

## COVER SHEET

1. Torere Macadamia Project PGF Application	For: Review
<p><b>Background &amp; context:</b></p> <p><b>Applicant Organisation:</b></p> <ul style="list-style-type: none"> <li>Torere Macadamia Ltd</li> </ul> <p><b>Location:</b></p> <ul style="list-style-type: none"> <li>East Coast/ Tairāwhiti</li> </ul> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>NZ Macadamia Industry Training and Development Project</li> </ul> <p><b>Funding Sought:</b></p> <ul style="list-style-type: none"> <li>Total project value: \$ <small>Commercial Information</small></li> <li>PGF Funding: \$995,000</li> <li>Torere: \$ <small>Commercial Inform</small></li> </ul> <p><b>Background:</b></p> <p>Torere Macadamia was presented to SROs in June. The project is seeking to develop training pathways specific to the industry, noting a growing industry with strong interest from Maori. Additionally, Torere is seeking to further develop their own business. During the June meeting, SROs agreed to fund Torere's PGF application.</p> <p>The application is divided into three components:</p> <ul style="list-style-type: none"> <li>Industry specific training in association with Eastland Institute of Technology (EIT), \$ <small>Commercial Inform</small>, approved as a grant</li> <li>Further development of the nursery, \$ <small>Commercial Inform</small>, approved as a loan and</li> <li>Further development of Torere's orchard, <small>Comm</small> <small>Commercial Information</small>, \$ <small>Commercial Inform</small>, approved as a loan</li> </ul> <p>Subsequent to this decision by SROs, the applicant has thanked the PGF for their approval but asked if one of the application components can be re-evaluated.</p> <p>The applicant notes that to undertake the training component, the <b>nursery</b> will need to be further developed including (please see Annex 2 for full</p>	<p><b>Recommendation:</b></p> <p><b>We recommend that SROs:</b></p> <p><b>a) Review</b> Torere's nursery component of their application to the PGF, noting the original decision was to approve this as a <b>loan</b> – with this review seeking to amend that decision to a <b>grant</b>.</p> <p><b>b) Note</b> The PDU and MPI have been working with Torere to understand why this review might be appropriate, noting the training component of their application relies on the upgrading of the nursery.</p> <p><b>c) Note</b> A report is being completed between Torere and Eastland Community Trust (ECT) to test commercial viability assumptions in relation to aspects of Torere's business including the nursery.</p> <p><b>d) Note</b> The PDU has supplied SROs with the Nursery capex budget (Annex 2), and the cover sheet supplied in June (Annex 3).</p> <p><b>e) Support the PDU recommendation to Approve</b> \$ <small>Commercial Inform</small> from the PGF fund towards Torere Macadamia Nursery Upgrade as a grant rather than as a loan subject to:</p> <ul style="list-style-type: none"> <li>MPI working with Torere to ensure all nursery items are essential for the training component of the application, and that labour is adequately accounted for.</li> <li>Confirmation from the applicant that they are able to meet their financial contribution towards the project; and</li> </ul>

breakdown):

- Upgrading of power and
- Automation machinery

This upgrading will allow students (initially 24) to undertake field based and work specific training at Torere Macadamia.

The PDU has worked with the applicant to receive additional information relevant to this review, outlined above. Furthermore, MPI is continuing to work with Torere and will, if this application review is approved, oversee the conditions of approval.

SROs should note this is a business located on Maori land, making access to private sector funding more difficult to secure.

Torere Macadamias Ltd has submitted an 'Economic-investigation-and-research-fund' application to ECT for \$<sup>Commercial Info</sup>, to produce the feasibility report on expanding the Torere nursery and proposed partnership with EIT to assist with plant production, and to integrate TML's Procedure Manuals for teaching resources to NZQA standards. This report will ensure that the proposed nursery and orchard expansion is commercially viable by improving plant and nut production while also delivering a work-based training facility. The report is being completed and this review decision should be contingent on analysis of that report.

- Funding being released following Torere supplying the PGF with the viability report once completed and the PGF analysing that report.

**The purpose of this briefing is to consider recommending PGF funds to Torere Macadamia Ltd**

**Consultation undertaken or implications:**

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	MPI
<b>Supporting proposal:</b>		Yes							
<b>Appendices:</b>		Yes – Application, Nursery capex budget, June SRO Cover Sheet							
<b>Sponsor(s):</b>		N/A							
<b>Manager/Author of paper:</b>		ELH Investment Team							

PROACTIVELY RELEASED