
Waikato	Paula Rawiri, Te Puni Kōkiri
Tairāwhiti	Catriona Robinson, Ministry of Business, Innovation and Employment
Taranaki	Phillipa Fox, Ministry of Housing and Urban Development
Hawke's Bay	Al Morrison, Independent
Central (Manawatū-Whanganui, Kāpiti, Wairarapa, Chatham Islands)	Martyn Dunne, Independent
Te Taihū / Top of the South Island	Currently vacant
West Coast	Currently vacant

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Canterbury	Paul Stocks, Ministry of Business, Innovation and Employment
Otago	Karen Adair, Ministry for Primary Industries
Southland	Dean Ford, Ministry of Business, Innovation and Employment

15. REDSOs are appointed, in addition to their substantive government role, based on their economic expertise and experience. Kānoa – RDU has the responsibility of appointing members to REDSOs.

Crown Regional Holdings Limited and independent advice

16. With the establishment of the RSPF and the closure of the PGF, Provincial Growth Fund Limited (**PGFL**) transitioned to an active company known as CRHL (see section on CRHL for more detail). Independent advice is obtained from CRHL directors who have the ability to provide commercial advice on potential and existing investments.

Funding instruments

17. RSPF funding is provided through grants, loans, and equity. Investments are undertaken on a commercial basis through loan or equity arrangements but occasionally grants and concessionary loans may be used in certain circumstances. This range of funding instruments is required due to the differences in applicant entities and their abilities to repay or manage funds. In some instances, funding arrangements involve a mix of investment mechanisms.
18. Kānoa – RDU provided advice to decision-makers on the use of different instruments. It developed bespoke investment approaches for individual projects as needed.

Queenstown Economic Transformation and Resilience Fund (Active)

19. Cabinet agreed to a \$20 million package under the Queenstown Economic Transformation and Resilience fund. Note that the \$0.4 million allocated to departmental funding each year for five years [CAB-21-MIN-0111] leaves \$18 million appropriated for commercial investment opportunities. Cabinet agreed [DEV-21-MIN-0067] that the purpose of the Fund was to underwrite projects that will develop alternative industries within the Queenstown-Lakes District and surrounding areas.

Objectives and Criteria

20. The Queenstown Economic Transformation and Resilience Fund aims to support diversification beyond tourism for the Queenstown economy. Increasing economic resilience and developing higher paying jobs.

Funding instruments

21. Loans are likely to be the primary mechanism, although equity or an underwrite instrument may be considered. Co-funding from the applicant is also expected.

Eligibility

22. In order to be eligible to apply to the Fund, businesses and initiatives must satisfy the following requirements:
- be commercial in nature
 - be self-sustaining over time by private sector and/or local government
 - enable Māori to realise aspirations in the economic transformation
 - be implementable within the Fund budget timeframes of November 2023
 - not be targeted to the tourism sector or tourism firms
 - be able to create additional value and avoid duplicating existing efforts
 - align with objectives of Government's Industry Transformation Plans, including underpinning more environmentally sustainable practices and more equitable outcomes for those living and working in the community
 - be commercially viable with returns to catalyse new and higher wage jobs in the district and surrounding areas be derived from and/or supported by local actors and institutions

Governance and decision-making

23. Decisions on investments from the Fund are subject to approval by the Minister of Finance, the Minister for Economic and Regional Development, the Minister of Research, Science and Innovation, and the Minister for Trade and Export Growth.

Provincial Growth Fund (Closed)

24. The PGF was a \$3 billion fund that was open to applications from 2017 to 2021. The closure of the fund was signalled by the launch of the Regional Strategic Partnership Fund on 27 May 2021 by the Minister for Economic and Regional Development.

