

COVER SHEET

1. Torere Macadamia Project PGF Application	For: Approval
Background & context:	Recommendation:
<p>Organisation:</p> <ul style="list-style-type: none"> Torere Macadamias Ltd <p>Location:</p> <ul style="list-style-type: none"> East Coast/ Tairāwhiti <p>Proposal:</p> <ul style="list-style-type: none"> NZ Macadamia Industry Development Project <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$Commerci PGF Funding: \$995,000 <p>Background:</p> <p>Torere Macadamias Limited (TML) is a Maori business incorporated in 1999 and is dedicated to the profitable establishment of a commercial macadamia industry in New Zealand.</p> <p>This application is seeking to expand Torere Macadamia's nursery and 'Model Macadamia Orchard', and, in association with Eastern Institute of Technology (EIT), run courses designed to introduce skilled workers into the industry.</p> <p>This application will, as the applicant notes, generate C new FTEs and C PTEs. More importantly, the courses run in association with EIT will provide industry specific training for 24 students seeking employment in this expanding market vector.</p>	<p>We recommend that SROs:</p> <p>a) Discuss Torere Macadamias' PGF application</p> <p>b) Note This project has been before SROs (May 21) and the decision was to defer and allow the PDU and partner agencies to work with Torere Macadamias Ltd to gain additional information</p> <p>c) Note SROs expressed concerns about the capability of the applicant to deliver the courses, and undertake the expansion plans outlined in the application</p> <p>d) Note The PDU and MPI regional member Privacy of have been working with the applicant to seek clarification relating to the SROs' concerns</p> <p>e) Note The PDU has received new data from the applicant which provides a significant financial breakdown relating to the expansion plans. MPI are still working with the applicant to better understand the costs associated with running the training programs</p> <p>f) Approve \$995,000 from the PGF to be allocated to NZ Macadamias Ltd, subject to:</p> <ul style="list-style-type: none"> Confirmation from the applicant that it is able to meet its financial contribution towards the project; and Confirmation from MPI that the training costs are reflected in the applicant's financial breakdown

The application is divided into four projects.

Funding is sought to expand and upgrade the existing nursery at Torere. **\$Commer Torer nursery expansion and upgrade; will create C FTEs and C PTEs**

Funding is sought to expand the existing 'Model Macadamia Orchard' at Torere **Comm** to complete and mechanise the development show-cased at grower Field Days and provide a new working model for Orchard Manager student training. **\$Commer Torere Orchard expansion and upgrade; will create C FTE and C PTEs**

Funding is sought to provide NZQA Level 2-3, Introductory macadamia training and education for 12 students pa over 12 months to fill future macadamia employment positions in nursery and orchard work. **\$Commer for NZQA level 2-3 Introductory macadamia course for teaching facilities, resources and equipment at Torere**

Funding is sought to provide NZQA Level 4-5, Orchard Manager training for 12 students pa over 12 months. These students are chosen by Trusts and Farms to train, develop and manage their macadamia blocks. 95% of the course is practical - located at Torere and 5% processing in Gisborne. **\$Commer NZQA level 4-5 Orchard Manager course for travel, accommodation, teaching resources and equipment**

The purpose of this briefing is to consider recommending PGF funds to the ManaiaSAFE

Alignment to PGF criteria:

Increased Economic Benefit

The project will expand an existing business and PGF funding will help employ C new FTEs and C new PTEs. More importantly, 24 students will receive industry specific training in the first 12 months, with an opportunity to continue the training programme going forward.

Additionality

NZ Macadamias was established in 1999 and is the only commercial orchard in New Zealand. The business is seeking continued growth as well as the introduction of macadamia industry specific training in association with an established provider (EIT).

Alignment with regional plans/ Stakeholder support

The applicant notes strong regional stakeholder support including:

Commercial Information



Management and Governance

The PDU and MPI note the applicant could require help in this area. EIT is an accredited education provider which brings credibility to the training component of the application. MPI regional lead [Redacted] will be working with the applicant to help develop governance processes to ensure project tracking and reporting of KPIs are matching funding.

Risks Issues:

The applicant has provided a basic risk register but this needs to be fully developed

Project Risks	Mitigation
Commercial Information	[Redacted]

Commercial Information



Eligibility points of note:

- *Conflict(s) of interest:*- Based on the information provided no conflict of interest is evident
- *Illegal Activity:*- Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans:*- No specific line item in regional action plan, however, development of strong Ag/ Hort industry is evidenced in the Tairawhiti Economic Action Plan.
- *Commercial funding availability:*- The business is seeking to grow and is facing the problem that many SMEs encounter, a lack of capital to expand. As such, access to commercial funding is not easily obtained.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	MPI/ TPK
-------	-----	----	-----	---------	-----	-------------	-----	-------	----------

Supporting proposal:

Yes

Appendices:

Yes - Application

Sponsor(s):	N/A
Manager/Author of paper:	ELH Investment Team. Nick Willis MPI

PROACTIVELY RELEASED