

# Application for Funding Projects



## **About this form**

This form enables you to make an application for funding over \$100,000 from the Provincial Growth Fund for applications relating to the delivery of projects.

You will need to use the Express Form if your application is for an activity under \$100,000 or the Development Phase Form if your application is within the Development phase of a Project (i.e. feasibility / business case).

These forms are available on the [Provincial Growth Fund website](#)

## **Purpose of the Provincial Growth Fund**

The Provincial Growth Fund aims to lift productivity potential in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach their full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets.

## **Completing this form**

Please complete all sections fully and accurately. Square brackets and italics indicate guides.

Please see the PGF website, or contact your regional relationship manager, for further support. If you are applying on behalf of a number of parties, you need their consent to submit this application. You can add other applicants during the application process. You will be the point of contact for this application, but you must give us all information about all applicants.

## **Submitting your application**

All completed forms must be emailed to [PGF@mbie.govt.nz](mailto:PGF@mbie.govt.nz) with a clear subject included.

If you are a Trust (or applying on behalf of a Trust), then you must provide a copy of your Trust Deed.

## **Next Steps**

Applications will be assessed for eligibility, as well as how well they will deliver on the aims of the Provincial Growth Fund. One of our team will be in contact regarding your application.

## **Funding Agreement**

The template funding agreements can be found on the [Provincial Growth Fund website](#)

## **Public disclosure**

The Provincial Development Unit is responsible for leading the Provincial Growth Fund's design, administration and monitoring its operation in consultation with other government agencies. 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 A: Key Details

Please note that if the funding agreement will not be held with the applicant (i.e. applying on behalf of another organisation), then we require the details of that organisation.

1. Proposal Title: Redevelopment of Taupō Airport

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

*The development of the Taupō Airport terminal, apron and adjacent carpark. This will ensure the sustainable future of one of the most important pieces of connectivity infrastructure in the District.*

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

<b>Legal Name:</b>	Taupō District Council	Ministry of Transport
<b>Entity Type:</b>	Local Authority	Government Agency
<b>Registered Offices / Place of Business:</b>	46 Horomatangi st Taupō 3330	3 Queens Wharf, Wellington Central, Wellington 6012
<b>Identifying Number:</b>	Commercial Information	Commercial Information
<b>Organisation's Website:</b>	<a href="http://www.Taupōdc.govt.nz">www.Taupōdc.govt.nz</a>	<a href="http://www.transport.govt.nz">www.transport.govt.nz</a>

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

<b>Contact Name and Role:</b>	Gareth Green Chief Executive Officer, Taupō District Council		
<b>Email Address:</b>	Privacy of natural persons	<b>Telephone:</b>	Privacy of natural persons
<b>Contact Name and Role:</b>	Peter Mersi. Chief Executive, Ministry of Transport		
<b>Email Address:</b>	Privacy of natural persons	<b>Telephone:</b>	Privacy of natural persons

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

Territorial local authority and Ministry of the Crown

Taupō District Council

The purpose of local government is –

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Excerpt from the Long-Term Plan 2018-2028

Our Long-term District Strategy for 2018-2028 Taupō District Council's vision is 'To be the most prosperous and livable district in the North Island by 2022'. As your Mayor and Councilors, we want the Taupō District to be the 'Heartbeat of the North Island' not only by its geographical position but by creating world class, authentic and resilient communities that people want to be a part of. We want our district to be known for its charm, to be vibrant, and to also offer a quality experience for both residents and visitors, while creating real value in what we offer and by the way we do things. We will work closely and collaboratively with our partners to ensure the best possible outcomes are achieved for our community, including iwi, and to maximise any opportunities.

Ministry of Transport

The Ministry of Transport is the government's principal transport adviser. Much of our work is in providing policy advice and support to Ministers.

Through our advice we aim to:

- improve the overall performance of the transport system
- improve the performance of transport Crown entities
- achieve better value for money for the government from its investment in the transport system.

We help the government give effect to its policy by supporting the development of legislation, regulations and rules. We also manage and account for funds invested in transport.

The Ministry represents New Zealand's interests internationally, particularly in aviation and maritime.

