

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: Under \$1 million;
- Sector Investments: Between \$1 - \$20 million; and
- Enabling infrastructure projects: Over \$20 million.

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)

1. Proposal Name:

Twin Coast Discovery Route

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

NZ Transport Agency

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

50 Victoria Street, Wellington

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

Stephanie Rolfe, Manager Cross Government Collaboration

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

The Transport Agency's functions are listed in s95 of the Land Transport Management Act 2003

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

A Programme Business Case was developed for the Twin Coast Discovery Route (TCDR) in 2017. The Twin Coast Discovery Highway is an 800 kilometre circular route of both the east and west coasts of Northland, which connect key tourist attractions and infrastructure. Provincial Growth Funding is requested to support the next step in the TCDR programme: a package of business cases for transport improvements and township plans with project management support to enable the delivery of the programme. This is a necessary step to progress the TCDR from the high-level programme identified in the Programme Business Case into a package of robust potential investment activities which may be considered for funding from the PGF.

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

Transport and tourism.

8. 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 region, all districts.

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

Fergus Gammie, Chief Executive
Raewyn Bleakley, GM Governance, Stakeholders & Communications
Vanessa Browne, Acting GM System Design & Delivery

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

11. Are there any other Partners within this project? (i.e construction, design or other significant partners).
If so, please provide their names.

The project will be contracted in accordance with Transport Agency purchasing and procurement policies.

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?

Comments

No.

PROACTIVELY RELEASED

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

This is not applicable.

PROACTIVELY RELEASED

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?

The TCDR Programme Business Case recognises Northland is not making the most of its tourism and visitor appeal, with the visitor industry thriving in isolated pockets in the East and over summer, but destination appeal and visitor spend outside this area and season is diminished. As well as addressing significant transport problems, the TCDR Programme Business Case recognises the benefit of packaging transport and non-transport projects together with the aim of attracting visitors and distributing visitors to different parts of the region, improving investment, employment and incomes across the whole region.

Upgrading and revitalising the TCDR is an action in the Northland Economic Action Plan (NEAP). The Programme Business Case was developed in partnership with Northland Inc and key regional and government stakeholders. This package will complement the existing TCDR initiatives underway through the NEAP and PGF.

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).

The package of projects improve transport safety, connectivity and amenity. This will help to encourage more visitors to visit Northland and support existing business growth (many of which rely on connections to markets in Auckland and beyond). The projects chosen to be part of the package align with other identified investments in business, industry and the tourism sector (including from the PGF).

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

Please see attached summary for details of all components included in this application.

The Programme Business Case included preliminary high-level investigations of the economic impacts of the route in its current state. However, these findings need to be progressed to a full detailed business case analysis by the Transport Agency to provide a robust assessment of next steps for investment and implementation.

One other component of the TCDR, which is likely to receive NLTF funding, will be progressed in parallel through the NLTP process. The components included in this application are unlikely to receive NLTF funding, and so are unlikely to proceed without investment from the PGF.

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).

The TCDR is an important package of investments that underpin a range of economic, environmental and social outcomes that align with the Provincial Growth Fund outcomes. While one component of the TCDR programme is likely to receive NLTF funding, the projects included in this package are unlikely to. PGF funding for these projects will allow them to be progressed.

The TCDR Programme Business Case is strongly linked to the Northland Economic Action Plan (NEAP) and has been developed in partnership with Northland Inc and key regional and government stakeholders. This TCDR programme will complement existing TCDR initiatives underway through the NEAP.

Additionally, the proposed programme supports recently announced PGF investment in visitor attractions in Kawakawa (visitor centre, \$2.3M) and Opononi (Manea Footprints of Kupe, \$4.6M). These projects are on the TCDR.

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

This proposal will benefit Te Tai Tokerau Northland through improved access, resilience and economic growth, in particular growth of the tourism industry.

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

Commercial Information

The next step for these projects is a single-stage business case to test the feasibility and robustness of the project and develop a detailed plan for implementation. Once these single-stage business cases have been completed, the projects will be eligible to apply for funding for implementation from the PGF.

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).

The TCDR PBC was developed in partnership with local and regional stakeholders. The preferred programme was presented to a number of regional stakeholders, including the Northland Mayoral Forum, the Northland Regional Transport Committee, the Northland Inc Board and local councils who have all supported both the method of development and the recommendations. All stakeholders are likely to be supportive of local / regional investment in improvements, subject to normal engagement and consultation on specific projects.

