

Application for Funding

Express Applications



About this form

This form enables you to make an express application for funding from the Provincial Growth Fund. The form is designed solely for applications under \$100,000 relating to planning, feasibility studies, business cases, or training / capability. If your application is for anything else, please use one of the other forms available on the [Provincial Growth Fund website](#)

Completing this form

Please complete all sections. Square brackets and italics indicate guides. Please see the PGF website for further support.

Submitting your application

All completed forms must be emailed to PGF@mbie.govt.nz with "PGF Express" in the subject line.

Public disclosure

In the interests of public transparency, successful applications may be published by the Provincial Development Unit. Commercially sensitive and personal information will be redacted by reference to the provisions of the Official Information Act 1982. Please identify by highlighting any information in your application that you regard as commercially sensitive or as personal information for the purposes of the Privacy Act 1993.

Part 1: Key Details

1. Proposal Title:

Capability Assistance to prepare a proposal to develop a feasibility study and business case for a Golden Bay Mussel Sector Infrastructure and Waste Reduction facility in Tasman, Golden Bay

2. Please provide a very brief description of the project/activity:

The Marine Farming Association (MFA) is intending to submit an application to the Provincial Growth Fund for a feasibility study and business case to support infrastructure growth and waste minimisation needs to support significant expansion of the mussel farming sector in Tasman District (Golden Bay and Tasman Bay) following recent regulatory approval to grow the sector seven-fold over the next decade.

This express funding application is seeking assistance to prepare a fuller funding application that would allow the MFA to engage experts in project strategy, mobilisation and management, complex stakeholder engagement, aquaculture infrastructure, circular economy responses to waste, low carbon transition, the 'blue economy', regional economic growth and climate change resilience. These skills are not current capabilities of the MFA (which has Commercial Infor on staff), so we need to engage external experts to ensure our proposal is concept is robust and feasible, and that it is of a high quality and meets the expectations of the PDU and other stakeholders, as well as the needs of the mussel farming sector.

3. Please provide the details of the applicant organisation/entity for which funding is being requested:

Legal Name:	Marine Farming Association Inc (MFA)
Entity Type:	Incorporated Society
Registered Offices / Place of Business:	Marine Farming Association Inc. PO Box 86 Blenheim, New Zealand.
Identifying Number:	N/A
Organisation's Website:	http://www.marinefarming.co.nz/

4. Please provide the contact details for a person as a key point of contact):

Contact Name:	Jonathan Large, President		
Email Address:	<small>Privacy of natural persons</small>	Telephone:	<small>Privacy of natural</small>

5. Please describe the principal role or activity of the applicant organisation.

The Marine Farming Association Inc (MFA) is a subscription based organisation, representing marine farmers in the top of the South Island. The 2017 MFA membership stands at just under 180 members (129 Ordinary Members and 44 Associate Members and 6 Life Members).

The MFA was set up with the objective to promote, foster, advance, encourage, aid and develop the rights and interests of its members and the marine farming industry in general. It has minimal permanent staffing, with Commercial Information, relying on external support for projects such as this.

6. This project will be based in the region of: Tasman

7. What is the activity / funding start and end date?

Start Date:	1/7/2018	Completion Date:	7/09/2018
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8. The total value of this application's activity is set out below (Provincial Growth Fund funding requests must be under \$100,000 for an Express Application):

Source of Funding:	\$ (excluding GST)
Provincial Growth Fund (through this application)	Commercial Information
MFA (has committed Commercial Information)	Commercial Information
Total:	Commercial Information
Additional in-kind hours include:	
MFA Commercial Information	

Part B: Project Description

9. This application is: *"a stand-alone activity"* or *"in support of a wider project"*

10. If successful, is there likely to be a follow on application? Yes: No:

11. Please explain the project / activity for which funding is being sought:

The reason for seeking support from the Provincial Growth Fund is that the underpinning infrastructure at Port Tarakohe required to support the committed 7-fold growth (>Commercial Information direct investment will occur) of the mussel sector in Tasman District is not fit for purpose, providing a significant risk to our growth aspirations, despite having recently obtained regulatory approval for the on-water expansion.