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

7. What type of funding is this application for:

A full grant is the preferred option of funding as any cash surpluses that the airport can generate need to be set aside for future renewal expenditure on existing airport assets **Commercial Information** ) and to fund any new **Commercial Information**

Rationale is that we want the airport to be a long term financially sustainable business, however the primary role is to service the leisure and business traveller which in turns supports and helps grow the local and regional economies. It is important that aircraft landing and terminal pricing is set at a level that is sustainable for the aviation businesses using the airport especially the two primary users being Air NZ and Sounds Air.

The proposed financial and pricing model is a structural change from the way the Taupō Airport currently operates. The key differences are:

- New revenue stream in introducing **Commercial Information**
- Introduction of development asset pricing model as recommended by **Commercial Information**
- **Commercial Information**

**Commercial Information**

Several scenarios have been modelled to stress test the numbers. We have used a conservative BAU growth option in passenger numbers as the preferred option. Using the BAU growth model sets the combined landing and terminal charges at ~\$<sup>Commercial Information</sup> per pax.

**Commercial Information**

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

<b>Start Date:</b>	<b>Commercial Information</b>	<b>Completion Date:</b>	<b>Commercial Information</b>
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9. Has this project / activity been previously discussed with any part of Government? Yes:  No:   
- If Yes, please describe which part of government, and what the outcome of the discussions were.

This application is submitted by the Taupō District Council and the Ministry of Transport. Discussions have been had extensively with MOT and MBIE on the viability of this project. The Minister of Transport is the responsible Minister for the Joint Venture airports. Under the Joint Venture Deed, the Minister is required to approve any additions or alterations to existing assets, as such the Minister, as an owner, is required to approve this project regardless of the funding stream. To date, the Minister has not provided such an approval and this application will be subject to owner's approval.

10. Have you previously received Government funding for this Project? Yes:  No:   
- If Yes, please list which part of the Government, when the funding was received, and how much under Q11.

11. Are you an overseas investor for the purposes of the Overseas Investment Act? Yes:  No:

To find out if you are an overseas investor, and find support, please visit the Overseas Investment Office [website](#).

12. Please set out the proposed sources of funding for the Project:

<b>Source of Funding:</b> <i>[please indicate where all other funding is sourced from, noting who the funder is]</i>	<b>\$ (excluding GST)</b>	<b>Status / Commentary</b> <i>[i.e. received / confirmed / in principle]</i>
Provincial Growth Fund Funding – Ministry of Transport (through this application)	\$ <small>Commercial Information</small>	
Provincial Growth Fund Funding - Taupō District Council (through this application)	\$ <small>Commercial Information</small>	
Taupō District Council <small>Commercial Information</small>	\$ <small>Commercial Information</small>	Confirmed
<small>Commercial Information</small>	\$ <small>Commercial Information</small>	Confirmed – Already paid
Taupō District Council, <small>Commercial Information</small>	\$ <small>Commercial Information</small>	Confirmed – Already paid
Taupō District Council, <small>Commercial Information</small>	\$ <small>Commercial Information</small>	Confirmed – Already paid
Total:	\$ <small>Commercial Information</small>	

PROACTIVELY RELEASED

## Part B: Project Description

13. This application is: "a stand-alone activity"  or "in support of a wider project/programme"

14. Will additional funding be required in the future? Yes:  No:

If Yes, please describe at a high level, what this may include, and when this is likely to be applied for.

[Insert your commentary here]

15. Has a feasibility study, or equivalent, been conducted prior to this application? Yes:  No:

- If Yes, please provide a copy, including an overview of the feasibility study and any outcomes
- If No, please explain why not; and how feasibility/viability of the project has been assured.

A copy of the work commissioned by the Taupō Airport Authority, delivered by <sup>Commercial Information</sup> is attached to this application.  
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16. Please provide a detailed description of this project for which funding is being applied, including the benefits arising from the project:

The partners of the Taupō Airport Authority (Taupō District Council and Ministry of Transport on behalf of the Crown) are seeking PGF co-funding to upgrade and redevelop the terminal, apron area and carpark. The current scheduling of aircraft means that the terminal infrastructure is suboptimal and struggling to cope with passenger flows.

