

# Application for Funding

## Express Applications



### About this form

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

### Completing this form

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

### Submitting your application

All completed forms must be emailed to [PGF@mbie.govt.nz](mailto:PGF@mbie.govt.nz) with "PGF Express" in the subject line.

### Public disclosure

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

## Part 1: Key Details

1. Proposal Title:

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

<b>Legal Name:</b>	Ruapehu District Council
<b>Entity Type:</b>	Local Authority
<b>Registered Offices / Place of Business:</b>	59-63 Huia Street Taumarunui
<b>Identifying Number:</b>	<i>[e.g. Company Number, NZBN, trust / society number, etc. if applicable]</i>
<b>Organisation's Website:</b>	<a href="http://www.ruapehudc.govt.nz">www.ruapehudc.govt.nz</a>

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

<b>Contact Name:</b>	Warren Furner		
<b>Email Address:</b>	9(2)(a)	<b>Telephone:</b>	9(2)(a)

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

*[Note for completion: we wish to know what your organisation's primary function is].*

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

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

<b>Start Date:</b>	1/09/2018	<b>Completion Date:</b>	30/06/2019
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7. The total value of this application's activity is set out below (Provincial Growth Fund funding requests must be under \$100,000 for an Express Application):

Source of Funding:	\$ (excluding GST)
Provincial Growth Fund Funding (through this application)	\$85,000
Ruapehu District Council	\$15,000
<b>Total:</b>	<b>\$100,000</b>

## Part B: Project Description

8. This application is: *"a stand-alone activity"*  or *"in support of a wider project"*

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

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

The Ruapehu District Council on behalf of the Manawatu-Whanganui Accelerate 25 Lead Team (as per the content of the Manawatu Whanganui Economic Development Action Plan) was given the task to produce an Economic Action Plan for the Tourism sector, and to write the business case for the implementation of the new plan.

In June 2018 the draft Business Case for the proposed Ruapehu destination development and management agency and for the roll-out of related new Ruapehu experiences, was completed and presented to officials for comment. This was in two reports. The first focused on form and function. The second focused on the case for PGF funding.

The recommendations of the two reports, as addressed to the Accelerate 25 Lead Team, were:

- Help secure the sum of \$24 million from PGF to pilot (establish and operate) the Ruapehu Destination Management Agency ('Ruapehu 400') for the first three years of its operation, noting approximately \$1.5 million of this sum would be contributed toward this cost by RDC over that time.
- Help secure funding of \$85,000 from PGF for engagement of a highly competent Programme Manager to put in place the arrangements needed to get 'Ruapehu 400' up and running by October 2018.
- Help secure funding for priority new iconic destination-growing experiences as follows:
  1. RAL Gondola - \$10m (now confirmed).
  2. Ruapehu Alpine Walk - \$6m – with an initial \$100,000 to confirm the business case.
  3. Turoa to Ohakune / Te Ara Mangawhero mountain bike / walking trail - \$3m.
  4. Ohakune Nāgati Rangi Waharoa - \$3m – with an initial \$100,000 to confirm the business case.
  5. Pipiriki Waharoa - \$3m – with an initial \$100,000 to confirm the business case.
  6. \$250,000 to explore potential alternative low-carbon mass-transit options for the transport of persons wanting to enjoy experiences within Tongariro National Park.

The project / activity for which funding is currently sought as part of this 'express application' is for \$85,000 from PGF for engagement of a highly competent Programme Manager to put in place the arrangements needed to get 'Ruapehu 400,' and related priority new destination experiences up and running by October 2018.

### Challenges to be resolved by Programme Manager

Following the announcement of the Gondola project in June 2018, a short discussion took place with Minister Jones and representatives from RDC, MBIE, Di Grennell, Mike McCartney and Haden Turoa.

Minister Jones said he wanted

- Certainty that the level of funding for Ruapehu destination development was based on a robust analysis.
- Detail about how the requested funding would be sustained once PGF funding was no longer available.
- Certainty about the support of iwi for the proposals discussed in the two reports.

