

Subject	Minutes of the Independent Advisory Panel meeting held Monday 17 September 2018 at 10.00am – 3.30pm Opotiki District Council Chambers
Panel members:	Mr Rodger Finlay (Chairperson), Ms Sarah Brown, Mr Neville Harris, Ms Rosie Mercer, Mr John Rae, Dr Charlotte Severne, Mr John Sproat & Dr David Wilson
In attendance:	Mr Nigel Bickle (Head of the Provincial Development Unit), Mr Robert Pigou (Acting Head of Investments), & Ms Kate Kuska (Secretariat)
Attendees:	Mr Eliot Linforth-Hall, Mr Nick Hough, Mr Alex Matheson, Mr David van der Zouwe, Privacy of natural persons & Mr Jerome Wyeth (Consultant)
Apologies:	Neville Harris, John Rae

1. Meeting Administration

Reference #	17/09/2018/01
Commentary:	<p>(a) The IAP meeting took place in Opotiki at the Opotiki District Council Chambers.</p> <p>(b) Proactive Interest's declaration: Charlotte Severne will commence as Maori Trustee for Te Tumu Paeroa (date of commencement not yet known).</p> <p>(c) Committee only time focused on</p> <ol style="list-style-type: none"> i. Commercial Information ii. Communications between PDU and Panel following the meeting iii. Discussions over general items for addition to agenda

2. Chairperson / Ministerial / Head of PDU insights

Reference #	17/09/2018/02
Commentary:	<p>(a) The Chair provided a verbal update (to support a more fulsome email update earlier) from the RED Ministers meeting held 3 September, 2018. This included an update on the investment proposals, and decisions made. Of note was;</p> <ol style="list-style-type: none"> i. Commercial Information ii. Establishment of the Holding Company (Hold Co.) progresses. Nigel Bickle advised that the preference is toward setting up a Schedule 4A company, which is being progressed with the assistance of senior Treasury officials <p>(b) The Head of the PDU, Nigel Bickle updated the Panel on the key focus areas for the PDU. A priority is to establish a broad allocation of the fund across the tiers and sectors. An operating framework to support delivery of the fund, including guiding principles, is in development.</p>

3.1 LeaderBrand (East Coast)

Reference #	17/09/2018/03
Commentary:	<p>The Panel notes the application to the PGF from LeaderBrand Produce Limited, which has been recommended for approval by the PDU.</p> <p>(a) While the Panel support the overall ambition of the LeaderBrand project, it does not agree to support every component of the application. Specifically the Panel recommends the following:</p> <ol style="list-style-type: none"> i. The funding sought for the establishment of greenhouses (over a three year development programme) should be advanced as it directly meets the criteria of the PGF, in particular delivering benefits to the community and increasing utilisation of Maori land ii. The Commercial Information component of the application is not supported. PDU estimate this component of the application to be worth around \$Commercial Information of the full proposal however this would need to be confirmed. It is the IAP's view that this Commercial Information does not meet the objectives of the PGF <p>(b) The IAP recommends that the funding arrangement and security package be further tested, with some form of security in the asset. The Panel also considers that Eastland Community Trust (ECT) should be consulted to offer a contribution if PGF funding is committed.</p> <p>(c) Subject to conditions negotiated by the PDU, the IAP recommends that a scaled back "trial" greenhouse establishment is tested over 10-15ha of land.</p> <p>(d) Commercial Information Commercial Information .</p>

3.2 Waiapu (East Coast)

Reference #	17/09/2018/04
Commentary:	<p>A general discussion around the Waiapu application took place, however the full assessment was not able to be made as some material was not available to the Panel. It will be considered at a later date outside of the meeting.</p>

Commercial Information - declined project

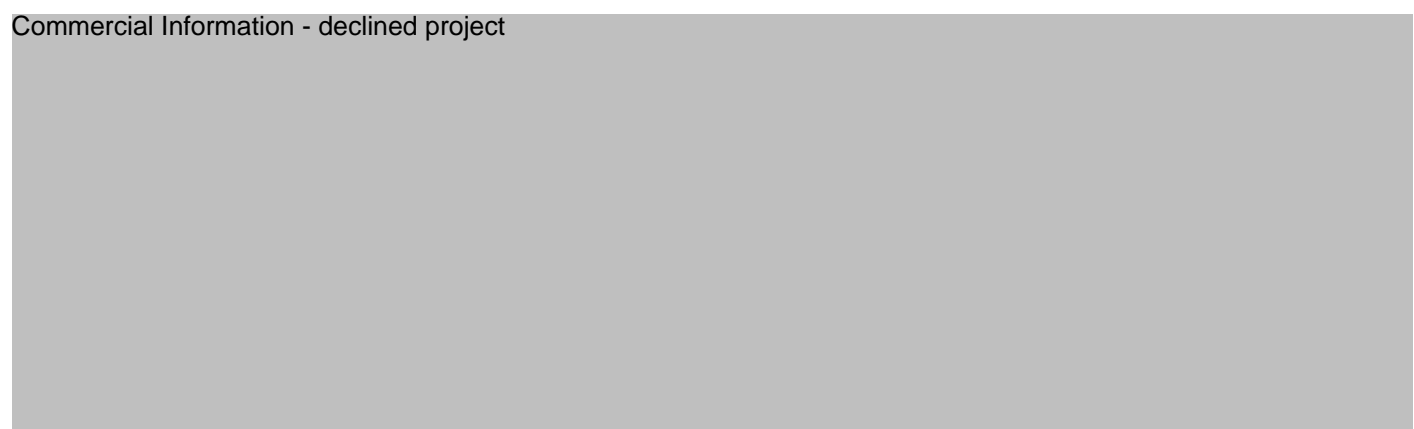
Commercial Information - withdrawn proposal



