



Application for Funding

About this form

This form enables you to make an application for funding under any of the three investment tiers for the Provincial Growth Fund:

- Regional Projects and Capability;
- Sector Investments; and
- Enabling infrastructure projects.

The information you provide will help us to assess and evaluate eligible projects and investment opportunities.

Next steps

We will review your application to further test suitability and risk and to make a decision on suitability for funding. We will be in contact where further information is required and we may provide you advice and support (i.e. from regional advisors) where necessary throughout this next stage of the process.

Instructions

Please complete the 'Application Form' section below, which is compulsory. In addition, please complete the parts of this application form that are relevant to your proposal. If the answer box is not big enough, please attach a document that provides the answer/s when you submit the form.

Please provide as much detail as you are able to, as appropriate to the size and complexity of your proposal.

If compulsory or relevant information is missing, this may slow down the application process as we will need to contact you.

You can find the terms and conditions of applying for Provincial Growth Fund investment in **Appendix 1**. You must agree to those terms and conditions as part of submitting this application.

We also attach a copy of the Eligibility and Assessment criteria in **Appendix 2** to provide further context.

Submitting your application

Please email your completed form to PGF@mbie.govt.nz.

A. Application Form (Compulsory section)

Proposal Name: NORTHLAND SOFT BERRY FRUIT

1. Please provide the name of applicant organisation/entity:

Onyx Capital Ltd, NZBN 9429038692710 reg 11 April 1994

2. What is the physical address of the applicant's organisation?

162 Pukeatua Road, RD9, Whangarei 0179

3. Please provide the contact details for the applicant's organisation (including a specific person as a point of contact):

Patrick Malley, Director, 162 Pukeatua Road, RD9, Whangarei 0179.

Privacy of natural persons

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

Onyx Capital Ltd currently operate a 30-hectare horticultural site based in Maungatapere (15 minutes west of Whangarei) with an established covered and un-covered kiwifruit operation as well as a vertically integrated hydroponic berry operation producing raspberries, blackberries and blueberries under the Maungatapere Berries brand.

Onyx Capital operate an innovative horticultural operation, with trials underway in replacement Commercial Information Commercial Information environmentally sustainable growing methods, Commercial Information through to an investment in a horticultural software and technology company – Commercial Information – which is developing harvest and worker management systems with Commercial Information.

5. Please provide a brief summary description of the project, including its location, purpose and history.

This proposal seeks the creation of a sustainable hi-tech, horticultural Commercial Information that creates an enduring step-change opportunity for employment and social equity in Northland.

Onyx Capital Limited is an award winning diversified integrated horticultural group specializing in growing and marketing covered and un-covered horticultural crops in Northland.

Onyx Capital have a proven successful management team. With a balance of an established horticultural crop – kiwifruit – along with a dynamic horticultural industry – hydroponic berries – Commercial Information

6. Please describe (or re-affirm) which industry or sector/s the proposal is relevant to.

Horticulture

7. In what location/region/s is the proposal to be based? What is the name of the relevant District as detailed on the Local Government New Zealand website: <http://www.lgnz.co.nz/nzs-local-government/new-zealands-councils>
Northland

8. Please provide full names of the project's leadership team, including your chief executive, directors and trustees (as appropriate).

The management team comprises:

- Managing Director: Dermott Malley Privacy of natural persons
- Plant health Director: Linzi Malley Privacy of natural persons
- New Projects Director: Patrick Malley Privacy of natural persons
- Administration Director: Rebecca Malley Privacy of natural persons
- Human Resources Manager: Privacy of natural persons
- Grower Manager: Privacy of natural persons

Privacy of natural persons

Commercial Information

9. If different from the applicant, who would be the 'contracting party' with the Crown under any successful contract? Please provide the full name.

10.