Since the meeting with the Minister, various leading officials have been asked to exercise 'due diligence' over the reports and to respond to their recommendations. These officials have included:

- Iain Cossar – head of tourism within MBIE (noting that if Iain does not support the reports' recommendations, then the chance of securing funding from PGF becomes much more difficult).
- Emil Petrov – senior policy advisor with Tourism New Zealand (with a focus on whether the requested \$24m for the new Agency was calculated on 'sound' grounds)
- Eric Swale – senior policy advisor with NZTE (who was also asked to comment on the agency cost estimates).

In addition, earlier comments about the core content of the reports was received from others including:

- Bruce Parkes, DOC
- Di Grennell, SRO and TPK
- Stephen England Hall, Tourism New Zealand
- Ruapehu District Council (generally supportive but concerned about the infrastructure implications of destination growth and concerned about the 'knock-on' effects arising from the expected 400,000+ users of

RALs new gondola)

- A range of other parties.

The Sixteen matters identified below have been raised by these various parties. All of these can be addressed, in part or in full, by the appointment of a person to undertake the Program Management Role, supported by RDC staff and advisors. (see action 10 below).

1. **Iwi perspectives:** Degree to which the reports embrace Te Pai Tawhiti and iwi perspectives.

Response:

- Work with Haydn Turoa to more fully reflect Te Pai Tawhiti into an amended report one.
- Invite all Ruapehu iwi leaders to meet with the Mayor and CEO of RDC to discuss an amended and shortened version of the report
- Integrate iwi perspectives on A25 projects following lessons learnt from the Gondola announcement.

2. **Size of funding request:** Concern about the size of the sum requested to implement the model (\$24 million over three years).

Response:

- Down size the request for funding for the services to be delivered by the agency to \$10m over three years (inclusive of RDC contribution of \$1.5m) and provide an explanation of the cost benefit of this expenditure.
- Ramp up the funding each year from PGF (and other sources) from \$2m in year one; to \$3m in year two and \$3.5m in year three, with \$1.5m from RDC (ten million in total).
- Achieve a better match between the funding available to the agency and the demand for support from new experience / service providers.

3. **Precedent:** The 'unwanted' precedent effect of some aspects of this request – how it compares to equal sized RTOs should be better managed.

Response:

- Manage-down the precedent effect by reducing the size of funding request for the agency is down sized – as recommended above.

4. **Bundle projects:** The uncertainty about the merit and preference of Government to group-up applications for activities or for them to be applied-for separately.

Response:

- It appears government's preference is to deal with each of the proposed 36 actions on their merits, noting this also provides opportunity to better consider other non PGF sources of funding.

5. **Top-down approach:** Improving the likelihood of success by seeking high-level political support for the approach outlined in the two papers or to simply rely on the guidance of officials.

Response:

- Iain Cossar made it clear that the option of going direct to the PGU or Ministers remained open.
- However, without the support of officials, it is apparent that requests for funding may have a more difficult road to follow.

6. **Clarity of the story:** The need to tell the 'story' of visitor sector development opportunities in Ruapehu and the model to deliver destination development in a simple and clear way.

Response:

- Produce a new executive report to tell the form, function, funding story in simple and clear terms and to reflect the content of this note.

7. **Incremental ramp-up of support functions:** Better matching expenditure on the functions to be undertaken by the proposed Ruapehu destination agency / model (marketing, capability building, investment attraction and infrastructure planning) with the level of expenditure / demand arising from new experiences and services.

Response:

- The option of attaching a 'support levy' to every successful request for funding for a new experience was considered but rejected because of the administrative complexity of this approach. It also works against seeking non PGF sources of funds (see Action 11 below).

8. **Governance:** Deeper consideration of other options for national expert input including the possibility of a bi-annual stock-take / critical intervention session with the assistance of the Interim Governance Group who have guided the project over the last 12 months.

Response:

- There is merit in having members of the Interim Governance Group provide an injection of advice to a 'ramped-up' form of Visit Ruapehu – possibly to be called 'Ruapehu 400' or equivalent.

9. **Visit Ruapehu:** More clarity about the role, transition and staff implications of creating a new business model

for the existing regional tourism agency – Visit Ruapehu.

Response:

- See above

10. **Programme manager:** Methods to get started, maintain momentum, better programme manage / bundle / phase and seek funding for each of the 36 actions identified in the RRVDP, particularly projects regarded as iconic.

