


COVER SHEET

<p>1. PrimePort Timaru Development: Economic Impact Analysis & Business Case Project</p>	<p>For: Approve</p>
<p>Background & context:</p>	<p>Recommendation(s):</p>
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> PrimePort Timaru Limited <p>Location:</p> <ul style="list-style-type: none"> Canterbury <p>Proposal:</p> <ul style="list-style-type: none"> To undertake economic impact analysis and business case development to make an informed decision on a \$^{Commercial Information} infrastructure upgrade and investment program. ^{Commercial Information} <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$^{Commercial Inform} PGF Funding: \$^{Commercial Inform} <p>Background:</p> <ul style="list-style-type: none"> ^{Commercial Information} On PDU's advice, the applicant agreed to undertake economic impact analysis and business case. Central government funding is a key catalyst for large infrastructure related projects such as the proposed port development. 	<p>We recommend that the SRO:</p> <ul style="list-style-type: none"> a) Discuss the PrimePort Timaru Development: Economic Impact Analysis & Business Case Project. b) Note the applicant is seeking ^{Commercial Information} funding from the PGF. c) Note a prior application was received by PDU in relation to the upgrade of the Timaru Port. d) Note PDU officials support this application as the business case will be the basis on which the prior application will be evaluated. e) Note MoT agrees that a business case should be prepared prior to any consideration of funding to upgrade the Timaru Port. f) Note the funding request is recommended for support because: <ul style="list-style-type: none"> a. This project strongly aligns with PGF objectives; b. Adding value to the existing Timaru Port; and c. Act as a catalyst for productivity potential by improving market connectivity and increasing volume capacity. g) Approve \$^{Commercial Inform} as a grant from the PGF fund towards PrimePort Timaru Development: Economic Impact Analysis & Business Case Project subject to: <ul style="list-style-type: none"> a. PDU's agreement to the scope of the

	project and the third party vendor undertaking the business case.	
PGF criteria that this proposal supports:		
PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<ul style="list-style-type: none"> The proposed port development project would create jobs in a range of commercial and industrial activities. (Noting that this is only a business case, which would notify of number of jobs created) The economic impact analysis study would provide more information on this. 	✓
Delivers benefit to the community	<ul style="list-style-type: none"> The increased economic activities in the region as a result of port development would benefit local communities. The proposed port would add resilience and additional infrastructure capacity in the event of a natural disaster such as AF8. 	✓✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> N/A 	
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> N/A 	
Mitigation of climate change effects	<ul style="list-style-type: none"> N/A 	
Additionality		
Adding value by building on what is already there	<ul style="list-style-type: none"> This project will upgrade the existing port and add significant operational efficiencies including the ability to accommodate larger vessels. The proposed port development will complement other ports in the South Island. 	✓✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> Improved market connectivity and increased volume capacity will act as a catalyst for productivity potential in the region. 	✓✓✓✓
Connected to regional stakeholders and frameworks		

Alignment with regional priorities	<ul style="list-style-type: none"> Strong alignment with regional economic growth strategy. 	✓✓✓							
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> Support from the Mayor, Timaru District Council and EDA. 	✓✓✓							
Governance, risk management and project execution									
Robust project management and governance systems	<ul style="list-style-type: none"> PrimePort has in-house experience to implement and manage the scope of projects as well as support the full life cycle costs. 	✓✓✓✓							
Risk management approach	<ul style="list-style-type: none"> Risks are identified along with mitigation approaches. 	✓✓✓							
Future ownership / operational management	<ul style="list-style-type: none"> N/A 								
The purpose of this briefing is to consider recommending PGF funds to the PrimePort Timaru Development: Economic Impact Analysis & Business Case									
Risks Issues:									
<ul style="list-style-type: none"> It is critical that the scope of the project is well defined and so PDU will be involved in the process. 									
Eligibility points of note:									
<ul style="list-style-type: none"> <i>Due diligence</i>:- Full due diligence is to be completed. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team. <i>Conflict(s) of interest</i>:- Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further. <i>Illegal Activity</i>:- 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. <i>Alignment with Regional development plans</i>:- Strong alignment with regional economic development strategy. 									
Consultation undertaken or implications:									
Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	MOT
MOT agreed that a business case should be prepared prior to any consideration of funding to upgrade the port.									
Supporting proposal:					Yes				
Appendices:					Yes - Application is as annexe				
Sponsor(s):					N/A				
Manager/Author of paper:					DG/  Investment Team				