The capital works for developing and upgrading the terminal and surrounding infrastructure using the model established in conjunction with key stakeholders, is estimated to cost \$ <sup>Commercial Information</sup> of which \$ <sup>Commercial Information</sup> has been set aside as co-funding in the Taupō District Council <sup>Commercial Information</sup>. This co-funding application is for \$ <sup>Commercial Information</sup>.

Taupō District Council and the <sup>Commercial Information</sup> have already contributed significantly (\$ <sup>Commercial Information</sup>) to the initial work and research into this project to ensure that the quantum requested from the PGF is prudent and that the result will be a development that is financially sustainable into the future.

The terminal was built in 1979 and has in the past, reasonably successfully handled patronage demand. However, in recent times, it has been acknowledged that with the changes to the scheduled flights, the current facilities are continually being stretched to capacity and beyond. Since February 2016, when Air New Zealand replaced their smaller 19 seat Beech aircraft with larger 50 seater Q300s and Sounds Air supplied flights for the vacant Wellington-Taupō sector, the demands on the terminal have significantly increased especially when the two planes are disembarking and loading simultaneously.

The co-funding is required for the building of a new eco-friendly, safe terminal, the further expansion of the apron and the expansion of the car parking (including provision for user pays functionality and potential need for increased security screening). The new terminal would be modular in design with ability to cater for increased future demands and will significantly lift the level of service for all airport users compared to the current situation.

Air NZ have indicated in their 10-year horizon that they will be phasing out the Q300 fleet and bringing in the 68 seater ATR aircraft to accommodate the high season passenger movements and the implication of this, is that the current apron area will need to be extended. This will also enable increased general aviation through the larger area. The terminal is currently at <sup>Comm</sup>% New Building Standard and is an IL3 building. This is considered a Grade C and a medium life safety risk. The building is not earthquake prone, but engineers have recommended that seismic strengthening be conducted at the very least to bring the terminal up to a higher standard. (report attached)

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Taupō District is currently in a period of growth, as demonstrated through the consistently increasing metrics of GDP and tourism visitation (see attached report by Infometrics) and the continued operation and expansion of the airport on the existing site is essential to this. Airports and related facilities are rated as infrastructure with the third highest tourism impact in New Zealand. They affect a large visitor base, serve as the gateway for most high

value visitors, and provide the initial impression of the area for many. The recent investment into the Ruapehu Alpine Lifts new gondola by TDC and other stakeholders including the PDU has clearly demonstrated support for the growth of tourism and general business into the region. There is a subsequent need for future proofing the airport and the surrounding land area. There are no other airports within a 60-minute drive of Taupō airport, the closest is Rotorua airport to the northwest and the southern roading connectivity, although served by SH 1, has been identified by the NZTA as a priority project for investigation, specifically from Piarere to Waiouru. The sustained growth in GDP and other metrics in the Taupō District will only be served more greatly by having an airport that is functional and able to bring more people in as the need arises.

The airport is a key transport hub and a strategic asset to the Taupō region for both tourism and business. The airport is home to commercial passenger transport, tourism, agricultural and recreational aviation and it is the base for the Green Lea Rescue Helicopter that services the central north island, including the Tongariro National Park. It is situated to the east of the Eastern Taupō arterial route on land that was once zoned rural and now zoned commercial/industrial.

The development of the airport precinct is a catalyst project in the recently adopted Taupō District Economic Strengthening Strategy as well as a critical and urgent priority in the Bay of Connections Regional Tourism Strategy 2018.

