

Application for Funding Express Applications



About this form

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

Completing this form

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

Submitting your application

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

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

1. Proposal Title:

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

JK's 2018 Limited trading as JK's Engineering is a company that is very active in industrial maintenance, heavy fabrication and structural steel and has Southland's largest computerised (CNC) Machine Shop. Our plate department offers Southland's largest capacity Brake Press (350t) and a 3.6m Guillotine capable of cutting 12mm plate. Coupled with this is our Sectional Rollers, 200 Tonne CNC Brake Press, 3 sets of Plate Rollers and profile cutting machine. The JK's machine shop is very well equipped with technology and has a CNC machine centre, CNC Mill, CNC lathe plus many more traditional manual lathes and mills of various sizes.

We are currently producing and installing structural steelwork for workshop/warehouse expansions to two local businesses and earthquake strengthening in the Invercargill CBD. A large part of our business involves upgrades, shutdowns and general maintenance for local companies in the meat, dairy, timber and fertiliser industries.

Away from Southland and into Otago we recently completed a large expansion to the Danone Milk Powder factory at Clydevale and structural steel for a winery in Alexandra.

Daily our workshop is supplying the likes of cut and pressed plate and machined or fabricated items to many smaller or rural engineering and contracting companies in Otago and Southland.

Company Overview and History

Shotover Engineering 2001 Limited, based in Queenstown established JK's Engineering last year by purchasing the assets of JK's and WBe Ltd on August 31st, 2018

JK's & WBe Ltd was the amalgamation of J K Stevenson Ltd and Wilson Bros. Engineering Ltd in January 2012 by the Walker Family who owned both businesses. The Walker family also owned E Type Engineering in Invercargill.

JK Stevenson was established in 1907 and Wilson Bros. Engineering in 1919, together they offered a wealth of engineering knowledge and experience, not only throughout Southland, but also to New Zealand.

This application seeks the financial support for one piece of equipment to help bring more of the process in establishing our equipment in-house. The piece of equipment we require is a:

1. CNC Beamline – Automatic Steel drilling, scribing, coping and sawing machine

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

Legal Name:	JK's 2018 Limited, trading as JK's Engineering
Entity Type:	Company
Registered Offices / Place of Business:	190 Mersey Street, Invercargill
Identifying Number:	Company Number – 689333
Organisation's Website:	www.jks.co.nz , Being rebuilt at present or see www.shotoverengineering.co.nz

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

Contact Name:	Nigel Davy		
Email Address:	<small>Privacy of natural persons</small>	Telephone:	<small>Privacy of natural persons</small>

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

Engineering business

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

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

Start Date:	<small>Commercial Information</small>	Completion Date:	<small>Commercial Information</small>
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8. 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.

Recently, we have discussed our project with officials from the Provincial Development Unit as well as shown officials the facility, and what equipment is required to help grow the business to meet current demands.

9. 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.

10. 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](#).

11 Please set out the proposed sources of funding for the Project:

source of Funding:	\$ (excluding GST)
Provincial Growth Fund Funding (through this application)	\$500,000
K's Engineering	\$ <small>Commercial Inform</small>
Total:	\$ <small>Commercial Information</small>

Part B: Project Description

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

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

14. Please provide a detailed description of this project for which funding is being applied, including the benefits arising from the project:

PGF funding is required to allow us to purchase a single piece of equipment which will enable us to increase our productivity and meet the customer demands in a more-timely manner. The piece of equipment we require is:

- Description: CNC Beamline
 Make: Commercial I Automatic CNC spindle drilling and sawing line
 Model: Commercial Informatio 6 – 603 DDVB

This CNC machine can very accurately drill, cope and cut all types of structural steel from universal beams to channels, angles and box section, in addition, to this it marks where other components are to be welded and prints a part number on the completed item.

It is designed to process a maximum of two tonnes of steel per hour from one lower skilled operator and allows us to utilise our existing staff or new staff on more productive and higher skilled work. By comparison without the Beamline, this work could take up to six skilled employees eight hours to complete.

Job Numbers

Provide the current number of jobs in your business	<small>Comm</small> *
Provide the expected number of new sustainable jobs created through this project	<small>Com</small> (FT)
Provide the expected number of jobs during construction/installation of equipment into your business	<small>Com</small>
TOTAL	<small>Comm</small>

*Comm staff located in Invercargill and Comm staff located in Queenstown at Shotover Engineering.

Job Quality

Provide a profile of expected jobs, the level of skills and wages.

Role	High-Skilled	Low-Skilled	Apprentice	Annual Wage
CNC Beamline operator		<small>Co</small>		\$ <small>Commer</small>
Fitter Welder Tradesman	<small>Com</small>			\$ <small>Commer</small> ea
Fitter Welder Apprentice			<small>Co</small>	\$ <small>Commer</small>

Export opportunities

Although we do not export outside New Zealand, we do carry out manufacture and installation projects in other regions of New Zealand for some of our key partners listed below, this is usually because we have already completed similar work for them within our region and have a successful working relationship.