Partners to this project include

- Commercial Information
- Commercial Information
- Commercial Information- Strategic partner
- Commercial Information- Strategic partner
- Commercial Information- Marketing consultant
- Commercial Information- staff recruitment
- Commercial Information- Training partner
- Commercial Information- Training partner
- Commercial Information- Training partner
- Commercial Information- Training partner
- Commercial Information- Research partner
- Commercial Information- Research partner
- Commercial Information- Research partner
- Commercial Information - Supply of plastic tunnels
- Commercial Information Irrigation Specialist
- Commercial Information - Coolstore specialist
- Commercial Information- Packhouse equipment

12. Is the applicant or the contracting entity insolvent or subject to any insolvency action, administration or other legal proceedings? NO

13. Is any individual involved in the application, the proposed contracting entity or the project an undischarged bankrupt? NO

14. 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? NO

Comments

15. Conflicts of Interest: Please detail any actual, potential or perceived conflict of interest that the applicant(s) or any of the key personnel have in relation to this project.

"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>

Comments

B. Strategic Case and Regional Alignment

1. How does the project propose to act as a catalyst to lift the productivity potential of the region where the project is based?

To invest in developing a hydroponic soft berry fruit **Commercial Information** in Northland and **Commercial Information**

Protected cropping, horticultural crops grown under cover (tunnel houses, greenhouses, vertical farming) using soil-less media (hydroponics) is a fast growing, labour intensive and high value sector world-wide (20-25% ROI vs 5-10% for outdoor models). **Commercial Information**

The project will see the development of an **Commercial Information** in soft berries from New Zealand.

2. How does the project align with the objectives of the Provincial Growth Fund:

- More permanent jobs;
- Benefits to the community and different groups in the community;
- Increased use and returns for Māori from their asset base (where applicable).

Purpose of the project

- The project focuses on further developing the Onyx horticultural employment system, designed to create consistent full-time work matched with an education training process that leads to further improving staff so they can advance into long-term careers. The project will create an additional **Commercial Information** full-time employment positions over **Commercial Information**, all with a career pathway to higher paid opportunities, which will also feed into improving social outcomes for them, their families and their communities.
- To rapidly expand an existing hydroponic berryfruit operation, based in Whangarei, so that it can develop sufficient size to **Commercial Information**

Commercial Information

- To investigate Commercial Information for further horticultural development of the Northland region. To investigate further environmentally sustainable growing methods which can then be expanded to other commercial operations in the Northland region or across New Zealand
- To create training programmes for existing and new staff from numeracy & literacy training through to high-level hydroponic and horticultural training.
- Commercial Information
- To develop covered cropping opportunities in Northland using a combination of correct crop selection and Northlands weather to deliver economic growth in horticultural production using sustainable and environmentally low impact covered crop production.

3. Please provide a detailed description of the project, including the objectives and business need.

The nucleus of this proposal is providing accelerated growth of an existing successful business model, which will result in economic outcomes and employment for members of the Northland community, with this growth allowing the business to invest in and develop several other initiatives that will include the following

- Development of an Commercial Information for soft berryfruit based in Northland.
- Commercial Information
- Commercial Information
- Commercial Information
- Commercial Information

There are several reasons for the need for this project:

- Need for development of Commercial Information in Northland/New Zealand
- Need for capital funding to confirm the opportunities that are available in high-value horticulture in Northland
- Need for sustainable long-term permanent employment in Northland, both in low, medium and high skilled positions
- Need for the development of staff, through both individual training opportunities and wealth generation to benefit local communities.
- Need for the development of Northland's land into high value industries, with economic benefits staying in the region/country

4. Please provide a description of how the project aligns to the Government's additionality objective under the Provincial Growth Fund (including infrastructure, Māori assets/development, sustainability, investment tiers and regional development plans).

Horticultural crops grown under cover (tunnel houses, greenhouses, vertical farming) using soil-less media (hydroponics) is a fast growing, labour intensive and high value sector. Further research into new fruit crops combined with greenhouse innovation and a strategy to build deep capability will create a large environmentally sustainable hi-tech, Commercial Information that produces an enduring step-change in living wage employment and social equity for Northland.

The project is intended to act as a catalyst for the horticulture sector in Northland which therefore provides significant additionality – particularly in regard to Maori economic development opportunities and sustainability.

The project aligns well with regional priorities given that this type of investment has been identified as an opportunity in both the Tai Tokerau Northland Growth Study and the Tai Tokerau Northland Economic Action Plan.