***'... Aviation connectivity within the wider Bay of Plenty region is challenging. There have been reductions in services to Taupō and Whakatane in recent years, reducing the opportunity for business travel, in particular. For improved connectivity, greater linkages with Auckland, southern destinations and tourism centres would improve visitor flows. In addition, greater frequency to meet demand will be required in the future. This is important to service tourism growth, as many existing services have been developed to serve business rather than leisure travellers.***

***Taupō as a more distant destination from Auckland has growing connectivity/infrastructure needs due to skydiving and other recreational aviation needs that differ from surrounding centres ...'*** – Wider Bay of Plenty Regional Tourism Strategy February 2018

In Taupō, through prudent financial management, the airport makes

Commercial Information

However, with the economic metrics in the district increasing, some above the NZ average, the time has come for a careful, substantial investment into the airport to ensure that there is a sustainable, feasible operation to increase aviation connectivity and the flow on benefits of that can be realised. It is also considered that the Taupō Airport redevelopment and investment proposal is consistent with the current government's strategies and objectives in terms of regional growth, as evidenced by central government investment into other regional airports.

17. How does this project demonstrate additionality within the region?

If the primary purposes of the PGF are to accelerate regional development, increase regional activity and contribute to better paying jobs in the community, then co-funding the development of the Taupō Airport is a project that meets these purposes and the objectives as discussed below.

With recent large-scale investment into the central North Island region through the PGF, including the Whakapapa Sky Waka and the GEO40 Colloidal Silica project, aviation connectivity is becoming a vital part of getting people in and out of our district, quickly and efficiently. The current terminal infrastructure is tired, not fit for purpose and does not have the capacity to deal with increased volumes that these investments will attract. The small and insufficient baggage handling facilities are a good example of the constraint skiers especially, face when opting to fly into Taupō.

The redevelopment of the Taupō airport will ensure that our visitors experience manaakitanga and arrive through a fitting gateway for the flourishing region of the central North Island.

The recently released **New Zealand – Aotearoa Government Tourism Strategy** states that the government is “...taking a stronger role as the steward of the tourism system to improve co-ordination, planning and sustainable funding...” This kaitiaki role over tourism will ensure that infrastructure that has been ignored by previous governments will have secure and sustainable investment, to future proof our needs and ensure that our manuhiri have the best experience possible and, return.

The Taupō airport is jointly owned by the Crown, and the Ministry of Transport manages the Crown’s interest on their behalf. Minister Twyford, at the recent Airports Association conference noted that; “...Regional NZ is the key driver of the New Zealand economy. Governments goals include the expansion of high-volume tourism, we seek value, not volume. We need to invest now in infrastructure to support our current growth trajectory, we will see benefits across the country...”

### Commercial Information

Taupō as a small town in provincial NZ, lives and dies on the ability of visitors, business and leisure to access the district easily and this in turn creates an environment for growth in jobs and then, increased GDP. Taupō’s current GDP is \$1881m with growth of 2.3% to year end December 2018, which when compared to other districts, eg Rotorua, with a much larger population base, sitting at \$2790m but with the same growth of 2.3% demonstrates that the growth is on par with other comparable regions. (see attached Infometrics report)

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The direct investment into the airport will result in approximately an additional <sup>Com</sup> full time equivalent jobs at the airport through the increased patronage but many more opportunities through the development of the retail space inside the terminal itself as well as the structure of the Taupō Airport, and the project offers an opportunity for a large construction build, employing approximately <sup>Comm</sup> in the district in the short term. In the long term, it is a logical extension that through the development, more tourism product will come online as demand increases with the visitor growth in the district. Commercial air service is important to the economic growth and quality of life in rural or low-population towns. The redevelopment of the Taupō Airport will ensure that AirNZ have a quality piece of infrastructure with which to operate from. As demonstrated by the increased passenger growth in the attachment, we are seeing a consistent growth trajectory through the airport and expect that this will continue.

18. How is the project connected to regional (and sector) stakeholders and frameworks?

The Taupō Airport development project has been identified as a priority through discussions with AIRNZ and their aspirations for enhanced regional connectivity and offering all the visitors that use their services, domestic and international, a fitting gateway experience to the provinces. Air NZ have indicated their support for the project and acknowledge that the airport will require investment into the future to sustain the expected increase in passenger activity.

Commercial Informa, the economic development agency for the Waikato region, acknowledges the project as a key economic infrastructure project in their development programme 2018-2022. *Supporting letter attached.*

In the Visitor Economy Strategy produced by the Bay of Connections, tourism direct spend is identified as making up 28% of the regions GDP. Enabling future growth is a top priority and as such the work identifies that the development and expansion as critical and urgent for all the reasons noted earlier in this application.