Growth in the aquaculture sector has been identified by Tasman District Council in the Long-term Plan as priority area going forward.

Port Tarakohe is the only deepwater port in Golden Bay and is owned by Tasman District Council. It has insufficient facilities for current volumes or future growth although it does have considerable unused space within the existing footprint. With strategic investment, the Port could be further developed within its existing footprint to provide for the mussel farming growth needs, without impacting existing commercial or recreational users.

There will also be infrastructure planning and investment required to minimise the impact on other users outside of the Port, including local roads and water supply to the Port. Scope of the feasibility study will also consider a circular economy response to the waste generated by growth in the sector through reuse of mussel shells, and the need to transition to a low carbon economy.

There are a number of potential solutions to the infrastructure challenges; these require feasibility assessment and development of a robust and comprehensive business case, to ensure we are positioned to realise the very significant opportunities the sector is facing in Tasman District.

The feasibility study and business case will provide clarity on the most appropriate approach to infrastructure development. The output will allow the sector, Tasman District Council and the Provincial Growth Fund to collectively invest in the most appropriate mix of infrastructure to support mussel sector growth.

There will be three phases:

1. Project mobilisation and confirming short, medium and long term infrastructure needs

- Confirm project plan and governance. Scope required supporting material (cultural impact assessment, social and economic studies, and engagement strategy).
- Given the immediate need for infrastructure improvements to allow for the rapid growth in the next three years, we will identify the short (three years – C_{00} % increase in production), medium (10 years - $>C_{00}$ % increase in production) and longer-term priorities (50 years) for the mussel farming sector growth, as well as the Tasman District Council, local iwi and the local community.
- The initial analysis of the infrastructure needs over time will allow us to rapidly prioritise the critical path needed to meet infrastructure needs over the short, medium and long term. Of particular importance is the very short time frame before the expected C_{00} % increase in production in 2021. We will also assess the likely waste volumes to be produced by the new mussel production. Any immediate infrastructure investment must allow for this growth but should not compromise the most appropriate medium and longer-term needs.

2. High Level Options Analysis

High level options will be identified and considered against agreed economic, environmental, social and cultural criteria to determine the most feasible option(s) for detailed analysis. This will be a rapid assessment intended to narrow down to a preferred option as quickly as possible whilst taking into account the longer-term needs.

3. Detailed Feasibility Assessment and Business Case for Preferred Option(s)

A more detailed study to comprehensively assess all elements of the preferred option (including roading, water supply, community needs, land-based industry support needs etc). This will include engineering, environmental, cultural, economic and social elements for both the Port, and other infrastructure. This stage will include:

- Confirmation of resource consenting requirements;
- Engagement with iwi and other stakeholders alongside Tasman District Council and government agencies, including other users of Port Taroakohe and surrounds;
- Ensuring the cultural priorities identified through the cultural impact assessment are incorporated within the feasibility study;
- Ensuring a comprehensive understanding of the full range of economic and social opportunities and challenges are incorporated within the feasibility study;
- Seeking a circular economy response to waste produced by the growth;
- Identifying opportunities to minimise and offset carbon emissions, and building resilience to climate change into any future infrastructure;
- Clarity of critical path to allow construction of infrastructure required by 2021, whilst providing for the medium and longer term needs; and
- Financial analysis to input to the business case that ultimately underpins future investment.

The outcome will be clarity of scope, scale, costs and opportunities associated with future infrastructure development, waste minimisation and carbon reduction to underpin the planned expansion in the mussel farming sector in Tasman District.

The MFA is submitting to the PGF Express Application Process to fund independent consultants for this project because we do not have the relevant capability required to fully develop and scope the Feasibility Study funding application; namely project strategy, mobilisation and management, complex stakeholder engagement, aquaculture infrastructure, circular economy responses to waste, low carbon transition, the 'blue economy', regional economic growth and climate change resilience. These skills will need to be sourced externally from the MFA through two firms; Aquaculture Direct and Envirostrat.