Tai Tokerau Northland Growth Study In 2015, MBIE and MPI commissioned the Tai Tokerau Northland Growth Study. The intention of this study was to explore opportunities within Northland that would help achieve growth in investment, incomes and employment in key sectors. The industry needs to create scale and stability in production through coordination or consolidation, continue to invest in R&D in new varieties and disease and pest management (with the broader industry nationally), and address water management and capability issues. As such, the proposal is for the industry, supported by local and central government agencies, to identify appropriate interventions as part of a strategic action plan for the industry in Northland. The action plan should identify options for key sub-sectors to achieve scale, increase value-add through R&D, and to develop a future pool of leaders and workers.

Tai Tokerau Northland Economic Action Plan Because the region agreed that the horticulture industry is likely to have a significant positive impact on the Northland economy, this was carried over as a project to the Tai Tokerau Northland Economic Action Plan (the Action Plan). The Action Plan brings into focus a group of projects that together will contribute to transforming Northland's economy and the projects are founded on the opportunities laid out in the Tai Tokerau Northland Growth Study. In particular, the action plan supported building capacity and capability in the horticulture industry. This has been strengthened within the updates of the action plan to focus on exploring opportunities to enable the horticulture sector to grow.

5. What benefits will the region get from the Crown's investment?

- Increased full time employment
- Development of highly skilled employment opportunities in Northland
- Development of full-time horticultural employment opportunities for low to medium skilled employees in Northland
- Commercial Information
- Commercial Information
- Research and development on environmentally sustainable improved production methods, Commercial Information
- Development of low environmental impact horticulture in Northland

6. Please describe the current state of the proposal, and why the project has not been done before.

The business is currently operating in the domestic market with raspberries and blackberries, and in the export market with Kiwifruit. The proposal is about scaling the current operations so that Commercial Information can be explored and further full time employment positions developed.

7. Please provide a description, and evidence where applicable, of any local support for the project either through existing regional development mechanisms, or another relevant body, such as a council, iwi or other representative group (or reason for any lack of support).

8. Please provide a description of any consultation required.

None

9. Please demonstrate how this project will fit in with wider assets or infrastructure, projects and benefits in the region.

The project is intended to rapidly expand an existing hydroponic berryfruit operation, based in Whangarei, so that it can develop sufficient size to exploit Commercial Information

The project aligns well with regional priorities given that this type of investment has been identified as an opportunity in both the Tai Tokerau Northland Growth Study and the Tai Tokerau Northland Economic Action Plan.

10. Has the project been discussed with a regional economic development governance group? If so, what was the outcome of the discussion?

Yes, Commercial Information is supporting the project and has assisted in the preparation of this proposal. Commercial Information

11. Please provide evidence of iwi Consultation

12. Please provide evidence of compliance with international obligations (where relevant)

C. Project costs, economics and benefits

1. Please provide details of the wider benefits, over and above those described in the above Strategic Case and Regional Alignment section.

Onyx Capital Limited ^{Commercial Information} is an integrated horticultural group specializing in growing protected cover and uncovered horticultural crops in Maungatapere (15K SW of Whangarei). Maungatapere Berries, started in 2016 currently operates from a 4.79-hectare protected cover site within the 30ha Onyx Capital orchard property, growing Raspberries, Blackberries and Blueberries.

Protected cropping, horticultural crops grown under cover (tunnel houses, greenhouses, vertical farming) using soil-less media (hydroponics) is a fast growing, labour intensive and high value sector world-wide (20-25% ROI vs 5-10% for outdoor models). Through its efficiency and ability to effectively manage risk, including biosecurity risks, it offers protection from climate change and severe weather, optimal growing conditions, increases in yields and reductions in water, fertiliser, pesticide, fungicide and herbicide use.

Since its inception Maungatapere Berries has rapidly established itself as the leading industry soft berry brand, winning a highly recommended award in the 2017 NZ Food Awards. Maungatapere Berries incorporates protected plant genetics, specialized growing systems including hydroponics, proprietary software, temperature-controlled packing/distribution as well as sales and marketing through both domestic and export channels. One of Onyx's key advantages is leveraging Northland's unique semi-tropical climate with their ^{Commercial Information}. This allows Onyx ^{Commercial Information} and a long season capable of supporting full time living wage employment.

