



## PGF PROPOSALS FOR REVIEW

<b>Date:</b>	29 January 2019	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2232 18-19

Action sought		
	Action sought	Deadline
Hon Shane Jones <b>Minister for Regional Economic Development</b>	<b>Agree</b> to the recommendations outlined in this briefing	29 January 2019
Hon Grant Robertson <b>Minister of Finance</b>		29 January 2019
Hon Phil Twyford <b>Minister of Transport</b>		29 January 2019
Hon David Parker <b>Minister for Economic Development</b>		29 January 2019
Fletcher Tabuteau <b>Parliamentary Under-Secretary to the Minister for Regional Economic Development</b>	<b>Note</b> the contents of this briefing	29 January 2019

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Robert Pigou	Head of Investment Management	Privacy of natural persons	Privacy of natural persons	✓
Hannah Lee	Policy Advisor	Privacy of natural persons		

Ref	Project name	Project	Comment	Total cost of project	Proposed PGF investment	IAP recommendation	PDU recommendation
<h1>Commercial Information - Declined Application</h1> <p style="color: red; opacity: 0.5; font-size: 48px; transform: rotate(-30deg); position: absolute; top: 50%; left: 50%;">PROACTIVELY RELEASED</p>							
6	Wilson Heavy Machinery Operator Training Centre	<p><b>Applicant:</b> Wilson Earthmoving Group Limited</p> <p><b>Region:</b> Northland / Te Tai Tokerau</p> <p>This project seeks funding to establish a heavy machinery training centre in Northland that will deliver fully funded and approved NZQA programmes.</p> <p>The goal of this project is to set up a permanent training facility that will provide comprehensive competency based training</p>	<p>The PDU recommends that Wilson's application be approved in principle by way of a mix of grant and loan. The final amount will be determined by further assessment of financial forecasts. The PDU wishes to ensure that the amount provided through the loan is maximised, while still ensuring that the facility is financially sustainable.</p> <p>The PDU recommends the land</p>	<p>\$<small>Commercial Information</small></p> <p>(total recommended project value: \$<small>Commercial Information</small>)</p>	<p>Up to \$4,351,200 from the PGF towards Wilson Heavy Machinery Operator Training Centre subject to:</p> <ol style="list-style-type: none"> <li>Detailed work stream costs be agreed by the PDU to finalise the mixture of loan and grant amount</li> <li>PDU agreement of the</li> </ol>	Conditional support	Approve in principle