Their respective, relevant expertise includes:

Commercial Information

- MFA's expert witness throughout the Tasman Aquaculture provisions hearings
- At the conclusion of the Tasman Plan hearings, Commercial Information

- Provides expert advice to the Government and Iwi on matters relating to the Commercial Information
- Involvement in the development of the Commercial Information
- Involved in various stages of the planning processes for Commercial Information
- The company has wide ranging experience within the mussel farming industry and has strong industry and Iwi contacts in the top of the south.

Commercial Information

- Programme strategy, mobilisation and management for multiple large scale public and private sector initiatives, including leading establishment of the Commercial Information; project manager for a two-year joint regional / central government series of economic and scientific studies to underpin freshwater reforms; and mobilising Commercial Information programme.
- Led the writing team for NZ's Commercial Information; including significant strategic work with the aquaculture sector. The work included highly complex stakeholder management, including iwi, sector groups, community groups, regional and central government agencies. The writing team reported to a co-governance structure and required working alongside a collaborative stakeholder working group to ensure community and matauranga maori perspectives were woven throughout the process.
- Led / leading feasibility studies, due diligence and business cases for several impact investment projects, including securing funding from both public and private sources. Projects include circular economy responses to waste, low carbon, and high value / low impact aquaculture and fisheries development
- Developed marine economic ('blue growth') strategies on behalf of a dozen UN agencies for the United Nations Conference 'Rio +20', and rolled out a seafood sector impact investment framework across multiple countries on behalf of the World Bank.

12. How does the project align with the objectives of the Provincial Growth Fund, and what benefits will be delivered:

Connected to regional stakeholders and frameworks

Over the past decade, the mussel farming sector have invested in excess of Commercial Information in Tasman District to secure regulatory approval for future mussel farm development. Regulatory approvals have now been secured, and the mussel sector is preparing to invest significantly in the Tasman District; a seven-fold increase in production over the next decade (a total harvest of 46,000 metric tonnes (mt) / year). Local iwi will be direct financial beneficiaries of this planned growth; C % of the approved mussel farm space is allocated for Māori (approximately Com tonnes / year), in addition to significant planned investment by Commercial Information (an associated business of Commercial Information) and other iwi.

In addition, the local Golden Bay community will be direct beneficiaries of the mussel farming growth. With agreements made through the regulatory approval process to provide up to Commercial Information in Golden Bay (Subzones L, M, N and O), this may provide income of up to Commercial Information per year for the duration of the consents and could be used on projects, prioritised by the local community.

The proposals opportunities has been discussed with central and local government, iwi and industry over many years, with wide ranging support for the future growth opportunity. The Tasman District Long Term Plan identifies \$Com for expansion at Port Tarakohe, including both commercial and recreational facilities.

The proposed 2077 Te tau Ihu Regional Strategy is recommending the blue economy as a key focus area and this development would support and compliment such a focus.

The 'Top of the South' is the aquaculture centre of the country, with C % of marine farming products coming from this region. Aquaculture development is expected to have significant social, cultural and economic benefits for the Tasman District. The industry is recognised by government as a significant source of employment for local

communities and subsequently supports several other ancillary service industries that also look to employ skilled locals.

Link with fund and government outcomes

The growth plan for the sector is entirely consistent with the Provincial Growth Fund: it provides for significant economic growth and new job creation in Top of the South [Te tau lhu] Tasman District; it provides a low impact / high value sector with the platform for long term sustainable expansion; provides significant benefit for Maori; will be low carbon and climate change resilient; and will generate negligible environmental impact.

As a result of receiving regulatory approval for new mussel farms, the mussel farming sector has committed to significant new investment:

- Co_{mm} new vessels will be constructed, at a cost of Commercial Information
- Commercial Information will be spent on farming infrastructure, including seed supply and seeding of new lines.
- New processing facilities will be required which will generate between Commercial Information per year in new export earnings.

This represents a total committed investment from the mussel sector of in excess of Commercial Information over the next decade.