The TCDR Programme Business Case is a necessary step to give effect to the Northland Economic Action Plan (NEAP) and has been developed in partnership with Northland Inc and key regional and government stakeholders. This TCDR programme will complement existing TCDR initiatives underway through the NEAP.

Some of the land transport activities are already included in the Regional Land Transport Plan, which is currently out for targeted consultation. Others will need to be included as a variation to this plan (see risks below).

8. Please provide a description of any consultation required.

Normal Transport Agency consultation will be carried out as part of investigations.

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

The package of works will be progressed as a single programme to ensure fit with wider infrastructure and alongside other economic development projects underway.

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

Yes. Regional stakeholders are highly supportive.

11. Please provide evidence of Iwi consultation.

Iwi consultation will be carried out as part of the investigative process, in accordance with normal Transport Agency Māori relations policies.

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.

Benefits are provided above.

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.

Detailed assessments of benefits will be produced as part of the business case process.

4. Please provide a cost breakdown covering the following:

- Total project cost breakdown (including contingency);
- Total funding sought from the Provincial Growth Fund;
- Type of funding sought (i.e grant, loan or other);
- Description and breakdown of funding sought from elsewhere (approached/approved/declined) and what funding has been committed;
- Details of ongoing costs and financial viability;
- Required timing of costs; and
- Maintenance costs and funding sources

This project seeks a grant of up to \$6.25 million (inclusive of GST) to cover upwards estimate of cost.

Commercial Information

The Provincial Growth Fund will be the ^{Commercial} funder for this application. **Commercial Information**, the PGF must bear this risk [refer February Cabinet paper, paragraph 45, 'any cost escalation should be apportioned to reflect the original investment'].

The investigations are likely to support a request from the PGF to unlock a final funding request for implementation of many of the projects being investigated. The final cost of these projects will be determined by the investigations.

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

Not applicable.

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

The investigations are a necessary step to ensure the feasibility of future investment in the Northland region. There could be some employment for local consultants. The business case phases will involve community consultation and provide an opportunity for community to come together and focus on addressing issues facing their communities. The projects could provide opportunities for local investment (either through community projects or private PGF applications) which could be incorporated in wider investment packages.

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.)

These will be produced by the investigations.

D. Project Plan

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

The NZ Transport Agency will provide a dedicated programme manager to coordinate the transport and non-transport components of the programme and ensure the appropriate level of coordination with local, regional and government stakeholders.

The Transport Agency will provide governance of the project in its role as Road Controlling Authority for the state highway network, and with its experience managing large scale infrastructure investigations. It will work with and assist, where appropriate, local / regional authorities in the delivery of local infrastructure. A governance structure and project plan for each project will be established in detail once funding is approved.

Risk: Requisite skills and experience are not available in the market at the level of investment desired.
Mitigation: The Transport Agency has a known list of consultants with previous history/ expertise. These will be actively approached and negotiated with accordingly.

Risk: Benefits of investment and potential not adequately captured.
Mitigation: Economists engaged need to consult widely with businesses and agencies such as Northland Inc. to ensure full potential of gains from the route are explored and the options to leverage these advantages. This could include new ideas which have been undertaken in other regions or countries.

Risk: Enthusiasts promote ideas which lack business case or are outside the scope of the project.
Mitigation: Objective analysis by relevant experts will be vital to ensure objectivity of the business case. Guidance (communication) from the Project manager and programme manager will be critical for keeping the project on track.

Risk: Failure to meet time line and outcomes.
Mitigation: A dedicated programme manager will ensure that the programme is advanced on schedule and in a coordinated manner.

Risk: Estimated Project costs are significantly greater than initially estimated.
Mitigation: Contingency has been factored into indicative costings. The PGF will bear the risk of cost escalation, as above.

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

These projects were first considered as part of the TCDR Programme Business Case.

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

Commercial Information

[Redacted]

Commercial Information

[Redacted]

4. Please provide detail of any alternative project delivery options which have been considered and ruled out.

Not applicable

5. Has the project plan been independently tested, or developed with assistance of a project management professional? If so, by whom?

Not applicable

E. Commercial Viability

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

This is a core function of the Transport Agency.