*Document and supporting letter attached.*

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Ruapehu District Council have identified the visitor economy, enabled by enhanced connectivity as a key growth sector for their region. The Provincial Development Unit have supported this through the investment into the new Sky Waka at Whakapapa. Ruapehu Alpine lifts has given their full support to the Taupō Airport development as they see it as strategically important to their growth aspirations. RAL is investing significant resource in growing ski and winter visitation, both domestically out of Auckland and internationally, with a focus on the trans-Tasman route. Their focus is on working with Taupō to position the town as a key winter ski resort for the North Island, and as a viable alternative to the ski towns in the South Island.

In 2017, RAL opened two new sales offices in Taupō town centre and commenced a daily coach service between Taupō and the mountain breaking down a traditional perception that transport links were missing. Their aspiration is to add Taupō Airport to the list of stops on the scheduled transport route down to Whakapapa. This is being supported with significant marketing and capital expenditure investment in new infrastructure and central to this is the Taupō Airport, as a critical gateway in to the region.

*Supporting letter attached.*

There are also several opportunities (multi sectoral) that are currently being explored in the Central North Island, as part of the Tongariro Visitor Management Plan, which will deliver a package of projects all connected from the visitor perspective. Collectively, these will enable destination management, improve access, increase attractions and support positive attitudes towards tourism in a deliberate and considered approach to the Central North Island visitor experience. The redevelopment of the Taupō Airport is one these projects.



19. How will your project lift productivity potential in the regions?

*[We want to understand how your project will meet the primary objective of the fund: “to lift productivity potential in the regions”. Please provide a description of this and where relevant, please cover how your project contributes to the following outcomes:*

<b>PGF Outcome</b>	<b>✓</b>	<b>How will the project positively or negatively impact this outcome in the region(s) identified?</b>
1. Increase economic output	✓	<i>Increased passenger numbers through the airport due to larger aircraft being able to land.</i>
2. Enhance utilisation of and/or returns for Māori assets	✓	<i>With the recent settlement of Ngati Tuwharetoa’s treaty claim, there is now a tangible opportunity to enhance the economic opportunity for Maori through the development of the airport. The development is an enabler for increased economic output across the region in all sectors.</i>
3. Increase productivity and growth	✓	<i>Globally, governments acknowledge that role of airports in delivering social and economic benefits. Good regional connectivity, specifically from the main centres of Wellington and Auckland, supporting ‘between region trade’.</i>
4. Increase local employment and wages (in general and for Māori)	✓	<i>Another FTE’s employed at the airport itself with opportunity for additional retail lease sites within the airport precinct as well as increased tourism businesses both on site and the wider community.</i>
5. Increase local employment, education and/or training opportunities for youth (in general and for Māori)	✓	<i>Increase in tourism businesses in the region by increased demand, more jobs for the locals who can leave school and find a job in the tourism industry, telling their own story about their home and welcoming our visitors.</i>
6. Improve digital communications, within and/or between regions	<input type="checkbox"/>	<i>[Insert your relevant commentary here]</i>
7. Improve resilience and sustainability of transport infrastructure, within and/or between regions	<input type="checkbox"/>	
8. Contribute to mitigating or adapting to climate change	✓	<i>We can expect that in the 20-year horizon, electric aeroplanes will be in use. Aviation start-ups are working to remove expensive, polluting jet fuel from the flight equation and replace it with electric batteries. The development of the terminal and surrounding area, including the addition of vehicle charging stations in the newly developed carpark will ensure that the Taupō airport is future proofed and works toward carbon neutrality.</i>
9. Increase the sustainable use of and benefit from natural assets	<input type="checkbox"/>	<i>[Insert your relevant commentary here]</i>
10. Enhance wellbeing, within and/or between regions	✓	<i>New Zealand’s airports are part of our country’s core infrastructure, delivering connectivity that our regions need to succeed. Councils define them as ‘strategic assets’ under the Local Government Act’s significance policy requirements. In the Civil Defence and Emergency Act, airports are listed as ‘lifeline utilities.’</i>
Total number of outcomes project contributes to	7/10	

20. Has public consultation been conducted?

Yes:

No:

- If yes, what were the results?
- If no, is there a plan to do so?