Objectives and Criteria

25. The overall objective of the PGF was to lift the productivity potential in the provincial regions. The following specific objectives guided investment:
- *Jobs and sustainable economic development:* investments support increased jobs (with a focus on high quality jobs) and sustainable long-term economic development, particularly in regions and sub-regions where unemployment is high and there are significant social challenges
 - *Social inclusion and participation:* investments support increased social inclusion through effective training, work preparation and support that enables more people to fully participate in work and society
 - *Māori development:* investments enable Māori to realise their aspirations through greater participation in all aspects of the economy

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- *Climate change and environmental sustainability:* investments support opportunities to achieve New Zealand's climate change commitments and encourage more sustainable and productive use of land, water, and other resources
- *Resilience:* investments increase regional and national resilience by improving critical infrastructure and focusing on opportunities to grow and diversify our economy

26. Particular priority was given to six 'surge' regions in the first instance. These were:

- Tai Tokerau/Northland
- Bay of Plenty
- Tairāwhiti/East Coast
- Hawke's Bay
- Manawatū-Whanganui
- West Coast

27. These regions were identified as facing the biggest deprivation and requiring significant investment to unlock economic development objectives. New Zealand's three main centres, Auckland, Wellington, and Christchurch were ineligible for funding, unless proposals were primarily for the benefit of the provincial regions.

Tiers

28. The PGF had a three-tiered approach to the size, scale and nature of projects supported. The structure recognised that opportunities within regions come in a wide variety of shapes and sizes:

- *Tier One: Regional Projects and Capability:* smaller economic development projects and feasibility studies for potential projects, and initiatives to build skills, capability, and capacity.
- *Tier Two: Sector Investments:* larger investments in priority and/or high value sectors such as tourism, horticulture, technology, niche manufacturing and aquaculture, with a focus on increasing jobs and private investment.
- *Tier Three: Enabling Infrastructure Projects:* investing in regional projects that support connections within and between regions, including rail, road, and communications.

Allocations

29. Over the life of the PGF, a range of allocations were established as priority areas for funding. Key allocations are outlined below:

Tier One

- *TAM* – \$160 million allocation to support regional employment through the development of skills and capability, particularly for unemployed and underemployed. This included funding towards He Poutama Rangatahi², which specifically supports young people not in education, employment, or training, and towards the establishment of Jobs and Skills hubs through the Sector Workforce Engagement Programme.³

Tier Two

- *Whenua Māori* – \$100 million allocation for investment into Māori-owned land to unlock its economic potential through access to financial capital for land development or on-farm improvements.
- *One Billion Trees / Te Uru Rakau* – over \$400 million allocation for 10 years to increase tree planting in New Zealand to improve the natural environment. The Ministry for Primary Industries was responsible for the administration of this PGF funded project. The Minister of Forestry has ministerial responsibility.
- *Historic Sites of National Importance* – \$20 million allocation towards projects developing historic sites of national importance that will enable all New Zealanders to better understand our shared history.

Tier Three

- *Digital Connectivity* – \$100 million allocation for digital connectivity infrastructure. CIP procured \$80 million of this infrastructure, including \$40 million to expand Rural Broadband Initiative Phase Two and Mobile Black Spots Fund programmes to improve broadband and mobile coverage, with a focus on the surge regions.
- *Rail* – Initially \$300 million of the PGF was set aside for provincial rail through Budget 2019, which built off existing PGF investment in rail. Investment sought to strengthen rail's role in New Zealand's transport system and support other objectives such as the transition to a low carbon economy.

The Independent Advisory Panel (IAP)

30. The IAP was established in 2018 for three years to provide independent advice to RED Ministers on potential Tier 2 PGF investments above \$1 million, including alignment with the PGF's criteria, commercial viability, and recommended funding mechanisms. The IAP also provided guidance on the overall balance of the PGF, contributed to the management of the overall portfolio of investments and assisted the PDU to assess and refine processes and tools.

² He Poutama Rangatahi has transitioned to and is now funded by the Ministry of Social Development.

³ \$10 million was allocated for Jobs and Skills Hubs.

31. IAP members were appointed through the Cabinet Appointments and Honours Committee process. Members had expertise in regional development, industry and commercial knowledge, financing, and delivery.
32. On 12 April 2021 Cabinet agreed to disestablish the IAP [CAB-21-MIN-0114 refers].