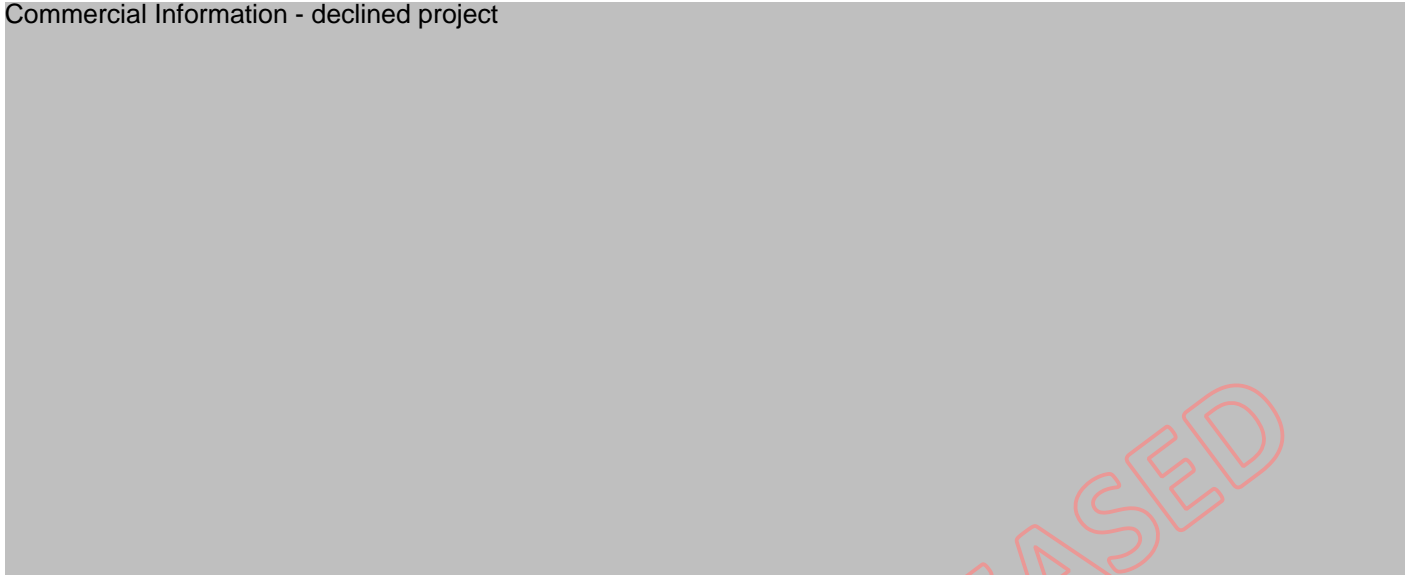
3.5 National Driver Training Centre (Manawatū-Whanganu/ Horowhenua)

Reference #	17/09/2018/07
Commentary:	<p>The IAP does not agree with the PDU's recommendation to support the National Driver Training Centre Project.</p> <p>While the IAP thinks the initiative is sound, it agrees that fundamentally it is not the role of the PGF to fund this type of project and considers it is better suited to being funded from the <u>Commercial Information</u> [redacted].</p> <p>The IAP recommends that as this project ultimately benefits industry (road transport, logistics, agricultural and forestry industries) a greater co-investment contribution should be sought from industry.</p>

Commercial Information - declined project



Commercial Information - declined project



Commercial Information - declined project



Prejudice to Negotiations



Prejudice to Negotiations

3.10 Opuke Thermal Pools and Spa (Canterbury)

Reference #	17/09/2018/12
Commentary:	<p>The Panel supports the application from Methven Adventures Ltd. to develop the Opuke Thermal Pools and Spa project. The application demonstrates alignment to the PGF criteria and requests a combination of a grant and loan. The IAP recommends the following;</p> <ul style="list-style-type: none"> (a) The funding should be in the form of a loan which may be structured as a “soft loan” and interest free until such time the commercial entity shows a return on investment (b) The PDU should confirm that this is a priority project given it is not a surge region which is important in the context of overall fund allocation to the area (c) Consider benchmarking the project against other thermal pools (e.g. Hanmer Springs and Franz Josef) as economic returns on thermal pools vary significantly (d) Confirmation of technical information, for example how the water retains the desired temperature level (e) Confirm whether a financial contribution from Ngai Tahu is possible

4 General Business

Reference #	17/09/2018/13
Commentary:	<p><i>Commitment of fund</i></p> <ul style="list-style-type: none"> (a) Nigel Bickle spoke about the commitment and release of funds to date. In the context of public and political expectation around contracts being committed and funded, the focus of the PDU is to ensure that rigorous but expedient due diligence is undertaken at all stages of contract negotiations. (b) A key focus area will be to proactively manage contracts between PDU and recipients to minimise backlog and increase the speed of contract execution. <p><i>General comments</i></p> <ul style="list-style-type: none"> (a) Reporting made available to the IAP will be adjusted as follows; <ul style="list-style-type: none"> i. Regional dashboard for Otago/Southland will be split into two separate dashboards ii. SRO Investment commitments to date will provide a brief summary of the project, in addition to the project name.

The meeting closed at 4.00pm.

Mr Rodger Finlay
Chairperson

Date