Ref	Project name	Project	Comment	Total cost of project	Proposed PGF investment	IAP recommendation	PDU recommendation
		<p>aimed at addressing the potential skill shortage in the use of heavy machinery in the logging and civil construction industries.</p> <p>Wilson and contributions from other parties have enabled a temporary training facility to be established at an old quarry site in Whangārei, where they have three simulators that are the first of their kind in New Zealand. The classrooms and simulators are located in Portacom-style buildings and the machinery in the disused quarry includes a motor grader, three diggers and one roller. The site (being a former quarry) means trainees can easily progress from a simulated environment to a real environment.</p> <p>This proposal has two key work streams for investment;</p> <p>a) <b>Stream one</b> - The set-up of the training facility</p> <p>b) <b>Stream two</b> - The implementation of the training programme.</p> <p>Wilson has considerable regional and industry support, including from Northland Inc, Te Tai Tokerau Skills and Employment Steering Group, Fulton Hogan, Gough Group, Farmlands Fuel, Surefoot NZ, Gulf Oils, Rosewarne Cable Loggers, LC Hydraulics, Hancock Forest Management, Civil Contractors NZ.</p> <p>A portion of this funding may be funded through Te Ara Mahi.</p>	<p>purchase component be removed from the overall project scope so as to mitigate the perception risk that funding is being used to purchase the land the facility will be located on. This results in a new total project value of \$<sup>Commercial Information</sup>. Of this amount, the PGF Funding will be \$4,351,200.</p> <p>As there is potential that Wilson could directly deliver some of the construction works as part of this proposal, the PDU also recommends an agreed tender/contract strategy for the planned civil and building works.</p> <p>There is a perception risk that the application may have a competitive advantage to "cherry pick" the trainees completing the programme. Treasury states that this would appear to be a conflict of interest.</p> <p>This will be managed through the establishment of an advisory group, with membership drawn from relevant industry and community stakeholders. The Advisory Group membership will include industry representatives from a range within the sector; Fulton Hogan, Local Iwi, CCTNZ, New Zealand Wood Council, Gough Group and Broadspectrum.</p> <p>Treasury states that if this is to be set up as a Private Training Establishment (PTE), there is criteria for Tertiary Education Commission (TEC) funding for PTEs that will need to be met.</p> <p>A large focus of the second work stream is becoming PTE provider accredited. The applicant has been working closely with TEC and the Ministry of Education to secure the status and access the funding in the projected budgets.</p>		tender/contract strategy for the planned civil and building works.		
7	Kupe Waka Centre	<p><b>Applicant:</b> Arawai Limited <b>Region:</b> Northland</p> <p>Arawai Limited seeks a \$4.6 million grant for the development of the Kupe Waka Centre, an educational and</p>	<p>The applicant is seeking <sup>Comm</sup>% of funding. The proposal will be allocated against the Whenua Maori \$100million from the PGF for</p>	\$ <sup>Commercial Information</sup>	<p>\$4.6 million</p> <p><b>The PDU recommends the project be broken into two phases</b> setting aside</p>	N/A	Approve in principle

Ref	Project name	Project	Comment	Total cost of project	Proposed PGF investment	IAP recommendation	PDU recommendation
		<p>training facility located in Doubtless Bay, Northland.</p> <p>The Centre is located on Māori Freehold Land that has been set aside as a Māori Reservation for the purposes of a whare wananga for kaupapa waka.</p> <p>The development of the Kupe Waka Centre will extend the range of facilities and infrastructure to provide a rounded visitor experience and cater for a wide range of education, training and artistic activities at the site. The new facilities will be clustered in the western half of the site with the reinstated providing a key feature in the landscaping.</p> <p>The Kupe Waka Centre will promote social and economic development through four programmes:</p> <p>a) <u>Manaakitanga - tourism, and events</u> Visitor experiences of a range of durations with a mix of products combining active and passive experiences and education and entertainment</p> <p>b) <u>Tarai Waka - Waka building and associated Toi Māori</u> Waka building, carving and associated arts and crafts including raranga (weaving) for part of the visitor experience and retail sales.</p> <p>c) <u>Whakaako – education and training</u> Provide facilities and services to support education and training including: programmes developed by Tarai Waka and the Ka'iwakiloumoku Hawaiian Cultural Center at Kamehameha Schools; learning experiences outside the classroom for school pupils; a kura and whare</p>	<p>investment in Māori Land.</p> <p>Phase one is to complete the detailed project plan and business plan (including cost and technical verification) for the site works and the new tourism business at the Centre. Phase two will complete the work against the agreed project milestones.</p> <p>Te Puni Kōkiri (TPK) supports the Kupe Waka Centre initiative. The initiative is intended to provide local employment opportunities, a work based training facility and contribute to the preservation of traditional waka carving practices. TPK supports the transmission of unique mātauranga Māori that carries significant cultural capital also of benefit to the Māori tourism narrative in the north.</p>		<p>\$ <small>Commercial Information</small> for phase one and the balance of funding for phase two, released via a stage gate approach.</p>		