The PGF reset

33. In May 2020, the PGF was refocused to support economic recovery following COVID-19 and at least \$600 million was repurposed to support projects that focussed on immediate jobs, timeliness, and visibility, as well as the PGF's underlying objectives. This included repurposing funding that had already been allocated against specific initiatives.
34. There was a renewed focus on progressing projects that provided immediate employment opportunities, commenced construction within 6 to 12 months and were visible to the public to provide confidence that economic activity was underway. The PGF response to COVID-19 included termination of a number of approved PGF projects that were not yet contracted, with funds reprioritised to investments that were more closely aligned with the Government's COVID-19 response.
35. Kānoa – RDU accelerated its contract negotiations and disbursement of PGF funds as part of the PGF's response to COVID-19. Contracts for approved projects, with commercial parties, were typically negotiated within 45 business days from the time the applicant is informed about the decision.
36. Several PGF allocations were created in response to COVID-19:
 - *Regional Apprenticeships Initiative: \$40 million allocation to support up to 1,000 new apprentices and their employers in regional New Zealand across a range of sectors, with a focus on helping workers recently displaced due to the economic impacts of COVID-19 and Māori and Pasifika into apprenticeships.*
 - *Worker Redeployment: Over \$180 million regional investments provide immediate support for the redeployment of workers displaced due to the COVID-19 crisis, with a focus on road and rail, fencing of waterways, and renovations of town halls, war memorials, Marae and Pasifika churches.*
 - *Social Capital: \$20 million allocation focussed on supporting local and unique solutions to reduce the harm from methamphetamine and support people to re-enter the workforce.*
 - *Māori and Pasifika business investments: \$150 million allocation to support investments that grow Māori and Pasifika firms and Māori assets in sectors that will be core to the economic rebuild.*
37. Following the reset, investments into three waters were made eligible where projects were shovel-ready (defined as construction ready within 6- 12 months) and provided for worker redeployment.

Strategic Tourism Assets Protection Programme (closed)

38. STAPP was established in May 2020. Its purpose was to provide funding for strategically significant tourism assets (that is, tourism assets that contribute significantly to their local region and to tourism in New Zealand). The Government has allocated \$107.4 million of funding for STAPP loans, including \$20 million for loans offered to 26 Inbound Tourism Operators.

Governance and decision-making

39. Decisions on funding allocations were made by the former Tourism Recovery Ministers Group. The group comprised Ministers of Finance, Tourism, Māori Development, Conservation, and the Under-Secretary of Regional Economic Development.
40. The Tourism Recovery Ministers Group has confirmed that all funding available under the STAPP process has been allocated. No new applications can be submitted or reconsiderations of original decisions undertaken.

COVID-19 Response and Recovery Fund – Infrastructure Reference Group (IRG) (Closed)

41. The COVID-19 Response and Recovery Fund – Infrastructure Reference Group (IRG) was established due to concerns of a large downturn in the infrastructure and construction sector as a result of COVID-19. The IRG focused on ‘shovel ready’ or ‘near ready’ (within 12 months) projects that would provide immediate employment for construction workers and support national infrastructure projects.
42. The criteria to assess projects is summarised below:
- **Construction readiness** defined as within six months (shovel-ready) or 12 months (near ready);
 - **Direct Employment** – continuous and new employment as a direct outcome of the project;
 - **National and Regional benefit** – the priority is for economic stabilisation, stimulation and rebuild in line with the Government’s Economic Plan, prioritising projects that have cross-cutting benefits to a range of sectors. Funded projects are expected to enable economic stimulation across multiple sectors with two further assessments:
 - **Multi-regional or national benefit over time:** Reflecting greater potential for multiplier impacts throughout New Zealand projects should deliver a substantial stream of benefits to their location and the nation over time; and
 - **Growth or new infrastructure:** Reflecting the benefit from unlocking of capacity constraints or addressing unmet need.

Governance and decision-making

43. Decisions on investments from the Fund were subject to approval by IRG Ministers: the Minister of Finance, the Minister for Infrastructure and the Associate Ministers of Finance.

COVID-19 Response – Worker Redeployment Package (closed)

44. In March 2020, the Government announced \$100 million to help redeploy workers affected by the economic impact of COVID-19. This created immediate short-term employment opportunities for displaced workers, while also supporting regional assets.

