



Subject	Minutes of the Independent Advisory Panel meeting held on Tuesday 16 July 2019 between 9:00am – 3:00pm at Level 2, Kaikoura District Council, 96 West End, Kaikoura
Panel members:	Rodger Finlay (Chair), Rosie Mercer, Sarah Brown, John Sproat & John Rae
In attendance:	David van der Zouwe & Glynis Mussen
PDU attendees via telephone conference:	Ben Dalton, Jane Frances, Mark Ashby, Nerissa Wallace, Aaron Hape, Jason Hall, Hannah Lee, Nick Hough, Yen-Ting Liu, Mark Patterson, Eliot Lirforth-Hall, Joan Ng & Isabella Radovanovic
Apologies:	David Wilson, Charlotte Severne, Neville Harris, Robert Pigou & Karl Cummins

1. MEETING ADMINISTRATION

Reference #	16/7/2019/01	
Commentary:	1.1 Committee Only Time	Committee only time focused on Senior Regional Officials and Economic Development Agencies.
	1.2 Apologies	David Wilson, Charlotte Severne, Neville Harris, Robert Pigou and Karl Cummins submitted their apologies.
	1.3 Register of Interests	The panel reviewed the register of interests dated 23 May 2019. The panel noted the replacement of the Full-time/Part-time heading with Executive/Non-Executive heading.
	1.4 Ratification of minutes from 19 June 2019 meeting	The IAP approved the minutes from the 19 June 2019 meeting.
	1.5 Matters arising from previous minutes	The panel discussed the actions from previous meetings, noting the following updates:
Item No.	Meeting Date & Action	Status Update
22	22/5/2019 NZTA & MoT Status Reports	PDU advised reports are pending. OPEN

23	19/6/2019	
	PDU Evaluation Framework Reports	Reports were presented to IAP under item 5.1 below.
		CLOSED

2. HEAD OF PDU UPDATE

Reference #	16/7/2019/02
Commentary:	<p>Proposed Allocation of Remaining Funds</p> <p>Jane Frances briefed the panel on the strategy for the remaining PGF funds. This report enables the IAP to understand the potential funding opportunities available in each sector.</p> <p>The panel discussed the spread of PGF funds across the regions and agreed that regional priorities within each region should remain a priority for PGF funding. There are three means of prioritising funds – regions, infrastructure and sectors.</p> <p>Commercial Information</p> <p>[REDACTED]</p>

3. PROPOSALS FOR PGF FUNDING

3.1 Sector Investment Papers (David van der Zouwe)

Reference #	16/7/2019/03
Commentary:	<p>David van der Zouwe briefed the panel on the papers which include:</p> <ul style="list-style-type: none"> • the total region's PGF investment to date; • significant components of this investment; • allocations within sectors; and • key investment opportunities going forward. <p>The panel asked for a report on the average PGF commitment to surge and non-surge regions.</p> <p><i>Action: PDU provide a report on the average PGF commitment to surge and non-surge regions.</i></p>

Commercial Information



Commercial Information -declined project



PROACTIVELY RELEASED

3.4 Sarjeant Gallery Te Whare o Rehua Whanganui Redevelopment (Nick Hough)

Reference #	16/7/2019/06
Commentary:	<p>The IAP considered the Sarjeant Gallery Te Whare o Rehua Whanganui Redevelopment project.</p> <p>The panel unanimously supports this project and disagrees with the PDU recommendation that this project should be declined PGF funding.</p> <p>The panel was divided over the funding structure and whether the \$12m PGF funding should be a grant or a loan. The majority view of the panel was for a grant.</p> <p>The panel noted the alignment with the PGF criteria, in particular the creation of permanent jobs and the high level of regional support, with the PGF investment unlocking a substantial co-investment of \$^Cmmercial Info. The panel also noted the Gallery is of significant heritage value and importance to the Whanganui region and iwi.</p>

Commercial Information -declined project

Commercial Information -declined project

Commercial Information -declined project

4.0 FOR NOTING & DISCUSSION

4.1 Wood Cluster – Centre of Excellence (Eliot Linforth-Hall)

Reference #	16/7/2019/10
Commentary:	<p>The PDU requested the IAP note the Wood Cluster application for the first funding tranche. The IAP was unanimous in their support for the Wood Cluster Project.</p> <p>The panel discussed the loan counterparty which is a ^{Comments} % owned Eastland Community Trust subsidiary, Prime SPV. Commercial Information</p>

4.2 Nelson Artificial Intelligence Institute (Eliot Linforth-Hall)

Reference #	16/7/2019/11
Commentary:	<p>The IAP agrees with the recommendation of the PDU to support the Nelson Artificial Intelligence Institution (NAII) project.</p> <p>The panel is supportive of this leading edge technology, noting that artificial intelligence is a growth industry and there are potential benefits in aiding the aquaculture industry to develop efficiencies, discover new opportunities and climb the value chain.</p> <p>The panel recommends funding of the \$3.4m is in the provision of a loan, Commercial Information then at a margin of ^{Com} % (or no higher than ^{Com} %) over a benchmark government bond rate. In addition, the IAP recommends the following conditions:</p> <ul style="list-style-type: none"> • ‘In principle’ agreement must be received from the applicant within 48 hours of the offer being made; • the loan agreement contain a restraint of trade; • KPIs related to teaching hours and course content must be agreed to the mutual satisfaction of Nelson/Marlborough Institute of Technology and the PDU; and • the computer cluster must be transferred to NMIT, if NAII ceases to operate.

5.0 SUPPLEMENTARY DOCUMENTS

5.1 PGF Portfolio Analysis (Nerissa Wallace)

Reference #	16/7/2019/12
Commentary:	<p>New PGF analysis documents were tabled, including:</p> <ul style="list-style-type: none"> • an IAP portfolio report which details of the status of contracts regionally; • a quarterly payment schedule for PDU contracts; and • a report detailing the number of contracts approved and contracting; and the number of contracts contracted and delivering. <p>PDU remain focused on the execution of contracts with letters of offers now having a fixed offer period. The PDU are currently undertaking an internal system review to ensure systems are functioning as efficiently as possible.</p> <p>A general discussion was held about grant vs loan funding and contracts having stage-gate funding conditions. The panel consensus was:</p> <ul style="list-style-type: none"> • if a proposal is a commercial project it should continue to be funded through loan instruments; and • stage-gates are there to reduce risk. <p>The panel agreed that the PDU continue providing support to applicants to assist them in reaching contract milestones.</p> <p>IAP requested, if possible, reporting on a cross-section of contracts.</p> <p>IAP noted the great progress in the standard and context of reporting to the panel.</p> <p><i>Action: PDU to ascertain if reporting can be provided on a cross-section of contracts to IAP.</i></p>

6.0 GENERAL BUSINESS

Reference #	16/7/2019/13
Commentary:	<ul style="list-style-type: none"> • IAP Meetings The timing for IAP meetings will be reviewed if applications trend down, as the end of the PGF draws closer. • Hold Co. Scheduled launch date is Confidential advice to Government with three appointed Directors. Constitution is being completed by Chapman Tripp, Confidential advice to Government • Confidential advice to Government

Confidential advice to Government

The meeting closed at 3:55pm.

Mr Rodger Finlay
Chairperson

Date

PROACTIVELY RELEASED