The bulk of our structural steel, heavy fabrication and machining work is conducted throughout Otago and Southland. Our main clients that we supply to include the Commercial Information

Collective Tendering

We partner closely with many local companies including other engineering, manufacturing and coating firms when tendering for work, the likes of Commercial Information

Commercial Information

Competitors

We have many competitors that do similar work to us and are mainly based In Christchurch. These companies have CNC beamline machines and include Commercial Information

As the majority of our focus is within our own region and Otago, we do not tend to cross paths with these companies. However, we are increasingly finding that the other companies are starting to seek work within the Otago and Southland area (namely companies from Christchurch). While this is a risk, we see it as a low risk as we have already well-established relationships with local firms within the lower south. Providing we can offer competitive pricing to match their technology and efficiency.

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

Why the project is not already underway.

We have owned JK's for 12 months and we quickly discovered that the demand for work was exceeding the capacity of the business. To date we have been unsuccessful in significantly increasing skilled staff numbers so have started a program to invest back into the company to make it a more attractive place to work and at the same time increase productivity. We have also increased the number of apprentices we train and look to fill ^{Commercial} engineering apprenticeships each year across the companies.

Staff welfare was first on the agenda once we were established and we felt some significant changes would help retention and appeal to potential new employees.

When Purchasing JK's last year, the start point, was to increase pay rates, adopt a standard 45 hour working week, introduce a staff and family medical scheme, that included subsidised doctor visits, for these changes we had 100% staff buy in ^{Commercial Information}

The next stage was to refurbish the lunchroom, locker room and toilets. This provides a more pleasant and hygienic environment (quieter and cooler in summer, warmer in winter) with upgraded appliances more appropriate to the number of staff.

In addition to this, we have started a vehicle fleet upgrade and so far have replaced five old company vehicles with five vehicles that have a 5-star ANCAP safety rating.

Earlier this year we started a welder replacement program and to date have replaced 10 old welding machines with state of the art welders that meet the new SCNZ structural steel certification standards.

In August this year we decided on a replacement for our aging profile cutting machine and ordered a new Australian made PCS 5500 MHB plate processing machine ^{Commercial Information}). It will be the only one of its type in the South Island and will be installed in February 2020.

This CNC machine will greatly increase production speed and capacity and exceeds our present machine by not only increasing our cutting ability from 100mm to 300mm thick steel plate, it also drills up to 52mm holes and is capable of milling, countersinking and tapping threads all in one operation. At present this additional work is done by multiple skilled staff members.

The CNC Beamline is the next logical step as this will also free up more skilled staff so they can complete other skilled work and increase output

How the project provides a new asset and is not seeking maintenance funding.

The ^{Commercial} CNC Beamline is very well proven, is a completely new machine for JK's engineering and is supported by a technical and service team based in New Zealand. It will require little maintenance and any ongoing maintenance we will cover.

The benefit of Central Government funding (i.e. over alternative sources).

The benefits we see are that the Government is supporting companies like us that are spending a lot of money to provide staff/families with secure futures. We have recently spent over \$^{Commercial Informa} on acquiring a new CNC Plate Processing Machine which has been funded through ^{Commercial Information} , this is anticipated to be installed and operational before the end of February 2020.

We have spent over \$^{Commercial Inform} on the upgrade of our current premises and equipment. While we will be required to seek further financial support for this equipment, support from the PGF will allow us to do this in a much more timely manner. This allows us to grow our business and meet the demands of our clients now. Without the PGF support we would be looking at purchasing this equipment in 2025.

Why this project will unlock the potential within the region.

Otago and Southland are well known for being the regions delivering excellence in the engineering and manufacturing sector.

We recognise the need to operate more efficiently and the need to grow to meet the needs of the region, to do this we need to embrace technology, up-skill employees and modernise our company. Introducing new equipment that is faster, more accurate and requires less human input allows us to better utilise our existing staff to do the work that cannot be done robotically.

This ultimately allows us to increase productivity to meet the current demands that we are seeing for growth in

industry, construction and tourism throughout our region

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

The Southland and Otago Regional Engineering Collective (SOREC)

SOREC is the incubator for building the capability and capacity of the Southland and Otago manufacturing engineering firms. SOREC will grow the region by increasing collaboration to successfully compete for new work, adopt new technologies/methodologies, and increase the calibre and number of regional apprentices. Through SOREC, the aim is to:

1. Increase cooperation across the regional firms for stronger competitiveness globally
 - Collaborate in bidding and securing work.
2. Transform local businesses to compete successfully in the rapidly changing industry
 - Share learnings
 - Adoption of new techniques and methodologies
 - Increase revenue and volume of work.
3. Shape 'fit for purpose' apprentices by enriching the national resources with regional solutions
 - Provide tailored apprenticeship schemes

We align to SOREC through our efforts to increase revenue and volume of work by investing in new machinery to help us grow. Leading technological advancement in the engineering sector in this way will help to create high value roles and increase output. In addition, our new equipment will enable any apprentices we might bring on to learn and develop on the most modern equipment. We already work collaboratively with other engineering and manufacturing firms within the local area, however there will be greater collaboration with other firms if there is the ability to tender for more work jointly.