Objectives and criteria

45. The following principles were applied to funding decisions:

- investments should be consistent with the underlying objectives of the PGF;
- investments should support regional communities to continue employment and economic activity through the next six months;
- investments made for short term support should prioritise projects that also provide benefits for the longer term rebuild of the economy, e.g. redeploying workers to deliver regional infrastructure projects;
- investments that provide enhancements to the fundamental factors of production in surge regions should be prioritised, e.g. investments in skills and employment, underutilised land, sustainable production and essential physical and digital connectivity;
- funding decisions should not exacerbate the risk that Māori and Pasifika are likely to be the most significantly impacted by COVID-19;
- business investments should either strengthen those sectors that will be core parts of the New Zealand economy after COVID-19 or strengthen businesses that can provide significant employment and economic activity;
- infrastructure investment should prioritise projects that can strengthen critical infrastructure in surge regions within PGF timeframes (such as physical connectivity and energy requirements);
- investments should provide additional benefits in the regions, i.e. they should not fund expenditure that would have come from other sources in the absence of PGF funding; and
- where PGF projects have been terminated in a region, the PGF will seek to prioritise investments in that region to ameliorate this, where this is possible within PGF timeframes.

Governance and decision-making

46. Specific decisions on the draw-down of the worker redeployment package was submitted to the relevant Cabinet committee for consideration.

Annex 5: Summary of support for Māori Economic Development through Kānoa – RDU managed funds

Purpose

This information provides an overview of the impact that Kānoa – RDU administered funding has had on Māori economic development in regional New Zealand, within the context of MBIE's role as a lead for Māori economic development.

Kānoa – RDU Investment Overview

Kānoa – RDU contributes to Māori Economic Development through investment in a wide range of regional development initiatives that stimulate the economy. It is difficult to quantify the contribution of all Kānoa – RDU projects to Māori Economic Development as in many instances there will be a direct or in-direct (and potentially unspecified contribution) from Kānoa – RDU investments to Māori people, whānau, communities, hapū and iwi (e.g. via new roading infrastructure, or new industrial development in communities).

Definitions of Benefits

Kānoa – RDU direct contribution to Māori economic development (direct benefits)

Kānoa – RDU makes a direct and known contribution to Māori Economic Development through investment in projects delivered by, or in partnership with, Māori groups or entities; and through projects where Māori people, communities, or assets are a primary focus for the service or infrastructure development.

Kānoa – RDU Methodology for assigning direct contribution to Māori economic development include all: Whenua Māori, Marae Connectivity, Historic sites of National Importance, One Billion Trees (1BT) – (where the land or applicant is a Māori entity or a Māori Joint Venture), Te Ara Mahi – where the applicant is a Māori entity or partnering with a Māori entity; where the provider is Māori, or the customer is Māori or predominantly Māori, and any other projects where the applicant, the 'user' or customer, or the kaupapa is Māori or predominantly Māori (e.g. Kupe Waka Centre; some water projects).

Kānoa – RDU indirect contribution to Māori economic development (indirect benefits)

We have categorised the project as indirect if the following applies:

The project is in a surge region (most deprived of Regional Economic Development in the provinces), excluding the West Coast, and will provide benefits that include skills, training, employment and pathway opportunities. The assumption is that surge regions have a high Māori population by definition therefore, Māori communities would potentially benefit.