Future employment directly arising from this committed growth will include:

- Co_{mm} new vessels on the water will require Co_{mm} new full time employees (vessels likely to be constructed in NZ which would provide further workforce benefits)
- Increased mussel factory work will employ Com_{merci} full time staff.
- A high value mussel powder and oil factory will employ Commercial Information full time staff.
- Ancillary services that directly support the mussel sector will employ Commercial Information full time staff.

Up to Com_{merci} full time people will be employed in Tasman District - arising directly from the planned growth of the mussel farming sector.

The industry seeks carbon neutral, zero waste, climate resilient strategies through a mixture of offsets, efficiency and a circular economy approach to waste. These will all be included within the feasibility study and long term investment planning, and will be scoped during proposal development in August / September.

Local iwi will be direct financial beneficiaries of this planned growth; Com_{merci} of the approved mussel farm space is allocated for Māori (approximately Commercial Information / year), in addition to significant planned investment by Commercial Information) and other Iwi.

The sector will expand its successful school and tertiary institutions employment readiness programme to attract and retain staff. The MFA maintains strong links to the local community, employing local people and supporting learning opportunities for youth. At present the MFA supports a number of educational institutions and initiatives in the top of the South [further information available on request].

The MFA Environment Programme has been operating since 1990 and incorporates the activities of marine farmers across the 'Top of the South'. It is managed by the MFA Environment Committee who employ 'environmental mentors' to cover this region. The MFA Environmental Codes of Practices have been designed to minimise the impacts of marine farming on our surrounding environment which include;

- Debris in the water or on our beaches
- Noise levels from marine farming activities
- Pollution and emissions from industry vessels
- Waste taken to landfill
- Environmental Certification Programme for companies which includes their vessels and farms.

Port Tarakohe is characterised by aging infrastructure such as the 80 year old condemned wooden wharf which has been out of use since 2009. A lack of funding availability has prevented much needed repairs and upgrades from happening, and subsequently very little future-proofing against potential climate change impacts has occurred. In Commercial Information have damaged the eastern break wall and the moorings. With climate change projections indicating a greater frequency of storm events

in the future, there is a strong demand by users (both recreational and commercial) for resilient port infrastructure to be built.

Additionality

Port Tarakohe is the largest marina in Golden Bay and is the only deep sea port in Tasman District capable of hosting vessels of a reasonable size. The existing concrete wharf facility only allows for one farming vessel to load / unload at a time, and there is no nearby alternative for vessels to offload their product. Other ports capable of handling the planned volume of greenweight mussel are too far away to be considered reasonable options.

Future infrastructure developments at Port Tarakohe would expand upon what is already there, replacing equipment that is not fit for purpose, and creating new spaces for vessels to operate. There are currently no other efforts to build upon existing infrastructure or create new facilities to handle the forecasted increase in marine farming activity at Golden/Tasman Bay. Additional value-add will be primarily through the facilitation of the seven-fold increase in mussel production in the area, leading to substantial economic benefit to the region and the creation of many new jobs. New infrastructure at Port Tarakohe will facilitate the movement of product through Tasman, subsequently leading to the creation of ancillary service industries that are not in existence now or are currently at a very small scale. It will also allow recreational users and existing (non-mussel) commercial users of Port Tarakohe to continue operating in a way that allows all parties to co-exist without conflict.

Governance, risk management, and project execution

We will place early emphasis on effective mobilisation of project controls (project plan, financials, communications, reporting, risk and issue management) alongside iwi, TDC, government and stakeholder engagement. The MFA has maintained a very strong programme management approach (planning, communication, risk and issue management) throughout the decade long process of seeking regulatory approval, including working closely with TDC and MPI, iwi and the community. The two independent consultants we will use are both highly experienced in mobilising and running projects within the marine sector in NZ and overseas. MFA have successfully managed projects through the Sustainable Farming Fund such as the Blue Mussel over settlement project and Project Management of the Didemnum vexillum eradication project which was awarded the Marlborough Environment Award, in 2007 both of these projects were in excess of Commercial Information and included tracking government and industry contributions.

