

Application for Funding

Express Applications



About this form

This form enables you to make an express application for funding from the Provincial Growth Fund. The form is designed solely for applications under \$100,000 relating to planning, feasibility studies, business cases, or training / capability. If your application is for anything else, please use one of the other forms available on the [Provincial Growth Fund website](#)

Completing this form

Please complete all sections. Square brackets and italics indicate guides. Please see the PGF website for further support.

Submitting your application

All completed forms must be emailed to PGF@mbie.govt.nz with "PGF Express" in the subject line.

Public disclosure

In the interests of public transparency, successful applications may be published by the Provincial Development Unit. Commercially sensitive and personal information will be redacted by reference to the provisions of the Official Information Act 1982. Please identify by highlighting any information in your application that you regard as commercially sensitive or as personal information for the purposes of the Privacy Act 1993.

Part 1: Key Details

1. Proposal Title:

Chatham Islands Airport – Tuuta – Longer and Stronger

2. Please provide a very brief description of the project/activity:

The project is to prepare a robust and compelling business case that will secure PGF funding to allow the Chatham Islands Airport to support air services that will meet the current and future needs of the community and businesses on the Chatham Islands.

3. Please provide the details of the applicant organisation/entity for which funding is being requested:

Legal Name:	Chatham Islands Airport Limited – a wholly owned Chatham Islands Enterprise Trust subsidiary
Entity Type:	Company
Registered Offices / Place of Business:	773 Owhenga Road, Chatham Island
Identifying Number:	<i>[e.g. Company Number, NZBN, trust / society number, etc. if applicable]</i> CC40981 – Chatham Islands Enterprise Trust Group
Organisation's Website:	http://www.chathams.co.nz/index.php/enterprise-trust

4. Please provide the contact details for a person as a key point of contact):

Contact Name:	Iain Torrance		
Email Address:	ceo@cietrust.co.nz	Telephone:	03 305 0066

5. Please describe the principal role or activity of the applicant organisation.

The Chatham Airport Company operates the Chatham Islands (Tuuta) Airport. The principal role of the Airport Company is to provide an essential community lifeline by operating the airport as a commercial entity while maintaining the asset and meeting the requirements of NZ Civil Aviation Rule Part 139. Chatham Airport is Part 139 Certified.

6. This project will be based in the region of:

National

Chatham Islands

7. What is the activity / funding start and end date?

Start Date:	3/08/2018	Completion Date:	30/11/2018
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8. The total value of this application’s activity is set out below (Provincial Growth Fund funding requests must be under \$100,000 for an Express Application):

Source of Funding:	\$ (excluding GST)
Provincial Growth Fund Funding (through this application)	Commercial Information
[please specify all other sources of funding, including prior Crown funding]	\$0
Total:	Commercial Information

Part B: Project Description

9. This application is: “a stand-alone activity” or “in support of a wider project”

10. If successful, is there likely to be a follow on application? Yes: No:

11. Please explain the project / activity for which funding is being sought:

[Note: please describe what the funding is for, why it is required, what the project will do and how it links to other projects or activities. A description of the benefits is asked elsewhere.]

The Chatham Islands are seeking government funding to extend and strengthen the Chatham Islands Airport so that it is fit-for-purpose and allows air services that meet the needs of the community and business to continue.

The Enterprise Trust have already invested close to Commercial Information this year in survey, geotechnical and technical design work to support this project. This project is to complete the geotechnical analysis and design work and to prepare a business case that will allow an informed decision for funding to be made

This project consists of two sub-projects:

- The first project is to complete geotechnical tests on runway soil samples to support final technical specifications and costing of the Airport development.
- The second project is to gather together the considerable information and work that has been done to date to prepare a compelling business case that demonstrates the benefits of the airport infrastructure investment, articulates the need for government funding support, and provides the assurances that the project can be completed in a timely and efficient manner.