Ref	Project name	Project	Comment	Total cost of project	Proposed PGF investment	IAP recommendation	PDU recommendation
		<p>kohanga; team building; and leadership training.</p> <p>d) <u>Kaitiakitanga – environmental restoration</u> Wetland restoration and tree-planting initially as a landscaping project for the Kupe Waka Centre site and the associated wetlands but developing into a contracting business.</p>					
<b>TIER 2</b>							
8	Northland Soft Berry Fruit Project	<p><b>Applicant:</b> Onyx Capital Limited <b>Region:</b> Northland / Te Tai Tokerau</p> <p>Onyx Capital Limited (Onyx) is seeking a \$ [Commercial Information] grant and a \$ [Commercial Information] loan from the PGF for the rapid expansion of an existing horticultural business that will expand their labour intensive hydroponic berry operation under the Maungatapere Berries brand.</p> <p>This will involve the creation of a sustainable hi tech hydroponic horticulture platform that is intended to lead to [Commercial Information] FTEs in Northland over three to four years.</p> <p>Onyx is also developing systems and opportunities to upskill its workforce. This includes establishing an employee shareholding scheme, training programmes for literacy and numeracy (both part of this funding application) and engaging with the Ministry of Social Development. The company has a relationship with local hapū to support their horticulture aspirations. Onyx also seeks to employ people released from prison.</p>	<p>It is the PDU's view that any grant in excess of the \$ [Commercial Information] (equivalent to staff training costs) would be difficult to justify given the financial benefit that flows to existing shareholders. The basis for the \$ [Commercial Information] grant request was the applicant's estimate of saving for the government through increased employment at Onyx, offsetting social costs associated with unemployment and incarceration.</p> <p>The PDU considers that if grant funding of \$ [Commercial Information] and debt funding of \$ [Commercial Information] (as per the applicant's request) is approved, it runs the risk that the PGF is replacing existing bank debt, de-risking operations significantly and potentially creating a very valuable asset in the hands of existing shareholders.</p> <p>MPI is supportive of this application.</p> <p>MFAT considers that there is a high risk of a subsidy being provided with funding for this project unless MBIE can confirm any funding (whether as a loan and/or equity) has been provided on commercial terms. If a subsidy arises then funding relating to capital expenditure is likely to be considered as trade distorting or Amber Box expenditure. The expenditure related to research &amp; development and the training components of the application could potentially be considered as</p>	<p>\$ [Commercial Information] over [Commercial Information]</p>	<p>\$ [Commercial Information] (\$ [Commercial Information] grant and \$ [Commercial Information] loan) – requested by applicant</p> <p><b>PDU recommendation –</b></p> <ul style="list-style-type: none"> <li>- \$ [Commercial Information] equity.</li> <li>- Up to \$ [Commercial Information] in loan funding, but to retain the commercial funding (\$ [Commercial Information]) to the operation and only approve funding up to \$ [Commercial Information] to the extent that commercial funding cannot be found</li> <li>- To the extent that the applicant's additional expenses in terms of training, as well as existing IP "owned" by the applicant is shared with the broader Northland Area (via NorthTec etc). This value will be used to provide grant funding or economic benefit to the business.</li> <li>- Performance conditions, including: total employment numbers ([Commercial Information] FTEs), Māori employment (50 per cent); Formal training qualifications received (20).</li> </ul>	Approve	Approve