17. 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:

PGF Outcome	✓	How will the project positively or negatively impact this outcome in the region(s) identified?
1. Increase economic output	<input checked="" type="checkbox"/>	With the addition the new beamline within our company, we will be able to increase the volume of work. The flow-on effects will be of great benefit to those companies we currently outsource some of our work to.
2. Enhance utilisation of and/or returns for Māori assets	<input type="checkbox"/>	NA
3. Increase productivity and growth	<input checked="" type="checkbox"/>	With the purchase of the new equipment through this application, we will be able to increase productivity as we will have the equipment we need to accelerate the production and output needed to meet the demands of our customers.
4. Increase local employment and wages (in general and for Māori)	<input checked="" type="checkbox"/>	We will need to increase the number of jobs with the investment made into the new equipment.
5. Increase local employment, education and/or training opportunities for youth (in general and for Māori)	<input checked="" type="checkbox"/>	
6. Improve digital communications, within and/or between regions	<input type="checkbox"/>	NA
7. Improve resilience and sustainability of transport infrastructure, within and/or between regions	<input type="checkbox"/>	NA
8. Contribute to mitigating or adapting to climate change	<input type="checkbox"/>	NA
9. Increase the sustainable use of and benefit from natural assets	<input type="checkbox"/>	NA
10. Enhance wellbeing, within and/or between regions	<input checked="" type="checkbox"/>	We have a role to play in the sustainability of engineering and manufacturing in the Otago and Southland region. While we have a links with many local firms in the region, we would be encouraged to be involved with collaborating more when tendering for more work.
Total number of outcomes project contributes to	5/10	

Part C: Project Delivery

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

The procurement and installation will be managed within our organization, we are very experienced at working within timeframes and to a budget as this is how our structural steel work is managed on a day to day basis. During our research for the procurement of a suitable beamline we looked at numerous manufacturers and models. We decided early on that a high-quality machine was paramount, particularly as we are geographically removed from the major manufacturers in Europe. We have settled on one manufacturer **Commercial Information** as they produce the most accurate machine. Their machine uses a pincer to grab the steel and move it through the machine, other manufacturers rely on friction of the steel sitting on powered rollers. One other main factor we required was New Zealand based after sales service and support so that any downtime for repairs or maintenance is kept to a minimum. This will be a very simple project to manage and at present we are underway on a similar project installing our new Plate Processing Machine. We will have everything streamlined for the Beamline machine installation following the practical experience with the plate processor. The complete project will be overseen by Nigel Davy the Managing Director of Shotover Engineering and managed on a day to day basis by Dwight Dougherty the General Manager of JK's Engineering

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

#	Deliverable	Due Date	Associated Payment (ex-GST)
1	Funding Agreement executed and any pre-conditions are met or waived	1/10/2019	Commercial Information (\$206,000) Commercial Information
2	CNC Beamline ordered & ^{Comm} % deposit paid	Commercial Information	\$ ^{Commercial Inform} payment to ^{Commercial}
3	Site works, power supply and concrete foundation installation	Commercial Information	\$ ^{Commercial Inform} payment to contractors
4	^{Comm} % payment for machine as per contract	Commercial Information	\$ ^{Commercial Inform} payment to ^{Commercial}
5	CNC Beamline installation started	Commercial Information	
6	CNC Beamline commissioned – balance paid	Commercial Information	\$ ^{Commercial Inform} payment to ^{Commercial}
GPF Funding			\$500,000
JK's Engineering			\$ ^{Commercial Inform}
Total			\$ ^{Commercial Informator}

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

Cost Description:	\$ (excluding GST)
CNC Beamline Machine	\$ ^{Commercial Inform}
Installation	\$ ^{Commercial Inform}
Total	\$ ^{Commercial Informator}

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

#	Risk	Mitigation approach	Rating
1	We lose current contracts with our main partners	- We have geared our company towards looking after our main partners. Most of them have different needs at different times in the year. So that we can cater for their demand when required due to the spread and we have specific equipment that is required for their work	Medium
2	Long lead times to buy new equipment ends up delaying the creation of new roles and increase in productivity are not achieved.	- We will be able to utilise our existing equipment to mitigate this, production won't stop. We will ensure that we have clarity from the supplier on the timeframes for delivery of the	High

PROACTIVELY RELEASED

		equipment.	
3	There is a lack of engineering expertise to take up the roles required	<ul style="list-style-type: none"> - A role of the SOREC is to help support companies who have such difficulties in employing staff, in addition we will undertake specific staff training by [redacted] 	High
	Demand for our product decreases.	<ul style="list-style-type: none"> - We have a well-diversified business. We do not see a decrease in demand for our products occurring. 	Low

Part D: Declarations

Commercial Information

- 22. 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
- 23. Has this activity ever been declined Crown Funding in the past?
- 24. Has the applicant or the contracting entity ever been insolvent or subject to an insolvency action, administration or other legal proceedings?
- 25. 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?
- 26. 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?
- 27. 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?
- 28. 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 23 to 28, 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 publicly 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; 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.

Full name:

Title / position:

Signature / eSignature:	Date:
.....	

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)