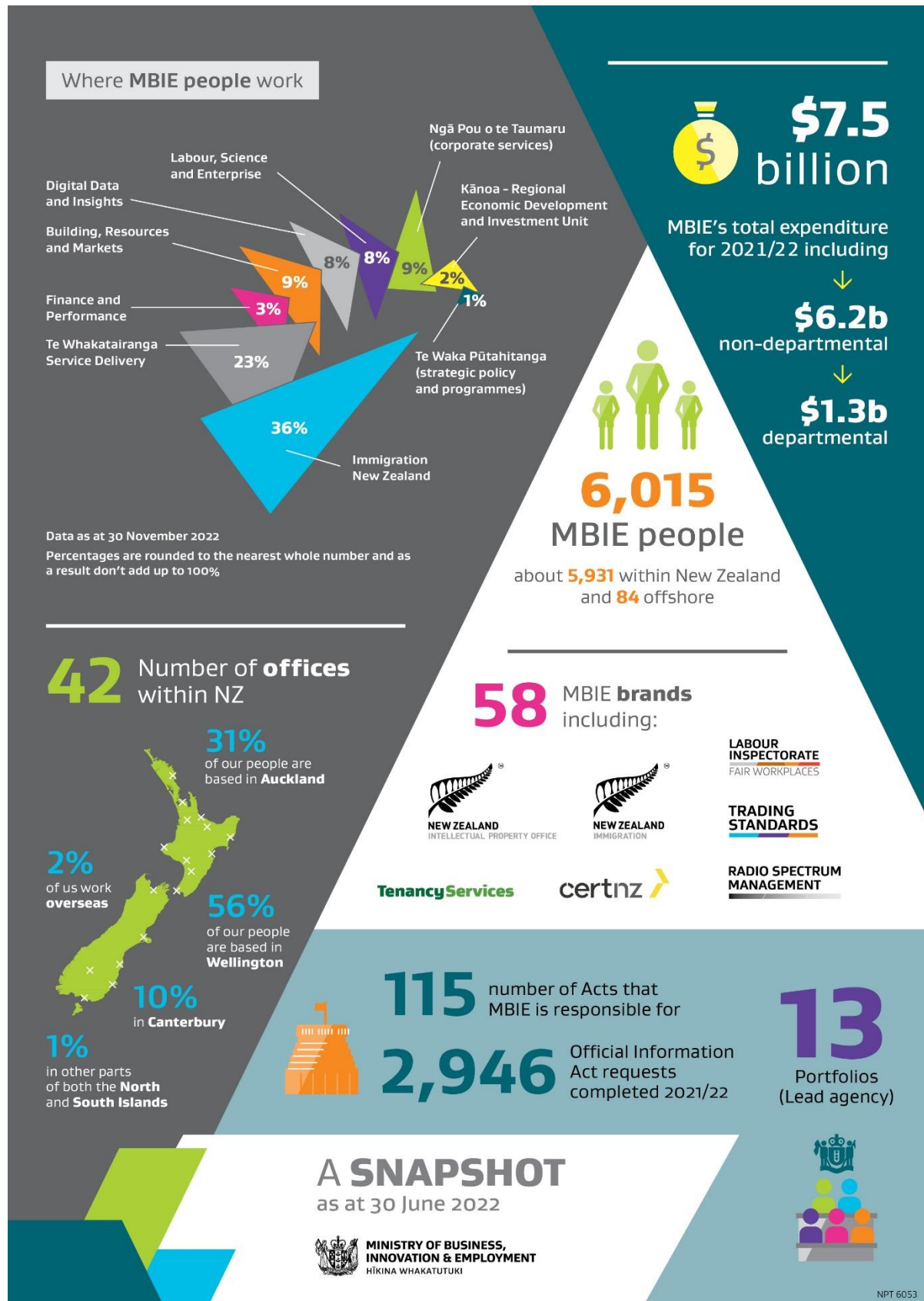
The project is in a town or district of a non-surge region with a high Māori population. The assumption is that the listed non-surge region has a high Māori population and therefore Māori communities would potentially benefit.

Annex 6: MBIE Overview

MBIE's role

1. MBIE's role is to 'Grow Aotearoa New Zealand for All'. We work to lift the country's economic performance to improve the lives and living standards of New Zealanders. We take a long-term view of building the economy, focusing on productive and sustainable use of resources across Aotearoa New Zealand and empowering people to participate confidently in fair and thriving markets. We recognise that a strong economy is one where peoples' skills, knowledge, and time work together with our natural, financial, and physical capital to improve the wellbeing of current and future generations.
2. MBIE is a large Ministry with a diverse range of functions and have over 6,000 employees working across nine business groups. Our people support communities and businesses across New Zealand and offshore in a variety of roles in policy development and implementation to regulation and frontline operations.
3. We work across the breadth of government – from early identification of issues, policy development, regulation, service delivery, and dispute resolution through to monitoring and evaluation. Concentrating these functions and capabilities in one entity means that MBIE can leverage its size, skills, connections, and reach to address complex issues, especially in times of crisis. While the number of people supporting each of these functions may be small, the range of experience in MBIE allows us to provide high quality services and service levels.
4. The **Māori-Crown partnership** is central to our work. We are committed to improving results for Māori and meeting our obligations under Te Tiriti o Waitangi. In 2021, Whāinga Amorangi, a cross-agency programme designed to lift Māori-Crown relations, was endorsed as our plan to strengthen Māori-Crown relations by building internal cultural capability. It provides MBIE the necessary framework for us to work in partnership with Māori in an enduring and consistent way.
5. MBIE has a significant work programme underway that supports the Government's climate change goals and targets. We had a major role in development of the **Emissions Reduction Plan (ERP)**, and the **National Adaptation Plan (NAP)**. Our current focus is on delivery of many key strategies and policies, informing the development of new climate change policy, including on managed retreat and the review of the Emissions Trading Scheme (ETS). Our secretary is a member of the Climate Change Chief Interdepartmental Executives Board which provides system-level oversight of the Government's response to climate change. MBIE is also a key partner of and contributor to the **Carbon Neutral Government Programme (CNGP)**.
6. MBIE also has a **functional leadership** role (assigned by Cabinet) to improve the effectiveness of cross-government **procurement and property management**. In addition, MBIE exercises a number of system leadership and coordination roles – eg coordinating government work on Māori and Pasifika economic development, and regulatory system and data stewardship.