Ref	Project name	Project	Comment	Total cost of project	Proposed PGF investment	IAP recommendation	PDU recommendation
			<p>non-trade distorting or Green Box expenditure. There is a medium risk that other World Trade Organisation (WTO) members could perceive this funding to be a prohibited export subsidy given intended exports as a result of this funding.</p> <p>Treasury does not think there is a strong justification presented for equity in this case. Treasury are hesitant to support equity because:</p> <ul style="list-style-type: none"> <li>- With equity, the Crown would actually own some of the business and would then be legally responsible for ensuring the business complies with all legislative requirements.</li> <li>- Equity poses more risk to the Crown compared to loans. If the venture fails, debt outranks equity which means the Crown is less likely to recover the full value of its investment; and there may be further calls in the future for the Crown to invest further into the business.</li> </ul>		<p>As the applicant has originally applied for a significant proportion to be grant funded and the PDU proposal is that this rather be done in equity, there is a chance that the applicant would prefer to not take up the offer of funding at all from the PDU. This approach was taken so as to not lead to enrichment of the applicant and to some extent WTO concerns.</p> <p>Any announcement should allow for the risk that the applicant may decline the offer.</p>		
9	Te Waiariki Ngawha Springs Redevelopment and Enhancement Project	<p><b>Applicant:</b> Parahirahi Ngawha Parahirahi Trust</p> <p><b>Region:</b> Northland</p> <p>The project is the enhancement and redevelopment of Te Waiariki Ngawha Springs ("the Springs"), located near Kaikohe in the mid North of Tai Tokerau.</p> <p>It is a pivot point between attractions on the east and west coasts. Over the past three years, use of the facility has increased from approximately 22,000 visitors in 2015 to over 40,000 visits per year in 2017 with no active marketing.</p> <p>PGF provided the applicant with \$260,000 to develop the project to the current stage. This assisted the applicant to engage Far North Holdings Limited to develop a project plan, employ a project manager and commission an economic impact assessment, to prepare for the larger development project. Far North Holdings</p>	<p>The Trust will be pursuing ownership of the land on which the Springs are based through the Ngāpuhi Treaty settlement (recommended for return by the Waitangi Tribunal in 1993).</p> <p><b>Commercial Information</b></p> <p>[REDACTED]</p> <p>The main alignment to PGF criteria this project relates to, is that it delivers benefit to the community through enhancing an important landmark and tourist attraction. The project is also strongly aligned with regional priorities and has strong support from local governance groups. Ngawha Springs is of cultural significance to the community and is expected to act as a</p>	<p>\$ [REDACTED] (Phase 1)</p>	\$1.79 million (grant)	Approve	Approve

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		<p>Limited has been contracted to see the projects through to finalisation.</p> <p>The first stage of this project totalling \$<sup>Commercial Info</sup> (this application), involves the redevelopment and improvements to the current Springs facility. This will then form the hub for stage two, which involves the development of nearby accommodation and a spa.</p>	<p>catalyst for growth of the tourism industry in the area.</p> <p>Treasury supports this project. They state that there are two stages of this project, and the proposal will only fund the first stage. Given this, Treasury considers that it would be valuable to consider:</p> <p>i. Whether the benefits of Stage 1 alone justify the cost; and</p> <p>ii. A predication of whether progress to Stage 2 is likely or not (as this also will inform whether this is a good investment).</p> <p>The Minister of Conservation supports this proposal.</p>				
10	Sustainable Minerals Extraction	<p><b>Applicant:</b> Geo40 Limited <b>Region:</b> Bay of Plenty</p> <p>Geo40 Ltd is seeking \$<sup>Commercial Information</sup> from the PGF in order to build and operate a silica removal plant (using proprietary innovative technology) at the Ohaaki geothermal site in Taupo. The removed silica will be exported to be used in different industrial products.</p> <p>This is the first silica extraction technology (patent pending) from geothermal that has been demonstrated successfully to this level globally. There is also potential to extract lithium (used for battery manufacturing) and other minerals from geothermal fluids.</p> <p>Geo40 has an agreement with Contact Energy and Ngāti Tahu Tribal Lands Trust (NTTTLT) to prove its technology through the completion of two final milestones:</p> <p>i. Construction and successful running of a commercial demonstration of a completed Ngawha Plant</p> <p>ii. Successful construction and running of the Northern Plant.</p> <p>The first milestone has been fully funded by Geo40 and successfully completed. The project is now de-risked. PGF funding is required for the second milestone – constructing and running the Northern Plant.</p>	<p>The PDU supports this application because:</p> <p>i. This project will create high skilled jobs in the region;</p> <p>ii. Enable higher returns for Maori owned land; and</p> <p>iii. Enhanced sustainability of natural resources.</p> <p>Officials from MBIE's Energy &amp; Resource Markets branch visited the plant to learn about the silica filtration process and future business plans of Geo40, and are supportive of this proposal.</p> <p>MFAT considers that there is a high risk of a subsidy being provided to this project, unless MBIE can confirm that the funding (whether as a loan and/or equity) is provided on commercial terms. There is a high risk that other WTO members could perceive this funding to be a prohibited export subsidy given the export focus of the intended mining operation.</p> <p>The New Zealand Transport Agency sees merit in this application based on its inclusion in the preferred programme of the draft Twin Coast</p>	\$ <sup>Commercial Information</sup>	<p>Consider one of three options:</p> <ol style="list-style-type: none"> <li>1. A \$<sup>Commercial Info</sup> loan (PDU prefers this option); or</li> <li>2. A \$<sup>Commercial Info</sup> loan and \$5m equity; or</li> <li>3. A \$<sup>Commercial Info</sup> loan, \$<sup>Commercial Info</sup> equity, and \$<sup>Commercial Info</sup> grant for the feasibility study.</li> </ol> <p>Any PGF loan option:</p> <ul style="list-style-type: none"> <li>- will carry an indicative interest rate of one-year SWAP rate+200 bps and will increase in stages when certain financial metrics are met (<sup>Commercial Information</sup>);</li> <li>- will start repayments from a date negotiated by the parties;</li> <li>- will have commercial terms and conditions; and</li> <li>- will have a requirement for a commercial bank to take over at an agreed point at market rates</li> </ul>	Approve	Approve