Com
merci
have managed numerous marine farming related projects including parts of the Commercial Information
the A+ environmental sustainability programme project and pilot project for a land based fin fish farm on the West Coast of the South Island.

The MFA is committed to following a structured process through which risks to the project are regularly assessed and relevant stakeholders are engaged throughout the project timeline. Strong market conditions and positive growth forecasts for the marine farming industry in New Zealand lends confidence to the position of the MFA and is a good indicator for sustainable growth beyond the duration of the Fund. Planned future investments by industry in excess of Commercial Information, alongside the recently received regulatory approval reduces the risk of the overall project, as does the intent of the Mussel Farming Association to work collaboratively with the Tasman District Council to achieve the intended infrastructure investment outcomes.

Part C: Delivery of this Activity

[Please note – this section refers to the actual activity associated with this application.]

13. What are the proposed deliverables if funding is approved?

[Please use the following table where appropriate, consider what deliverables will be provided, when, and whether there are any payments associated with them. If it is a single deliverable with single payment, just use one line]

#	Deliverable	Due Date	Associated Payment (ex-GST)
1	Signing of agreement	Commercial Information	
1	Draft proposal completed		
2	Final proposal submitted		

* This is money sought from the PGF only, additional funding from MFA will total Commercial Information

– as detailed in the table below).

14. Please provide a breakdown of the costs of the project:

[Note that figures in this table must align with other figures provided]

Cost Description:	\$ (excluding GST)
Travel	Commercial Information
Time/materials	
Total from Provincial Growth Fund	
MFA Cash co-funding	
Travel	
Time/materials	
Total from MFA	
Plus In-kind hours (MFA staff Commercial Information)	
Total MFA contribution	

Total Project Costs for full feasibility study anticipated to be*:

Project Management & Governance	Commercial Information
Cultural Impact Assessment	
Environmental Analysis	
Economic Analysis	
Stakeholder Engagement	
Social Impact Assessment	
Engineering Studies	
TOTAL	

* Note the proposal development will fully scope and cost each workstream above.

In addition to the MFA contribution Commercial Information – see section 8] assuming the feasibility is proven, Tasman District Council has identified \$5.6 million for Port related investment in the 2018 Long Term Plan. The sector has already spent Commercial Information obtaining regulatory approvals and committed in excess of Commercial Information for future commercial activities in the District.

15. Governance: Please explain how you will deliver and manage the activity:

[We would like to know about the following areas where relevant:

- How will the activity be managed within your organisation?

Jonathan Large (President of MFA) will be project owner and responsible for submission of final proposal to PDU. The MFA has been leading this work from the outset and will continue in its current leadership role.

- What involvement is required from the Provincial Development Unit?

Review of draft material, provision of feedback, identification of key stakeholders for engagement and ongoing collaboration.

- What procurement process has been undertaken (i.e. a selection of a provider), or will be, and how will that be managed?

Commercial Information and Commercial Information will be engaged by the MFA on a fixed fee basis to provide expert input based on recommendations by industry and demonstration of track record in relevant projects around NZ. Both firms were selected following a market scan by the MFA to ensure relevant experience in aquaculture, regional growth, circular economy / waste, and low carbon solutions. No other firms (or combinations of firms) in the market scan had the full range of skills and track record required for this work.

- What project management practices will be in place?

A project plan with for the six week period will be developed with dates, decision points, deliverables, budget, engagement strategy and risk / issue mitigation as the first output of the process. This will be followed by regular updates on project progress, risk identification, and milestone completion with the project owner (MFA) and the PDU.

- The oversight / governance arrangements which are, or will be, put in place?

Project owner: MFA. Project management: Commercial Information. Key collaborator: Tasman District Council. The governance of this will occur through MFA oversight, and will include regular reporting of progress to the PDU lead and TDC lead.

- Who the key personnel are?