MBIE at a glance



Ministerial portfolios and regulatory system responsibilities

MBIE is the lead agency for 13 ministerial portfolios⁸



- | | |
|---|--|
| › ACC – Minister Henare | › Energy and Resources – Minister Woods |
| › Building and Construction – Minister Woods | › Immigration – Minister Wood |
| › Commerce and Consumer Affairs – Minister Webb | › Research, Science and Innovation – Minister Verrall |
| › Digital Economy and Communications – Minister Andersen | › Small Business – Minister Andersen |
| › Economic Development – Minister Nash | › Social Development and Employment (lead for Employment) – Minister Sepuloni |
| › Regional Development - Minister Allan | › Tourism – Minister Henare |
| | › Workplace Relations and Safety – Minister Wood |

MBIE has stewardship or other responsibility across 17 regulatory systems

- | | |
|---|---|
| › Accident compensation | › Health and safety at work |
| › Building | › Housing and tenancy |
| › Communication markets | › Immigration |
| › Competition | › Intellectual property |
| › Consumer and commercial | › Outer space and high altitude activities |
| › Corporate governance | › Petroleum and minerals |
| › Employment relations and standards | › Standards and conformance |
| › Energy markets | › Trade remedies |
| › Financial markets conduct | |

⁸ MBIE also has Ministerial responsibilities in additional areas, eg we support the Housing portfolio through Tenancy Services.

MBIE's Senior Leadership and Business Groups

Carolyn Tremain	 Secretary for Business, Innovation and Employment	<p>Carolyn has over 20 years' experience leading large, complex service delivery organisations, and substantial change management programmes. Carolyn joined us from the NZ Customs Service, where she was the Chief Executive and Comptroller.</p> <p>As well as her Chief Executive responsibilities, Carolyn is Chair of the Public Sector Auckland Career Board, and a member of the Victoria University of Wellington Business School Advisory Board.</p>
Oliver Valins	 Chief Advisor to the Secretary	<p>Oliver's role is as the Head of the Office of the Chief Executive at MBIE. Prior to this, he was the Deputy Chief Executive, Strategy and Corporate at Crown Law. He worked for almost 10 years at the New Zealand Treasury, with positions ranging from managing the Justice and Security team to being the Treasury representative on New Zealand's United Nations Climate Change negotiations team.</p>

MBIE groups

Group	Deputy Secretary	Function
Labour, Science and Enterprise (LSE)	 Chris Bunney, Deputy Secretary Labour, Science and Enterprise	<p>LSE helps boost New Zealand's economy by developing our skills system, science and innovation systems, alongside labour market policy. They advise on labour market, immigration, workplace health and safety and accident compensation policy. Their functions also include managing our international obligations. LSE leads industry, investment, and business development policy and programmes, including for tourism and major events. They lead science and innovation systems policy and invest significant public funds. International partnerships and engagement are integral to its trade remedies, innovation and space regulation functions.</p> <p>LSE also leads MBIE's monitoring arrangements for its Crown entities and is the trusted kaitiaki and kaiāpai of Aotearoa New Zealand's quarantine and isolation capability including having responsibility for readiness capability and a range of functions to support delivery and continuous improvement of the Managed Isolation and Quarantine (MIQ) system, fees recovery and responses to reviews and complaints.</p>