Ref	Project name	Project	Comment	Total cost of project	Proposed PGF investment	IAP recommendation	PDU recommendation
			<p>Discovery Route Programme Business Case which:</p> <ul style="list-style-type: none"> <li>has developed a programme, in conjunction with key stakeholders in Northland, to improve the economic performance of the region</li> <li>recognises development of Ngawha Springs as achieving geographical dispersal of visitors throughout the Northland region, assisting with the spread of visitation throughout the year.</li> </ul>		<p>when certain financial metrics are met (PDU to agree on market rates and financial metrics).</p> <p>If the preferred option is equity then PGF will have the first right to sell during an IPO or a private placement at a valuation agreed by PDU.</p>		
11	Te Kaha Development Project (Phase 1 & 2)	<p><b>Applicant:</b> TKG Landowners Group Holdings Limited Partnership</p> <p><b>Region:</b> Bay of Plenty</p> <p>TKG Landowners Group Holdings Limited Partnership (TKG LLP) seek \$ Commercial Information of PGF funding for the Te Kaha Development Project, designed to create a large scale increase in the uptake of land use on Māori owned land in Te Kaha.</p> <p>Phase One seeks \$ Commercial Information (from a total of \$ Commercial Information) grant funding for the “planning and consent application” stage of the Te Kaha Development Project.</p> <p>Phase Two seeks \$ Commercial Information for the expansion of horticultural business and other related value added initiatives. These projects broadly relate to a water distribution and storage network, nursery expansion and fruit crop development, development of a new 100 hectare kiwifruit orchard, a soft loan providing seed money for Māori land owners to enter into development joint ventures (JV) and an optional mechanism to allow the land trusts to replace existing market funders (and thereby buy out JV partners earlier).</p>	<p>The project is consistent with criteria for the PGF Whenua Māori allocation (which will officially be announced by the Prime Minister at Otamatea Marae on 3 February 2019 at Waitangi). The PGF Whenua Māori allocation sets aside \$100 million toward providing capital investment to Māori land owners to develop unproductive or underutilised Māori owned land.</p> <p>Components of the amount requested would be tagged to both Whenua Māori and Water Initiatives as the amount permitted for PGF Whenua Māori applications is capped at \$10 million.</p> <p>TPK supports this application given its contribution to Māori development outcomes in relation to enabling whanau to grow their capability and access opportunities to develop sustainable enterprises; whanau and community development; enterprising whanau; and, developing Māori assets.</p> <p>MFAT considers that there is a high risk of a subsidy being provided to this project unless MBIE can confirm the funding is provided on commercial terms.</p> <p>There is a risk that other WTO members could perceive funding related to the nursery expansion and the seed capital to be a prohibited</p>	<p>\$ Commercial Information</p> <p>Total project value: \$ Commercial Information (Phase 1) and \$ Commercial Information (Phase 2) = \$ Commercial Information</p>	<p>\$ Commercial Information requested.</p> <p><b>The PDU recommends:</b></p> <ol style="list-style-type: none"> <li>A \$ Commercial Information grant on the condition of an updated costing for the Water Distribution Network Plan.</li> <li>\$ Commercial Information equity type support to provide irrigation for 327ha of horticultural land water storage and distribution, on condition that it proves viable in the view of the PDU and MPI.</li> <li>Up to \$ Commercial Information loan funding for the Nursery expansion rather than the Equity co-investment requested, on the basis that it proves viable in the view of the PDU and MPI.</li> <li>\$ Commercial Information loan to provide seed capital and accelerate the development of the TKG2 100 hectare Kiwifruit Development on the basis that it proves viable in the view of the PDU and MPI. This would need to be done on commercial terms that would not to create a trade subsidy in terms of WTO rules.</li> </ol>	Approve	Approve