The community was consulted on the Taupō Airport redevelopment project through the 2018-2028 Long Term Plan process (document attached). **Withheld In Full Due to Commercial Sensitivity**

Taupō District Council approved a co-funding amount of \$<sup>Commercial Information</sup> This was adopted in June 2018 as the guiding document for the district for the next ten years.

21. Please provide your customer demand / market analysis for this project, covering the following where possible:

- What is the current market for this project's outcome, and what is your current involvement in the market?
- What opportunities are there to *expand* market activity (i.e. what is the customer demand)?
- What customer market relationships do you have to leverage success of the outcomes of this project?
- Is the project primarily aimed at enhancing the share of a single market? If so, please detail the proposed markets with this intention.

As demonstrated in the attached forecasting. **Withheld In Full Due to Commercial Sensitivity**

22. Where the project utilises land, does the land have any other interests associated with it? (i.e. Treaty claims, or iwi/hapū ownership)

Yes:

No:

The Taupō airport is located approximately 8km to the south of Taupō town centre and approximately 1.5km inland and to the east of Wharewaka Point. The land on which the airport has been established comprises of several parcels of land owned solely by the Taupō District Council.

23. Is the land is owned by others, i.e. not solely by the applicant?

- If yes, then please describe the other interests and how will this be managed?

N/A

24. Does the land have appropriate Resource Management Act consents?

Yes:

No:

- If no, how and when will this be addressed?

## Part C: Project Delivery

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

25. Please provide an overview of the project management approach / plan for this activity.

The project will be managed in house through the Taupō District Councils robust project management and procurement framework. *Please see the attached framework and policy.* **Withheld In Full Due to Commercial Sensitivity**

26. Have you have independent verification of the project approach / plan? Yes:  No:

If yes, who verified the project and when?

*As part of the project, along with our in-house resources, TDC will be contracting external specialists as required.*

27. Please provide us with a project plan, where possible please attach a schedule (i.e. Gantt chart):

[Please use the following table to describe the milestones of the project, if preferred, a schedule can be provided]

#	Project Activity	Responsible:	Date / Period:
1	[e.g. delivery of a detailed plan]		Click here to enter a date.
2	[e.g. engage a contractor]		Click here to enter a date.
3	[e.g. construction]		Click here to enter a date.
4	[e.g. delivery of final report to the Ministry]		Click here to enter a date.
5	Other		

**The project plan will be finalised when the funding is confirmed in principle.**

28. Please provide a complete breakdown of the costs of the project to assist us in understanding where the funds will be utilised:

[Note that figures in this table must align with other figures provided in Q11. Please use as many lines as it takes to provide us with the appropriate detail. If more suitable, please attach a budget spreadsheet to this application]

Cost Description:	\$ (excluding GST)
[e.g. project manager]	\$
[e.g. architect services, covering xyz]	\$
[e.g. construction phase 1, covering ground works]	\$
[e.g. commissioning]	\$
<b>Total</b>	\$

**This will be completed once funding is secured in principle and the project management team contracted.**

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

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

#	Description	Payment criteria:	Invoice Value \$ (Exc. GST)	%	Invoice Date:
1	[e.g. initiation payment]	[e.g. on signature of the funding agreement and the delivery of start-up report]	\$	[10%]	Click here to enter a date.
2	[e.g. detailed design]	[e.g. completion of the design phase, demonstrated by: - Delivery of the designs - Completion of public consultation]	\$	[10%]	Click here to enter a date.
3	[e.g. foundations]	[e.g. Completion of the groundworks, demonstrated by:	\$	[20%]	Click here to enter a

		- <i>delivery of the compliance report]</i>			date.
4	<i>[e.g. construction complete]</i>	<i>[e.g. the completion of the building phase, demonstrated by:</i> - <i>completion of the building work</i> - <i>delivery of the contractor's final report</i> - <i>delivery of the council approval and sign off]</i>	\$	[40%]	Click here to enter a date.
5	<i>Other</i>		\$	[20%]	Click here to enter a date.