12. How does the project align with the objectives of the Provincial Growth Fund, and what benefits will be delivered:

[Explain and describe how the project will lift productivity in the region, using the headings below. For more information, please see the criteria for the Fund at Appendix 2]

Link with fund and government outcomes

An effective airport on the Chatham Islands is well aligned to the Provincial Growth fund objectives including:

- **Permanent jobs and sustainable economic development** – An airport that allows for more efficient air services will support growth opportunities in the fishing and tourism sector. Reports demonstrate that there is untapped potential to sustainably grow these sectors creating new jobs and improving economies of scale to support further investment into the industries but also the community infrastructure.
- **Social inclusion and participation** – more efficient air services will make it easier for the local community to travel to the mainland for health, and education purposes, and allow more effective social services to be delivered on the Islands. Additional jobs will enable more and improved participation and therefore better outcomes for the community. It is an essential life line of connectivity for one of New Zealand's remotest communities.
- **Resilience** – improvements to the airport will allow for more resilient and reliable services, significantly reducing the number of days that services cannot operate and improving safety of operations. It will reduce the isolation of the Islands from the New Zealand Mainland.
- **Improved use of Māori assets** – Close to 60 percent of the Chatham Islands population identify as Māori. The two iwi/imi are engaged across most of the social and economic projects on the islands. Both are currently engaged in negotiating settlements that will result in increased opportunities to contribute to the sustainable growth of the islands. An effective, well-functioning airport is fundamental to realising the true value of both their current assets and pending settlements.
- **Public benefits** – airports are community assets that enable a range of activity that has spillover or positive externality benefits. These benefits are well documented in the literature and are the reason that governments contribute to the building of airports, particularly in provincial areas (only two of New Zealand's airports do not have central or local government ownership. One of these is the Chatham Islands airport, the other is Auckland Airport).

Additionality

There is clear additionality to be gained from developing the airport. If the airport is not upgraded then it will be very difficult for commercial air services to operate. Without air services there are no alternative options for moving perishable, or high value freight and for providing passenger services (business, tourism, and residents) to the island.

A Critical Lifeline

The Chatham Islands are physically remote, over 800km east of Christchurch. There is only one airport on the Island and it needs to be upgraded for regulatory and for suitability purposes. Maintaining or continuing with the status quo will ensure that Chatham Islands is consigned to more of the same (or potentially less) and will face increasing constraints to meet the needs of its community or grow a sustainable economy.

The airport is not profitable and is being funded by the Trust as core infrastructure for the Islands. The initial airport infrastructure that was given to the Trust, was not fit-for-purpose. There have been several efforts to secure funding to bring the Airport infrastructure but these have been unsuccessful to date.

The airport is arguably the most critical piece of infrastructure for the Chatham Islands, from a welfare and from an economic development perspective. The costs of travel and freight make up a significantly higher share of total costs for families and for businesses, both directly and indirectly through higher costs for other goods and services.

Connected to regional stakeholders and frameworks

The airport is the main means of connecting the Chatham Islands people and businesses to the New Zealand

Mainland and regular air services is considered critical for the survival of the Islands and its businesses. If there were no air services, the majority of the people on the islands would not be able or willing to live there.

This project has been identified by the four key stakeholders on the Chatham Islands (Iwi, Imi, Council and Enterprise Trust) as the key infrastructure priority for the Chatham Islands and it should be urgently progressed by the Chatham Islands Enterprise Trust.

It was identified in the recommendations and priority projects for sustainable growth on the Chatham Islands as the key infrastructure issue facing the Chatham Islands.

Governance, risk management, and project execution

There are two levels of governance in place in terms of the project leadership and delivery team (Airport company and Enterprise Trust) and the Chatham Islands Stakeholder group. There is also close engagement with central government agencies (MBIE, DIA and Ministry of Transport) to ensure that the project is consistent with government policy and that the deliverables align to government decision processes. The projects are being carried out by reputable contractors who have the experience and track record and contractual arrangements are in place to ensure that the terms of reference and scope of the activities are delivered.

PROACTIVELY RELEASED

Part C: Delivery of this Activity

[Please note – this section refers to the actual activity associated with this application.]