Ref	Project name	Project	Comment	Total cost of project	Proposed PGF investment	IAP recommendation	PDU recommendation
			export subsidy should there be significant exports as a result of this funding. If a subsidy arises then funding relating to the nursery expansion is likely to be considered as trade distorting or Amber Box expenditure. Further information is required in respect of the water distribution and storage network to determine if some of this expenditure could be considered as non-trade distorting or Green Box expenditure.				
12	Reporoa Full-Scale Demonstration Biogas Project	<p><b>Applicant:</b> Eco Stock Supplies Limited <b>Region:</b> Bay of Plenty</p> <p>This projects seeks to build a full-scale demonstration biogas plant which will recover energy, carbon dioxide and nutrients from food waste.</p> <p>New Zealand has no commercial scale food waste anaerobic digesters (AD).</p> <p>The proposed Reporoa Organic Waste Recovery Facility is being built on a two hectare site within the 74.4 hectare T&amp;G Global glasshouse operation. This will replace current fossil-fuel dependency of the site (currently uses natural gas) and use renewable energy to power/heat the expanded facility.</p> <p>This facility will take food waste from local regions: Rotorua, Reporoa and Taupo. It will take industrial organic waste materials for significant local food manufacturers such as dairy factories, commercial bakeries, cool stores and fruit-grading facilities, and has the capacity to take milk shed washings from dairy cow and goat operations.</p> <p>This project will take 20,000 tonnes a year of food waste (which would otherwise go to a landfill) and convert it into biogas. A portion of this food waste will come from T&amp;G.</p> <p>The biogas will be used to fuel an engine for electricity and heat generation.</p> <p>This project could act as a catalyst to build regional AD biogas facilities. It will confirm the commercial viability of AD plants in New Zealand environment.</p>	<p>The PDU is supportive of this application because:</p> <ol style="list-style-type: none"> <li>This project will create jobs in the region;</li> <li>It will act as a catalyst for similar plants in other regions; and</li> <li>It aligns strongly with regional priorities.</li> </ol> <p>MfE is supportive of this project but could not fund this project through the Waste Minimization Fund because of the large amount requested.</p>	Commercial Information	The PDU recommends one of the two options:	Approve	Approve
13	Commercial Information - Declined Application						



## Commercial Information - Declined Application

### Wilson Heavy Machinery Operator Training Centre – Northland

13. **Note** that Wilson Earthmoving Group Limited has applied for \$4,351,200 from the Provincial Growth Fund to establish a heavy machinery training centre in Northland.