A key component of Onyx's business strategy is a "social good" component. Onyx are committed to a culture of delivering career developing employment in horticulture and they have developed a model for full time "living wage" employment. Onyx are committed to taking unemployed youth and ex-offenders and providing them meaningful employment and career advancement pathways.

^{Commercial Information} Using this make up to look at the effects of future employment Onyx expect at least ^{Comm} per cent of its new staff to ^{Commercial Information} and of those ^{Com} % to have ^{Commercial Information}. An analysis of the benefit over the first ^{Commercial Information} of the proposal to the region of this increased employment are estimated below:

	Hectares	FTE	\$ ^{Commercial Info}	\$ ^{Commercial Info}
2017/18 soft berry	^{Commercial}		^{Comm} %	^{Comm} %
		^{Commerc}	\$ ^{Commercial Inform}	\$ ^{Commercial Info}
2018/19 soft berry	^{Commerci}			
		^{Comme c}	\$ ^{Commercial Inform}	\$ ^{Commercial Inform}
2019/20 soft berry	^{Commercia}			
Blueberry	^{Commerciat}			
		^{Commerca}	\$ ^{Commercial Informat}	\$ ^{Commercial Inform}
2020/21 soft berry	^{Commercial}			
Blueberry	^{Commercial}			
		^{Commerc}	\$ ^{Commercial Information}	\$ ^{Commercial Inform}

			Commercial Information	Commercial Information
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Commercial Information

Utilising Northland's climate, protected cropping using tunnel houses and Onyx production innovations creates the ability to supply berries for Commercial Information. In an environmentally controlled greenhouse environment we have total control Commercial Information so producing fruit Commercial Information into new high value seasonal windows for Commercial Information or replacing biosecurity risk imported fruit with locally grown is achievable. Greenhouse prices will continue to drop, Commercial Information

Together these technologies have the potential to disrupt the fruit industry in the same way that plant-based products are disrupting the meat and dairy industry. To be at the forefront of these emerging opportunity, Onyx will invest in an Commercial Information. New expertise will be recruited and partnerships with outside organisations developed to support the centre to build long term deep capability.

Further research into Commercial Information combined with greenhouse innovation and a strategy to build deep capability could create a large environmentally sustainable hi-tech, Commercial Information that produces an enduring step-change in living wage employment and social equity for Northland

2. Please provide a detailed breakdown of the benefits that will be enabled by the delivery of this project and the timeframes in which those benefits will be achieved/realised.

See attached funding proposal, project funding sheet and business plan

- Total project cost breakdown (including contingency); \$ Commercial Information
- Total funding sought from the Provincial Growth Fund; - \$ Commercial Information see attached funding application Funding application withheld - Commercial Information
- Type of funding sought (i.e. grant, loan or other); Commercial Information
- Description and breakdown of funding sought from elsewhere (approached/approved/declined) and what funding has been committed; The investment to date is the Commercial Information (using current land values) and the further investment of Commercial Information to complete the project, comprising a combination of Commercial Information repaid from cashflow.
- Details of ongoing costs and financial viability; See attached funding proposal and business plan
- Required timing of costs; See attached funding proposal and business plan and
- Maintenance costs and funding sources See attached funding proposal and business plan

5. Please provide a demonstration of the impact the project will have on the applicant's balance sheet.

See attached funding application

Funding application withheld - Commercial Information

6. Please provide a demonstration of how you will ensure that your project represents good value for money.

See attached funding application Funding application withheld - Commercial Information

7. If applicable, is there a financial model, financial forecasts, or a Cost Benefit Analysis which can be provided? (If so, please attach to this application.)