***This will be negotiated as part of the contract with MOT.***

30. Please provide a description of why Government funding is required to deliver this project?

The Ministry of Transport current has a five year-multiyear appropriation of \$ Commercial Information to service the Crown's obligations at all the five Joint Venture Airports, and therefore cannot fit investments of this size into the appropriation. Taupō District Council has committed \$2.5million of ratepayer funding to this project but requires central government funding to allow the most effective and appropriate investment to future proof the infrastructure.

31. Please provide an overview of the applicant's relevant skills and experience for delivering a project of this nature:

Taupō District Council has a history of delivering robust projects within budget and on time. The Eastern Taupō Arterial roading project was a co funded project with the NZTA. This was a \$100 million dollar project over 3 years that was delivered on time and within budget.

32. Please outline the project team and explain the Governance arrangements for this project

The governance will be the Taupō District Council with a project management team of council officers and external contractors.  
The Ministry of Transport will provide oversight on behalf of the Crown and will be required to approve funding releases following the negotiated milestones being completed.

33. What procurement process has been undertaken (i.e. selection of a provider), or will be undertaken, and how will that be managed? In addition, please provide a description of how greater public value will be achieved through the procurement process, for example by considering one or more of the following:

- How regional businesses (inc. Māori / Pacifica enterprises) will be provided with opportunities
- How skills will be developed in the market (i.e. via construction apprenticeships)
- How worker conditions in the supply chain will be improved / managed
- How waste / emissions are being reduced in this procurement.

For more information, please visit: <https://www.procurement.govt.nz/broader-outcomes/>

The Procurement Process for this work will be undertaken in accordance with Taupō District Council's Procurement Policy. An open market engagement process will be undertaken in order to select the preferred solution.  
A broader outcomes criterion will be weighted and will form part of our evaluation matrix. In particular, a local economic impact attribute, whereby we would look favourably on a submission if there is an opportunity to develop a local provider to deliver this service.

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

#	Risk	Mitigation approach	Rating
1	Through our extensive modelling, the financial sustainability of this project hinges on the joint applicants receiving a grant rather than a groan or a loan from the PDU.	<ul style="list-style-type: none"> <li>- Extensive financial modelling</li> <li>- Stress testing of the financial model</li> <li>- Agreement from key stakeholders on the model</li> </ul>	High
2	Minister of Transport of the day will not approve the increase in	<ul style="list-style-type: none"> <li>- Agree the pricing methodology with</li> </ul>	High

	aeronautical charges.	the Ministry of Transport. - Agree the pricing methodology with Air NZ.	
3	Passenger numbers are lower than the BAU forecast model	- Adoption of the pricing methodology allows for re-pricing of the financial model yearly	Low
4	Cost over runs of the project	- Robust procurement and project management strategy as per Council and MOT's policies.	Low

35. Will the applicant own the asset on delivery?

Yes:  No:

- If no, please describe who will own the asset.

The Taupō Airport Authority which is a Joint Venture between the Taupō District Council and the Crown will own the asset.

36. When the project is delivered, what is the plan to operationalise the asset (if an asset), and maintain it through life?

The Taupō airport will continue to operate as a joint venture asset with the Crown as co-owner. Commercial Information

From inception, this project has been developed based on being financially sustainable through its life. The work completed with the JV partners and Commercial Information demonstrates that the grant along with the pricing methodology will ensure that the Taupō Airport will have long term independent financial sustainability. The PGF grant combined with the pricing strategy will enable the build up of cash reserves to fund future capital maintenance requirements (Commercial Information) without the need for the JV partners to inject further equity.

37. What will the impact be on the applicant's financial accounts?

*Ref attached financial forecasts.*

**Part D: Declarations**

Commercial Information

- 38. The contracting entity is compliant and will continue to comply with all applicable laws, regulations, rules and professional codes of conduct or practice including but not limited to health and safety and employment practices
  
- 39. Has this activity ever been declined Crown Funding in the past?
  
- 40. Has the applicant or the contracting entity ever been insolvent or subject to an insolvency action, administration or other legal proceedings?
  