*Noted*

14. **Note** that the Provincial Development Unit recommends that you approve in principle Wilson Earthmoving Group Limited's application for funding from the Provincial Growth Fund in the form of a grant/loan mix.

*Noted*

15. **Agree** to approve in principle Wilson Earthmoving Group Limited's application for \$4,351,200 from the Provincial Growth Fund subject to:

- a. Detailed work stream costs be agreed by the Provincial Development Unit to finalise the mixture of loan and grant amount; and
- b. Provincial Development Unit agreement of the tender/contract strategy for the planned civil and building works.

*Agree / Disagree*

### Kupe Waka Centre – Northland

1. **Note** that Arawai Limited has applied for \$4.6 million from the Provincial Growth Fund for the development of the Kupe Waka Centre, an educational and training facility.

*Noted*



2. **Note** that the Provincial Development Unit recommends that you approve in principle Arawai Limited's application for funding from the Provincial Growth Fund in the form of a grant.

*Noted*

3. **Agree** to approve in principle Arawai Limited's application for \$4.6 million from the Provincial Growth Fund subject to:
  - a. The delivery of a detailed project plan for the site development.
  - b. Certified Quantity Surveyor Report.
  - c. Costed Business Plan for the Centre (including an operating budget up to 5 years).
  - d. Details of the governance and management personnel that will oversee the project of work and run the tourism business, and full due diligence be completed.
  - e. Confirmation of the entity that will own the assets as part of the development and the future governance plan for the reserve including addressing the ownership of the Intellectual Property associated with the Centre.
  - f. Final project costs to be agreed by PDU Investment Team
  - g. Project milestones be agreed by PDU
  - h. **Commercial Information**

*Agree / Disagree*

Tier 2

**Northland Soft Berry Fruit – Northland**

4. **Note** that Onyx Capital Limited has applied for a \$ <sup>Commercial Information</sup> grant and a \$ <sup>Commercial Information</sup> loan from the Provincial Growth Fund to expand their labour intensive hydroponic berry operation under the Maungatapere Berries brand.

*Noted*

5. **Note** that the Provincial Development Unit recommends that you approve Onyx Capital Limited's application for funding from the Provincial Growth Fund in the form of a grant/loan mix.

*Noted*

6. **Agree** to approve Gore District Council's application from the Provincial Growth Fund, in the form of \$ <sup>Commercial Information</sup> equity and an up to \$ <sup>Commercial Information</sup> loan, or another combination to be negotiated.

*Agree / Disagree*

**Te Waiariki Ngawha Springs Redevelopment and Enhancement – Northland**

7. **Note** that Parahirahi Ngawha Waiariki Trust has applied for a \$1.79 million grant from the Provincial Growth Fund to enhance and redevelop Te Waiariki Ngawha Springs.



*Noted*

8. **Note** that the Provincial Development Unit recommends that you approve Parahirahi Ngawha Waiariki Trust's application for funding from the Provincial Growth Fund in the form of a grant.

*Noted*

9. **Agree** to approve Parahirahi Ngawha Waiariki Trust's application for a \$1.79 million grant from the Provincial Growth Fund, subject to:
- a. Confirmation being received from other parties that they have committed and have available the remainder of the project funding required
  - b. An adequate governance model being received, to the satisfaction of the Provincial Development Unit.

*Agree / Disagree*

### **Sustainable Minerals Extraction – Bay of Plenty**

10. **Note** that Geo40 Limited has applied for a \$<sup>Commercial Information</sup> loan from the Provincial Growth Fund in order to build and operate a silica removal plant at the Ohaaki geothermal site in Taupo.

*Noted*

11. **Note** that the Provincial Development Unit recommends that you approve Geo40 Limited's application for funding from the Provincial Growth Fund in the form of a financial package to be negotiated with the applicant.