13. What are the proposed deliverables if funding is approved?

[Please use the following table where appropriate, consider what deliverables will be provided, when, and whether there are any payments associated with them. If it is a single deliverable with single payment, just use one line]

#	Deliverable	Due Date	Associated Payment (ex-GST)
1	Engage a contractor to support the delivery of a full business case for PGF funding	Commercial Information	
2	Engage a company to undertake geotechnical testing of soil samples.		
3	Send soil samples from Chatham Islands to Auckland laboratory		
		Click here to enter a date.	

14. Please provide a breakdown of the costs of the project:

[Note that figures in this table must align with other figures provided]

Cost Description:	\$ (excluding GST)
Business case development – Commercial Information	Commercial Information
Soil testing – Commercial	
Shipping of soil samples from Chatham Island to Auckland lab	
Total	

15. Governance: Please explain how you will deliver and manage the activity:

[We would like to know about the following areas where relevant:

- **How will the activity be managed within your organisation?**
- The activity will be managed by a project team made up of the Chief Executive Officer of the Chatham Islands Enterprise Trust (Iain Torrance) and the Chair of the Chatham Islands Airport Company (Allan MacGibbon).
- **What involvement is required from the Provincial Development Unit?**
- We were advised by Ministers to apply for support through the Provincial Growth Fund. We have since been in discussions with the Provincial Development Unit, who have provided advice and support to help us through this process. We would hope to have continued engagement and assistance from the appropriate person within the Provincial Development Unit as required.
- **What procurement process has been undertaken (i.e. a selection of a provider), or will be, and how will that be managed?**
- The business case will be undertaken by Commercial Information, Commercial Information prepared the 2017 report for enabling a sustainable economy for the Chatham Islands, which assessed the opportunities on the Islands and the issues and actions required to realise them. Commercial Information have worked closely with and has good relationships with the key stakeholder groups on the Islands. Commercial Information also have experience with the development of business cases to support funding through the Provincial Growth Fund. Commercial Information has provided a proposal letter outlining the deliverable, approach, resource, timeframe, and their capability to deliver this project.
- Soil sample testing will be undertaken by Commercial civil engineers in conjunction with Commercial Information team. The Commercial Information team oversaw the extraction of the soil samples at the Airport in June 2018 and have worked with Chatham Islands Airport Company on the design specification of the lengthening and strengthening of the runway.
- Providers will report directly to the project team. A reporting process will be developed as part of the project process.

- **What project management practices will be in place?**
- *Proposals with terms of reference, deliverables and time-frames will form the basis of a contract between the providers and Chatham Islands Airport Company. There will be formal reporting requirements and milestones incorporated into the projects. We expect the project team will be working closely with the contractors across many aspects of the projects.*
- **The oversight / governance arrangements which are, or will be, put in place?**
- *The Chatham Islands Airport has formed a project leadership team made up of Iain Torrance (CEO CIET), Allan MacGibbon (Airport Board Chair), Darron Kyle (Airport Board member), Garry Goodman (Airport Board member) and Phillip Seymour (Enterprise Trust Chair)*
- *The Chatham Islands Stakeholder Group, made up of the Chatham Islands Council, Chatham Islands Enterprise Trust, Hokotehi Mōriori Trust and Ngāti Mutunga o Wharekauri Trust have agreed to come together to address and deliver on the recommendations identified in the 2017 Sustainable Chatham Islands report. The Group has given the Chatham Islands Enterprise Trust the mandate to lead the work on delivering a fit-for-purpose airport that will support economic growth and improve wellbeing outcomes for the islands. The Stakeholder Group will be updated regularly and will be fully informed of progress and potential risks.*
- **Who the key personnel are?**
- Privacy of natural persons
[REDACTED]
- Privacy of natural persons
[REDACTED]
-
- **Any other relevant information relating to the delivery of this activity?**
- This is the final stage of the detailed design project which the Airport Company has been working with [REDACTED], [REDACTED] and [REDACTED] on over the past six months. This work has built upon several years of investment by the Airport and the Enterprise Trust in obtaining specialist input to develop a strategy to continue the life of the facility for the next 50 years. [REDACTED] have completed a first draft of the design specification which will be completed as a result of the geotechnical work in this project.