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

Not applicable

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

Not applicable

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

The investigations are likely to support a request from the PGF to unlock a final funding request for implementation of many of the projects being investigated. The final cost of these projects will be determined by the investigations.

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

Not applicable

6. Please outline why Crown funding is required?

None of the components of this package are likely to receive NLTF funding, and several are ineligible. Funding this package from the PGF will allow the individual projects to be progressed as a cohesive package and unlock wider benefits.

F. Declaration by lead applicant

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

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.

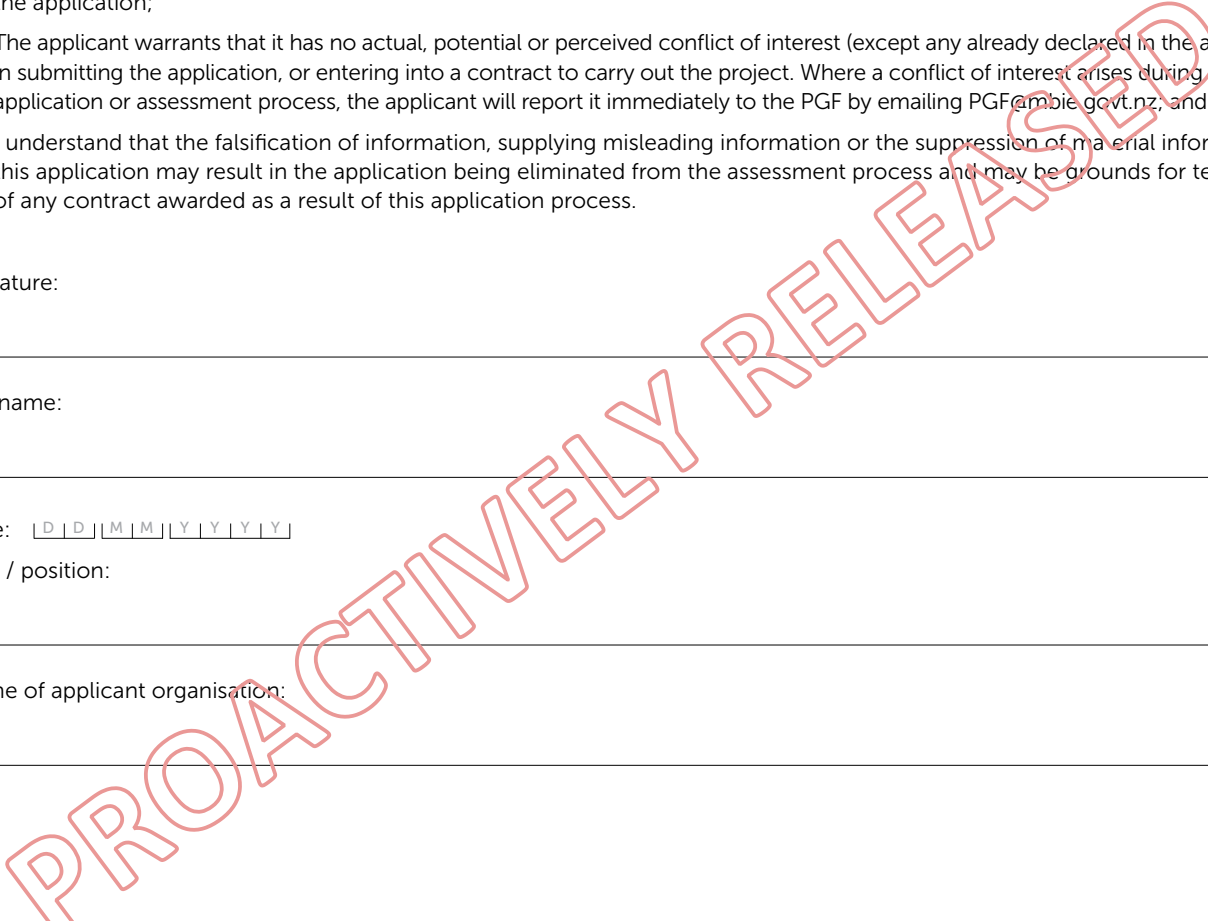
Signature:

Full name:

Date: |D|D||M|M||Y|Y|Y|Y|

Title / position:

Name of applicant organisation:



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)