- Jonathan Large: Marine Farming Association. Project owner, industry representation, overall responsibility for project delivery within time, cost and quality expectations.
- Commercial Information Aquaculture, stakeholder engagement, project management, regional growth and infrastructure expertise.
- Commercial Information Circular economy, project strategy, mobilisation and management, stakeholder engagement, low carbon and regional growth expertise.

16. What risks are associated with the delivery of this activity?

#	Risk	Mitigation approach	Rating
1	Feasibility Study proposal fails to secure support from PDU	Significant ongoing interaction with key stakeholders, PDU to ensure all perspectives and expectations are well understood.	L
2	Feasibility Study proposal fails to secure support from Tasman District Council (owners of Port Tarkohe)	Work with local politicians and senior staff throughout proposal development process. Arrange on site briefing at Havelock to show TDC staff and politicians what a similar scale mussel farming operation looks like; breadth of economic development opportunities etc.	L
3	Feasibility Study proposal fails to secure support from iwi.	Hui early in proposal development process to ascertain concerns and ensure these are built into scope of a cultural impact assessment, which would	L

		be conducted immediately following funding confirmation for the Feasibility study.	
4	Proposed infrastructure changes fail to gain support from Golden Bay, Tasman residents and community.	Facilitation of community hui early in the process, paralleled with engagement and communication strategy. Seek community input into design / priorities for future Commercial Information community funding arising from mussel sector growth.	M

Part D: Declarations

17. Has this activity ever been declined Crown Funding in the past? Yes: No:
18. Is the applicant or the contracting entity insolvent or subject to any insolvency action, administration or other legal proceedings? Yes: No:
19. Is any individual involved in the application, the proposed contracting entity or the project, an undischarged bankrupt? Yes: No:
20. Is any individual under investigation for, or has any individual been convicted of, any offence that has a bearing on the operation of the project? Yes: No:
21. Are there any actual, potential or perceived conflicts of interest that the applicant or any of the key personnel have in relation to this project. Yes: No:

“In a small country like ours, conflicts of interest in our working lives are natural and unavoidable. The existence of a conflict of interest does not necessarily mean that someone has done something wrong, and it need not cause problems. It just needs to be identified and managed carefully...”

<https://www.oag.govt.nz/2007/conflicts-public-entities>

If you answered “Yes” to any of the above, please provide a description below:

N/A

By completing the details below, the applicant makes the following declaration about its application for Provincial Growth Fund funding for the project (“application”):

- I have read, understand and agree to the Terms and Conditions of applying for Provincial Growth Fund funding which are attached as Appendix 1;
- The statements in the application are true and the information provided is complete and correct, and there have been no misleading statements or omissions of any relevant facts nor any misrepresentations made;
- I have secured all appropriate authorisations to submit the application, to make the statements and to provide the information in the application;
- I consent to this application being publically released if funding is approved. I have identified the commercially sensitive and personal information.
- The applicant warrants that it has no actual, potential or perceived conflict of interest (except any already declared in the application) in submitting the application, or entering into a contract to carry out the project. Where a conflict of interest arises during the application or assessment process, the applicant will report it immediately to the Provincial Development Unit by emailing PGF@mbie.govt.nz; and
- I understand that the falsification of information, supplying misleading information, or the suppression of material information in this application, may result in the application being eliminated from the assessment process and may be grounds for termination of any contract awarded as a result of this application process.

Full name:

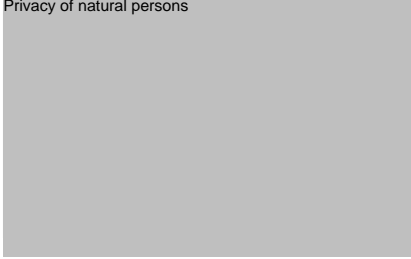
Jonathan Large

Title / position:

President, Marine Farming Association

Signature:

Privacy of natural persons



Date:

2nd August 2018

PROACTIVELY RELEASED

Appendix 1 – Terms and Conditions of applying to the Provincial Growth Fund

General

The terms and conditions are non-negotiable and do not require a response. Each applicant that submits a request for Provincial Growth Fund (“PGF”) funding (each an “application”) has confirmed by their signature on the application that these terms and conditions are accepted without reservation or variation.