16. What risks are associated with the delivery of this activity?

#	Risk	Mitigation approach	Rating
1	If the market is unable to respond to the need, then the deliverable will not be provided	<ul style="list-style-type: none"> - The need is well defined and both organisations, [REDACTED] and [REDACTED] have proven capability and resource availability in the relevant areas. 	[L]
2	If the contractor's price is not accurate, then additional funding may be required	<ul style="list-style-type: none"> - The scope of the work and its context is well known by all parties. - The organisations included in this project are both reputable organisations - They have both delivered projects for the Chatham Islands on time and on budget demonstrating themselves to be reputable organisations - Contracts will be in place to ensure scope of pricing is accurate and ensure the deliverables do not introduce scope, and associated cost, increase. Price capping will also be introduced. 	[L]
3	If access to stakeholders is not achieved, then full consultation may not occur	<ul style="list-style-type: none"> - This project is identified by the key stakeholders of the Chatham Islands to be 	[L]

		<p>the highest priority infrastructure project for the Islands. Community and Governance stakeholders, including Iwi and Imi, as well as Government stakeholders have committed to supporting this endeavour with the highest urgency.</p>	

PROACTIVELY RELEASED

Part D: Declarations

- 17. Has this activity ever been declined Crown Funding in the past? Yes: No:
- 18. Is the applicant or the contracting entity insolvent or subject to any insolvency action, administration or other legal proceedings? Yes: No:
- 19. Is any individual involved in the application, the proposed contracting entity or the project, an undischarged bankrupt? Yes: No:
- 20. Is any individual under investigation for, or has any individual been convicted of, any offence that has a bearing on the operation of the project? Yes: No:
- 21. Are there any actual, potential or perceived conflicts of interest that the applicant or any of the key personnel have in relation to this project. Yes: No:
"In a small country like ours, conflicts of interest in our working lives are natural and unavoidable. The existence of a conflict of interest does not necessarily mean that someone has done something wrong, and it need not cause problems. It just needs to be identified and managed carefully..."
<https://www.oag.govt.nz/2007/conflicts-public-entities>

If you answered "Yes" to any of the above, please provide a description below:

Commercial Information

By completing the details below, the applicant makes the following declaration about its application for Provincial Growth Fund funding for the project ("application"):

- A. I have read, understand and agree to the Terms and Conditions of applying for Provincial Growth Fund funding which are attached as Appendix 1;
- B. The statements in the application are true and the information provided is complete and correct, and there have been no misleading statements or omissions of any relevant facts nor any misrepresentations made;
- C. I have secured all appropriate authorisations to submit the application, to make the statements and to provide the information in the application;
- D. I consent to this application being publically released if funding is approved. I have identified the commercially sensitive and personal information.
- E. The applicant warrants that it has no actual, potential or perceived conflict of interest (except any already declared in the application) in submitting the application, or entering into a contract to carry out the project. Where a conflict of interest arises during the application or assessment process, the applicant will report it immediately to the Provincial Development Unit by emailing PGF@mbie.govt.nz; and
- F. I understand that the falsification of information, supplying misleading information, or the suppression of material information in this application, may result in the application being eliminated from the assessment process and may be grounds for termination of any contract awarded as a result of this application process.

Full name:

Iain Torrance

Title / position:

Chief Executive Officer, Chatham Islands Enterprise Trust

Signature:

Privacy of natural persons

Date: 18 July 2018

Appendix 1 – Terms and Conditions of applying to the Provincial Growth Fund

General

The terms and conditions are non-negotiable and do not require a response. Each applicant that submits a request for Provincial Growth Fund (“PGF”) funding (each an “application”) has confirmed by their signature on the application that these terms and conditions are accepted without reservation or variation.