See attached funding application

Funding application withheld - Commercial Information

D. Project Plan

1. Please provide a project management plan covering the following:

See attached business plan

- Delivery methodology
- Roles and responsibilities (including who will be managing/delivering the project and key contractors) - Timeline
- Procurement
- Constraints and dependencies
- Risks associated with project
- Risk management methodology
- Governance arrangements (including using existing credible local and community input, funding, commercial and non-commercial partners)
- Project delivery gates
- Exit gates and stop/go points

3. Please provide any feasibility assessment which has been conducted for the project

See attached business plan

4. Please provide details of the key risks associated with the project, as well as how they will be managed.

Risks

- Commercial Information [Redacted]
- Commercial Information [Redacted]
- Commercial Information [Redacted]
- Commercial Information [Redacted]
- Commercial Information [Redacted]
- Commercial Information [Redacted]
- Commercial Information [Redacted]

Strengths

Northland’s climate combined with protected cropping gives the province an unfair advantage over all other provinces

Commercial Information [Redacted]

Weaknesses

Northland has no research or training capability to help Onyx build deep capability and develop more crops. The protected cropping opportunity is in Northland but the R&D facility Commercial Information [Redacted]

Access to capital

The horticultural industry knowledge/supplier base is mostly in the BOP but the unique opportunity for protected cropping is in Northland.

Commercial Information [Redacted]

Commercial Information [Redacted]

Opportunities

Short term – expand the season in berries to provide employment for Commercial Information [Redacted] unemployed youth and ex-offenders

Commercial Information [Redacted]

Commercial Information more jobs and potential partnerships with Commercial Information etc. to create a deep capability platform for protected cropping in Northland.

Threats

Commercial Information

Commercial Information

Commercial Information They miss the window of opportunity that is present now and will close.

The combination of environmentally controlled greenhouses, low cost energy and access to a large capital funding

Commercial Information in the same way that plant based products are disrupting the meat and dairy industry. An R&D centre would help reduce this risk of being disrupted.

Protected cropping has the ability to protect NZ against climate change and the risk of outdoor crop exports becoming unviable.

5. Please provide detail of any alternative project delivery options which have been considered and ruled out. Has the project plan been independently tested, or developed with assistance of a project management professional? If so, by whom?

Raising funds overseas, interested parties but problems when involved with land ownership in New Zealand

E. Commercial Viability

1. Please provide an overview of the applicant's track record in delivering projects of this nature.

Commercial Information

2. Please provide any demand analysis (customers and growth/utilisation forecasts) which have been conducted

Please see attached business plan

3. Please describe how the market has been, or will be, tested and engaged (if required) to assist in the delivery of this project

Please see attached business plan. Domestic market has already been tested, export market already exists but limitation for New Zealand has been shelf life of fruit. This is dealt with by improved genetics and improved coolstorage techniques.

4. Please describe what will happen upon delivery of the project, including the maintenance plan and plan for ownership of the asset.

5. Please describe how the project will be sustainable beyond the term of the Provincial Growth Fund investment.

The investment sought is into a sustainable business model looking to deliver long term impact in Northland

6. Please outline why Crown funding is required?

The project involves both the Commercial Information the delivery of covered cropping research and development in Northland and Commercial Information

Commercial Information funding and the risks with the creation of a sustainable hi-tech, horticultural Commercial Information that creates an enduring step-change opportunity for employment and social equity in Northland places funding of this proposal outside normal financing channels. The business can grow but at a much slower rate and without the ability to deliver a Commercial

Commercial Information the level of employment and training, covered cropping research in Northland or Commercial Information

Commercial Information

To make the proposed step change Crown funding will make a significant difference.

F. Declaration by lead applicant

By completing the details below, the applicant makes the following declaration about its application for PGF funding for the

NORTHLAND SOFT BERRY FRUIT

project ("application"):

A. I have read, understand and agree to the Terms and Conditions of applying for PGF 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. 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 PGF by emailing PGF@mbie.govt.nz; and
- E. 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.

Signature:

Privacy of natural persons

Full name:

Patrick Peter Malley

Date: 13/09/2018

Title / position:

Director

Name of applicant organisation:

Onyx Capital Limited

Appendix 1 - Terms and Conditions of applying for 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") will be deemed to have agreed to these terms and conditions 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, disclose, and copy its application for any purpose related to the PGF application process. Any application or documentation supplied by you to the Provincial Development Unit will become the property of the Provincial Development Unit and 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 your information as confidential, 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 your confidential information, where possible, the Provincial Development Unit will consult with you and may ask you to advise whether the information is considered by you to be confidential or 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.

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
- g) 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 or any other government agency, or any relevant Minister, may make public 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)