The Provincial Growth Fund is a government initiative which is administered by the Provincial Development Unit, a unit within the Ministry of Business, Innovation and Employment. Any reference to the Provincial Development Unit in these terms and conditions, is a reference to MBIE on behalf of the Crown.

Reliance by Provincial Development Unit

The Provincial Development Unit may rely upon all statements made by any applicant in an application and in correspondence or negotiations with the Provincial Development Unit or its representatives. If an application is approved for funding, any such statements may be included in the contract.

Each applicant must ensure all information provided to the Provincial Development Unit is complete and accurate. The Provincial Development Unit is under no obligation to check any application for errors, omissions, or inaccuracies. Each applicant will notify the Provincial Development Unit promptly upon becoming aware of any errors, omissions, or inaccuracies in its application or in any additional information provided by the applicant.

Ownership and intellectual property

Ownership of the intellectual property rights in an application does not pass to the Provincial Development Unit. However, in submitting an application, each applicant grants the Provincial Development Unit a non-exclusive, transferable, perpetual licence to use and disclose its application for the purpose of assessing and decision making related to the PGF application process. Any hard copy application or documentation supplied by you to the Provincial Development Unit may not be returned to you.

By submitting an application, each applicant warrants that the provision of that information to the Provincial Development Unit, and the use of it by the Provincial Development Unit for the evaluation of the application and for any resulting negotiation, will not breach any third-party intellectual property rights.

Confidentiality

The Provincial Development Unit is bound by the Official Information Act 1982 (“OIA”), the Privacy Act 1993, parliamentary and constitutional convention and any other obligations imposed by law. While the Provincial Development Unit intends to treat information in applications as confidential to ensure fairness for applicants during the assessment and decision making process, the information can be requested by third parties and the Provincial Development Unit must provide that information if required by law. If the Provincial Development Unit receives an OIA request that relates to information in this application, where possible, the Provincial Development Unit will consult with you and may ask you to confirm whether the information is considered by you to be confidential or still commercially sensitive, and if so, to explain why.

The Provincial Development Unit may disclose any application and any related documents or information provided by the applicant, to any person who is directly involved in the PGF application and assessment process on its behalf including the Independent Advisory Panel (“IAP”), officers, employees, consultants, contractors and professional advisors of the Provincial Development Unit or of any government agency. The disclosed information will only be used for the purpose of participating in the PGF application and assessment process, which will include carrying out due diligence.

In the interests of public transparency, if an application is approved for funding, the application (and any related documents) may be published by the Provincial Development Unit. Commercially sensitive and personal information will be redacted by reference to the provisions of the Official Information Act 1982.

Limitation of Advice

Any advice given by the Provincial Development Unit, any other government agency, their officers, employees, advisers, other representatives, or the IAP about the content of your application does not commit the decision maker (it may be Senior Regional Officials, Ministers or Cabinet depending on the level of funding requested and the nature of the project) to make a decision about your application.

This limitation includes individual members of the IAP. The IAP’s recommendations and advice are made by the IAP in its formal

sessions and any views expressed by individual members of the IAP outside of these do not commit the IAP to make any recommendation.

No contractual obligations created

No contract or other legal obligations arise between the Provincial Development Unit and any applicant out of, or in relation to, the application and assessment process, until a formal written contract (if any) is signed by both the Provincial Development Unit and a successful applicant.

No process contract

The PGF application and assessment process does not legally oblige or otherwise commit the Provincial Development Unit to proceed with that process or to assess any particular applicant's application or enter into any negotiations or contractual arrangements with any applicant. For the avoidance of doubt, this application and assessment process does not give rise to a process contract.

Costs and expenses

The Provincial Development Unit is not responsible for any costs or expenses incurred by you in the preparation of an application.