The Provincial Growth Fund is a government initiative which is administered by the Provincial Development Unit, a unit within the Ministry of Business, Innovation and Employment. Any reference to the Provincial Development Unit in these terms and conditions, is a reference to MBIE on behalf of the Crown.

Reliance by Provincial Development Unit

The Provincial Development Unit may rely upon all statements made by any applicant in an application and in correspondence or negotiations with the Provincial Development Unit or its representatives. If an application is approved for funding, any such statements may be included in the contract.

Each applicant must ensure all information provided to the Provincial Development Unit is complete and accurate. The Provincial Development Unit is under no obligation to check any application for errors, omissions, or inaccuracies. Each applicant will notify the Provincial Development Unit promptly upon becoming aware of any errors, omissions, or inaccuracies in its application or in any additional information provided by the applicant.

Ownership and intellectual property

Ownership of the intellectual property rights in an application does not pass to the Provincial Development Unit. However, in submitting an application, each applicant grants the Provincial Development Unit a non-exclusive, transferable, perpetual licence to use and disclose its application for the purpose of assessing and decision making related to the PGF application process. Any hard copy application or documentation supplied by you to the Provincial Development Unit may not be returned to you.

By submitting an application, each applicant warrants that the provision of that information to the Provincial Development Unit, and the use of it by the Provincial Development Unit for the evaluation of the application and for any resulting negotiation, will not breach any third-party intellectual property rights.

Confidentiality

The Provincial Development Unit is bound by the Official Information Act 1982 (“OIA”), the Privacy Act 1993, parliamentary and constitutional convention and any other obligations imposed by law. While the Provincial Development Unit intends to treat information in applications as confidential to ensure fairness for applicants during the assessment and decision making process, the information can be requested by third parties and the Provincial Development Unit must provide that information if required by law. If the Provincial Development Unit receives an OIA request that relates to information in this application, where possible, the Provincial Development Unit will consult with you and may ask you to confirm whether the information is considered by you to be confidential or still commercially sensitive, and if so, to explain why.

The Provincial Development Unit may disclose any application and any related documents or information provided by the applicant, to any person who is directly involved in the PGF application and assessment process on its behalf including the Independent Advisory Panel (“IAP”), officers, employees, consultants, contractors and professional advisors of the Provincial Development Unit or of any government agency. The disclosed information will only be used for the purpose of participating in the PGF application and assessment process, which will include carrying out due diligence.

In the interests of public transparency, if an application is approved for funding, the application (and any related documents) may be published by the Provincial Development Unit. Commercially sensitive and personal information will be redacted by reference to the provisions of the Official Information Act 1982.

Limitation of Advice

Any advice given by the Provincial Development Unit, any other government agency, their officers, employees, advisers, other representatives, or the IAP about the content of your application does not commit the decision maker (it may be Senior Regional Officials, Ministers or Cabinet depending on the level of funding requested and the nature of the project) to make a decision about your application.

This limitation includes individual members of the IAP. The IAP’s recommendations and advice are made by the IAP in its formal

sessions and any views expressed by individual members of the IAP outside of these do not commit the IAP to make any recommendation.

No contractual obligations created

No contract or other legal obligations arise between the Provincial Development Unit and any applicant out of, or in relation to, the application and assessment process, until a formal written contract (if any) is signed by both the Provincial Development Unit and a successful applicant.

No process contract

The PGF application and assessment process does not legally oblige or otherwise commit the Provincial Development Unit to proceed with that process or to assess any particular applicant's application or enter into any negotiations or contractual arrangements with any applicant. For the avoidance of doubt, this application and assessment process does not give rise to a process contract.

Costs and expenses

The Provincial Development Unit is not responsible for any costs or expenses incurred by you in the preparation of an application.