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<p>Kānoa – RDU)</p>	 <p>Robert Pigou - Deputy Secretary and Head of Kānoa - RDU</p>	<p>Originally established as the Provincial Development Unit in 2018, Kānoa – RDU aims to build more productive, resilient, inclusive, sustainable and Māori-Enabling (PRISM) regional economies, providing funds to support regional economic growth.</p> <p>Kānoa – RDU has strong regional knowledge, relationships, and presence. It is responsible for the delivery of the Regional Strategic Partnership Fund (RSPF); the Provincial Growth Fund (PGF); COVID-19: Response and Recovery Fund Infrastructure Reference Group; COVID-19 Response – Worker Redeployment Package; Regional Investment Opportunities (NZ Upgrade Programme); STAPP; and the Queenstown Economic Transformation and Resilience Fund.</p>
<p>Building, Resources and Markets (BRM)</p>	 <p>Paul Stocks, Deputy Secretary Building, Resources and Markets</p>	<p>BRM's role is to support a fair, competitive business environment; and well-functioning telecommunications, building and construction and resources sectors and operations. We also serve as the Government's Procurement System Leader and the Government's Property System Leader. BRM oversees many of the regulatory systems that govern New Zealand's markets: consumer protection; financial markets; intellectual property; competition; corporate governance; energy markets; minerals and petroleum; energy efficiency; communications; and building performance.</p>
<p>Te Waka Pūtahitanga (formerly Strategic Policy & Programmes)</p>	 <p>Melanie Porter, Deputy Secretary - Te Waka Pūtahitanga</p>	<p>Te Waka Pūtahitanga works across MBIE and the wider system to progress key cross-cutting outcomes such as the climate change; Government's long-term economic strategy, Future of Work issues; Māori economic development; Pacific economic development. We also have an oversight role for regulatory stewardship, supporting MBIE's regulatory systems to create and maintain regulatory systems that enable people, businesses and future generations to thrive. This includes working closely with the Treasury, which has overall responsibility for regulatory management across government.</p>
<p>Immigration New Zealand (INZ)</p>	 <p>Alison McDonald, Deputy Secretary Immigration</p>	<p>INZ's purpose is to be a trusted steward of the immigration system by ensuring we get the balance right between facilitating the migration New Zealand needs, managing risk and enabling people to visit, work, study, live, or invest here. This supports the economy and strengthens New Zealand's relationships with other parts of the world.</p>

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Te Whakatairanga Service Delivery	 <p>Suzanne Stew, Deputy Secretary Te Whakatairanga Service Delivery</p>	<p>Te Whakatairanga Service Delivery provides critical functions and services that support businesses, employees, and consumers to operate successfully in the marketplace. We deliver information, advisory, dispute resolution, regulatory and enforcement services across the majority of MBIE's regulatory systems and on behalf of other government agencies. Te Whakatairanga Service Delivery works to ensure <i>Fair Markets that Thrive: an environment where businesses can succeed, and New Zealanders are protected.</i></p>
Ngā Pou o te Taumarū	 <p>Richard Griffiths, Deputy Secretary Corporate Services, Finance & Enablement</p>	<p>Ngā Pou o te Taumarū works in partnership with MBIE's business groups to enable them to deliver their objectives and portfolio obligations. We support the stewardship obligations of MBIE, including its medium and long-term sustainability. Ngā Pou o te Taumarū provides the frameworks, tools and infrastructure to ensure that MBIE is a safe, inclusive, highly skilled and engaging place of work.</p>
Finance and Performance (F&P)	 <p>Michael Alp, Deputy Secretary Finance & Performance (Acting)</p>	<p>F&P supports the effective management of MBIE's resources, including finance, procurement, risk management, control practices and processes. F&P works in partnership with other business groups across MBIE, supporting them to successfully deliver services allowing the Ministry to achieve its outcomes.</p>
Digital, Data and Insights (DDI)	 <p>Greg Patchell, Deputy Secretary Digital, Data and Insights</p>	<p>The DDI Group is responsible for the data and insights, digital and technology functions within MBIE. We partner with other business groups to ensure MBIE has the data and technology to 'Grow Aotearoa New Zealand for All'. DDI leads strategic direction for data assets and knowledge management, ensures cyber security of MBIE's technologies, optimises information insights and data intelligence, provides digital capability and expertise, ensures the operational integrity of MBIE's digital systems, and makes sure digital and data efforts are aligned, efficient and effective.</p>

Annex 7: Regional Profiles