*Noted*

12. **Agree** to approve Geo40 Limited's application for a \$<sup>Commercial Information</sup> loan from the Provincial Growth Fund, in the form of:

- a. A \$<sup>Commercial Information</sup> loan (PDU prefers this option); or
- b. A \$<sup>Commercial Information</sup> loan and \$<sup>Commercial Information</sup> equity; or
- c. A \$<sup>Commercial Information</sup> loan, \$<sup>Commercial Information</sup> equity, and \$<sup>Commercial Information</sup> grant for the feasibility study.

*Agree / Disagree*

### **Te Kaha Development Project (Phase One & Two) – Bay of Plenty**

13. **Note** that TKG Landowners Group Holdings Limited Partnership has applied for a total of \$<sup>Commercial Information</sup> from the Provincial Growth Fund for two phases of the Te Kaha Development Project, designed to create an increase in the uptake of land use on Māori owned land to support permanent employment opportunities.

*Noted*

14. **Note** that the Provincial Development Unit recommends that you approve TKG Landowners Group Holdings Limited Partnership's application for funding from the Provincial Growth Fund in the form of a \$<sup>Commercial Information</sup> grant and a \$<sup>Commercial Information</sup> loan and equity mix.

*Noted*



15. **Agree** to approve TKG Landowners Group Holdings Limited Partnership's application from the Provincial Growth Fund, in the form of:

- a. A \$<sup>Commercial Information</sup> grant on the condition of an updated costing for the Water Distribution Network Plan
- b. \$<sup>Commercial Information</sup> equity type support to provide irrigation for 327ha of horticultural land water storage and distribution, on condition that it proves viable in the view of the Provincial Development Unit and the Ministry of Primary Industries
- c. Up to \$<sup>Commercial Information</sup> loan funding for the Nursery expansion rather than the Equity co-investment requested, on the basis that it proves viable in the view of the Provincial Development Unit and the Ministry of Primary Industries
- d. \$<sup>Commercial Information</sup> loan to provide seed capital and accelerate the development of the TKG2 100 hectare Kiwifruit Development on the basis that it proves viable in the view of the Provincial Development Unit and the Ministry of Primary Industries.

*Agree / Disagree*

#### **Reporoa Full-Scale Demonstration Biogas Project – Bay of Plenty**

16. **Note** that Eco Stock Supplies Limited has applied for \$8.9 million from the Provincial Growth Fund to build a demonstration biogas plant.

*Noted*

17. **Note** that the Provincial Development Unit recommends that you approve Eco Stock Supplies Limited' application for funding from the Provincial Growth Fund either in the form of a loan or equity.

*Noted*

18. **Agree** to approve Eco Stock Supplies Limited's application for \$8.9 million from the Provincial Growth Fund, in the form of one of two options:

- a. A \$8.9 million loan on commercial terms with interest rate and repayment schedule as agreed by PDU; **OR**

*Agree / Disagree*

- b. A combination of loan and equity totalling \$8.9 million with loan terms and equity valuation as agreed by PDU.

*Agree / Disagree*

## Commercial Information - Declined Application



Proactive release

25. **Note** that the Provincial Development Unit is taking a proactive approach to releasing information related to decisions on Provincial Growth Fund applications.

*Noted*

26. **Note** that the Provincial Development Unit and Provincial Growth Fund agencies will consult with the Regional Economic Development Ministers on proposals in the January suit of papers before they are proactively released.

*Noted*

27. **Note** that advice will only be released where proposals have been approved, announced and contracted.

*Noted*

Robert Pigou  
Head of Investment Management  
**Ministry of Business, Innovation and Employment**  
..... / ..... / .....

Hon Grant Robertson  
**Minister of Finance**  
..... / ..... / .....

Hon Shane Jones  
**Minister for Regional Economic Development**  
..... / ..... / .....

Hon Phil Twyford  
**Minister for Transport**  
..... / ..... / .....

Hon David Parker  
**Minister for Economic Development**  
..... / ..... / .....

PROACTIVELY RELEASED