Exclusion of liability

Neither the Provincial Development Unit or any other government agency, nor their officers, employees, advisers or other representatives, nor the IAP or its members will be liable (in contract or tort, including negligence, or otherwise) for any direct or indirect damage, expense, loss or cost (including legal costs) incurred or suffered by any applicant, its affiliates or other person in connection with this application and assessment process, including without limitation:

- a) the assessment process
- b) the preparation of any application
- c) any investigations of or by any applicant
- d) concluding any contract
- e) the acceptance or rejection of any application, or
- f) any information given or not given to any applicant(s).

By participating in this application and assessment process, each applicant waives any rights that it may have to make any claim against the Provincial Development Unit. To the extent that legal relations between the Provincial Development Unit and any applicant cannot be excluded as a matter of law, the liability of the Provincial Development Unit is limited to \$1.

Nothing contained or implied in or arising out of the PGF documentation or any other communications to any applicant shall be construed as legal, financial, or other advice of any kind.

Inducements

You must not directly or indirectly provide any form of inducement or reward to any IAP member, officer, employee, advisor, or other representative of the Provincial Development Unit or any other government agency in connection with this application and assessment process.

Governing law and jurisdiction

The PGF application and assessment process will be construed according to, and governed by, New Zealand law and you agree to submit to the exclusive jurisdiction of New Zealand courts in any dispute concerning your application.

Public statements

The Provincial Development Unit and any other government agency, or any relevant Minister, may make public in whole or in part this application form including the following information:

- the name of the applicant(s)
- the application title
- a high-level description of the proposed project/activity
- the total amount of funding and the period of time for which funding has been approved
- the region and/or sector to which the project relates

The Provincial Development Unit asks applicants not to release any media statement or other information relating to the submission or approval of any application to any public medium without prior agreement of the Provincial Development Unit.

Appendix 2 - Proposed operational criteria for all tiers of the Fund

Link to Fund and government outcomes

- Demonstrate the ways in which the project will contribute to lifting the productivity potential of the region
- Demonstrate how the project contributes to the Fund's objectives of:
 - more permanent jobs
 - benefits to the community and different groups in the community
 - increased utilisation and returns for Māori from their asset base (where applicable)
 - sustainability of natural assets (e.g. water, soil integrity, the health and ecological functioning of natural habitats)
 - mitigating or adapting to climate change effects, including transitioning to a low emissions economy
- Clear evidence of public benefits (i.e. benefits other than increased profitability for the applicant)
- Are in a Government priority region or sector

Additionality

- Project is not already underway, does not involve maintenance of core infrastructure or assets (except for rail and transport resilience initiatives), and does not cover activities the applicant is already funded for (funding could be considered to increase the scale of existing projects or re-start stalled projects)
- Demonstrated benefit of central Government investment or support
- Detail of any supporting third party funding (and any funding sought unsuccessfully)
- Acts as a catalyst to unlock a region's productivity potential
- Demonstrated links to other tiers of the Fund and related projects, to maximise value of Government investment

Connected to regional stakeholders and frameworks

- Evidence of relevant regional and local support, either through existing regional development mechanisms, or through another relevant body such as a council, iwi or other representative group (or reasons for any lack of local support)
- Has been raised and discussed with the region's economic development governance group
- Alignment with, or support for the outcomes of, any relevant regional development plan, Māori development strategy or similar document (whether regional or national)
- Demonstrated improvement in regional connectedness (within and between regions)
- Leverage credible local and community input, funding, commercial and non-commercial partners
- Utilise existing local, regional or iwi/Māori governance mechanisms

Governance, risk management and project execution

- Evidence of robust project governance, risk identification/management and decision-making systems and an implementation plan appropriate to the size, scale and nature of the project
- Future ownership options for capital projects, including responsibility for maintenance, further development, and other relevant matters
- Benefits and risks clearly identified and quantified, depending on the scale of the initiative
- Evidence of potential exit gates and stop/go points, and a clear exit strategy
- Clearly identifies whole of life costs (capital and operating)
- Dependencies with other related projects are identified
- Evidence of sustainability after conclusion of PGF funding
- Adequacy of asset management capability (for capital projects)
- Compliance with international obligations (where relevant)