- 41. Has any individual in the Project Team (including the Applicant’s Leadership Team, directors, partners, or trustees, or any key members of the project) ever been insolvent or subject to an insolvency action, administration or other legal proceedings, or actively involved in any organisation which has?
  
- 42. Has any individual in the Project Team (including the Applicant’s Leadership Team, directors, partners, or trustees, or any key members of the project) ever been adjudged bankrupt or is an undischarged bankrupt?
  
- 43. Has any individual in the Project Team (including the Applicant’s Leadership Team, directors, partners, or trustees, or any key members of the project) ever been under investigation for, or been convicted of, any criminal offence?
  
- 44. 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.

“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 question from 39 to 44, please provide a description below:

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

- I have read, understand and agree to the Terms and Conditions of applying for Provincial Growth Fund funding which are attached as Appendix 1;
- 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;
- I have secured all appropriate authorisations to submit the application, to make the statements and to provide the information in the application;
- I have obtained the permission of each member of the Project Team to provide the information contained in this application and those individuals are aware of, and agree to, the Terms and Conditions of applying for Provincial Growth Fund funding which are attached as Appendix 1;
- I consent to this application being publically released if funding is approved. I have identified the commercially sensitive and personal information.
- 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](mailto:PGF@mbie.govt.nz); and
- 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.
- The applicant consents to the Provincial Growth Fund undertaking due diligence including any third party checks as may be required to fully assess the application.

GARETH WAYNE GREEN

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**Full name:**

**CHIEF EXECUTIVE OFFICER**

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**Title / position:**

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**Signature / eSignature:**

**Date: 26.07.19**

.....

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**Full name:**

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**Title / position:**

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**Signature / eSignature:**

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**Date:**

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PROACTIVELY RELEASED



## **Appendix 1 – Terms and Conditions of this Application**

### **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 (or e-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.

### **Use and disclosure of information**

The Provincial Development Unit will require you to provide certain information, including personal information, on application forms if you wish to apply for funding. If you do not provide all of the information that is required on an application form, the Provincial Development Unit may be unable to process or otherwise progress your application.

MBIE will generally only use personal information provided in the application process for the purpose of administering the PGF which includes assessing an application you have submitted, contracting, monitoring compliance and reporting.

We may use personal information provided to us through the application for other reasons permitted under the Privacy Act (e.g. with your consent, for a directly related purpose, or where the law permits or requires it).

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, including assessment and ongoing monitoring, which will include carrying out due diligence. Due diligence may involve MBIE disclosing information to another MBIE business unit or relevant agency in order to assess the application and verify the information contained in the application and accompanying documents.

MBIE will generally not otherwise disclose personal information provided or collected through this application unless required or otherwise permitted by law. For example, we may seek your consent to undertake additional due diligence checks and request information from other relevant third parties. If an application is approved for funding, information provided in the application and any related documents may be used for the purpose of contracting.

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.

### **Electronic signature**

You can only file documents and information with us using an electronic signature if you're the signatory, or have authority to act on behalf of the signatory, and are using software that complies with our standards, in particular keeping records of transactions where an electronic signature has been used. Once a document with your electronic signature has been filed with us, we consider the information:

- has been provided with your full knowledge and agreement
- is authentic and accurate
- wasn't amended after your electronic signature was added to the document, unless a change has been clearly marked on the document.

You're responsible for:

- safeguarding how and when your electronic signature and credentials are used on documents and information
- managing who has authority to use your electronic signature on your behalf, for example, a chartered accountant.

If your electronic signature on a document or information is filed with us, you won't be able to dispute having signed and approved the document or information. If we question the authenticity of an electronic signature or online transaction, you must be able to demonstrate on request the validity of the software used to apply your electronic signature to the document.

You must use electronic signature software that captures authentication, time and source details for any online transaction where a document with your electronic signature has been filed. These details must be held within the software itself, in the form of a file that:

- is maintained in its original form with no amendments, and
- can be provided to us, if requested, within a specified time.

The file must be treated as a record, as defined by the Companies Act 1993, and a business record as defined by the Evidence Act 2006.

## Appendix 2 - 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)