Exclusion of liability

Neither the Provincial Development Unit or any other government agency, nor their officers, employees, advisers or other representatives, nor the IAP or its members will be liable (in contract or tort, including negligence, or otherwise) for any direct or indirect damage, expense, loss or cost (including legal costs) incurred or suffered by any applicant, its affiliates or other person in connection with this application and assessment process, including without limitation:

- a) the assessment process
- b) the preparation of any application
- c) any investigations of or by any applicant
- d) concluding any contract
- e) the acceptance or rejection of any application, or
- f) any information given or not given to any applicant(s).

By participating in this application and assessment process, each applicant waives any rights that it may have to make any claim against the Provincial Development Unit. To the extent that legal relations between the Provincial Development Unit and any applicant cannot be excluded as a matter of law, the liability of the Provincial Development Unit is limited to \$1.

Nothing contained or implied in or arising out of the PGF documentation or any other communications to any applicant shall be construed as legal, financial, or other advice of any kind.

Inducements

You must not directly or indirectly provide any form of inducement or reward to any IAP member, officer, employee, advisor, or other representative of the Provincial Development Unit or any other government agency in connection with this application and assessment process.

Governing law and jurisdiction

The PGF application and assessment process will be construed according to, and governed by, New Zealand law and you agree to submit to the exclusive jurisdiction of New Zealand courts in any dispute concerning your application.

Public statements

The Provincial Development Unit and any other government agency, or any relevant Minister, may make public in whole or in part this application form including the following information:

- the name of the applicant(s)
- the application title
- a high-level description of the proposed project/activity
- the total amount of funding and the period of time for which funding has been approved
- the region and/or sector to which the project relates

The Provincial Development Unit asks applicants not to release any media statement or other information relating to the submission or approval of any application to any public medium without prior agreement of the Provincial Development Unit.

Appendix 2 - Proposed operational criteria for all tiers of the Fund

Link to Fund and government outcomes

- Demonstrate the ways in which the project will contribute to lifting the productivity potential of the region
- Demonstrate how the project contributes to the Fund's objectives of:
 - more permanent jobs
 - benefits to the community and different groups in the community
 - increased utilisation and returns for Māori from their asset base (where applicable)
 - sustainability of natural assets (e.g. water, soil integrity, the health and ecological functioning of natural habitats)
 - mitigating or adapting to climate change effects, including transitioning to a low emissions economy
- Clear evidence of public benefits (i.e. benefits other than increased profitability for the applicant)
- Are in a Government priority region or sector

Additionality

- Project is not already underway, does not involve maintenance of core infrastructure or assets (except for rail and transport resilience initiatives), and does not cover activities the applicant is already funded for (funding could be considered to increase the scale of existing projects or re-start stalled projects)
- Demonstrated benefit of central Government investment or support
- Detail of any supporting third party funding (and any funding sought unsuccessfully)
- Acts as a catalyst to unlock a region's productivity potential
- Demonstrated links to other tiers of the Fund and related projects, to maximise value of Government investment

Connected to regional stakeholders and frameworks

- Evidence of relevant regional and local support, either through existing regional development mechanisms, or through another relevant body such as a council, iwi or other representative group (or reasons for any lack of local support)
- Has been raised and discussed with the region's economic development governance group
- Alignment with, or support for the outcomes of, any relevant regional development plan, Māori development strategy or similar document (whether regional or national)
- Demonstrated improvement in regional connectedness (within and between regions)
- Leverage credible local and community input, funding, commercial and non-commercial partners
- Utilise existing local, regional or iwi/Māori governance mechanisms

Governance, risk management and project execution

- Evidence of robust project governance, risk identification/management and decision-making systems and an implementation plan appropriate to the size, scale and nature of the project
- Future ownership options for capital projects, including responsibility for maintenance, further development, and other relevant matters
- Benefits and risks clearly identified and quantified, depending on the scale of the initiative
- Evidence of potential exit gates and stop/go points, and a clear exit strategy
- Clearly identifies whole of life costs (capital and operating)
- Dependencies with other related projects are identified
- Evidence of sustainability after conclusion of PGF funding
- Adequacy of asset management capability (for capital projects)
- Compliance with international obligations (where relevant)