Response:

- This is a critical action to sustain momentum.
- MBIE should be requested to provide support for funding to be made available via the accelerated PFG funding process for a Programme Manager to undertake this task.

11. **Other sources of funds:** Need for more certainty about alternative non-PDF funding sources.

Response:

- One of the tasks of the recommended Programme Manager should be to seek out funding for selected new destination developments or experiences from particularly-affected government departments or agencies e.g. TIF, Heritage NZ, NZTE, DIA, TPK etc.

12. **Contractual arrangements:** Need for more certainty about who may hold contractual responsibility for delivery of activities and functions – whether that be: Ruapehu District Council; Visit Ruapehu; iwi; those with leadership responsibility for each of the proposed services and experiences and or other arrangements.

Response:

- Delivery of projects is more likely to be achieved if accountability is with a local group with long term ownership of the project i.e. direct from PGU in response to an applicant – as is likely to be the case with the Forgotten World Rail Trail.
- In some instances, and for some projects, RDC or Visit Rupaehu / Ruapehu 400 may be the contracting agent.
- The proposed Programme Manager will be in the best position to decide the best arrangement for any particular project.

13. **Depth of cost-benefit assessment:** Need to provide additional information to support and better justify the requested funding for the suggested 36 actions.

Response:

- Emil Petrov and Eric Swale (Tourism NZ and NZTE officials) felt there was ‘sufficient but not complete’ information to support the levels of funding for the various projects listed in report two.
- More detailed information is likely to be pulled together when each application for funding is made.

14. **Sustainable funding:** Lack of clarity about the sources of funding to sustain the model, when and if the PGF comes to an end in three years’ time.

Response:

- The more modest request for funding for the new agency (\$10m over three years) makes the challenge of achieving this level of funding for the long run more achievable.
- In three years’ time, it may well be the case that Tourism New Zealand is positioned to invest more into regional destination development.
- With the expected growth in new experiences in Ruapehu, there is likely to be a higher level of willingness for each of them, and possibly RDC, to contribute to the funding required by the agency.

15. **Infrastructure impacts:** Implications of destination development on Ruapehu water and waste water infrastructure.

Response:

- A report is in preparation for RDC assessing the effect of destination development on waste water systems.

16. **Knock-on effects:** Whether the current propositions adequately anticipate and deal with the infrastructure and service demands associated with upwards of 400,000 new users of the RAL Gondola e.g. those at Whakapapa Village.

Response:

- This remains a concern. It will need to be an issue for attention by the new agency’s infrastructure planning resource

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

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

**Link with fund and government outcomes**

See attached supporting documents – particularly paper two on funding.

**Additionality**

See attached supporting documents

**Connected to regional stakeholders and frameworks**

See attached supporting documents

**Governance, risk management, and project execution**

Governance and risk management is provided by the A 25 Executive and Elected Representatives of the Ruapehu District Council.

Proactively released

## Part C: Delivery of this Activity

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

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

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

9(2)(b)(ii)

		Associated Payment (ex-GST)
		\$15,000
		\$5,000
		\$65,000
4		Click here to enter a date. \$
5		

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

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

Cost Description:	\$ (excluding GST)
Program Manger Contracted role	\$100,000
[To be completed]	\$
[To be completed]	\$
<b>Total</b>	\$100,000

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

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

- How will the activity be managed within your organisation?  
Warren Furner will exercise management responsibility over the Programme Manager. Weekly progress reports and 'call-overs' will be scheduled. Monthly written progress reports will be prepared
- What involvement is required from the Provincial Development Unit?  
The on-going support and 'co-design' input from an PDU 'point person' would be valued.
- What procurement process has been undertaken (i.e. a selection of a provider), or will be, and how will that be managed?  
A 'limited invited tender' process will be applied to select a preferred supplier / Programme Manager
- What project management practices will be in place?  
An early task for the selected Programme Manager will to prepare a six-month project management plan
- The oversight / governance arrangements which are, or will be, put in place?  
Governance oversight will be provided by Councillors from Ruapehu District Council and members of the Lead Team from A25
- Who the key personnel are?  
Warren Furner
- Any other relevant information relating to the delivery of this activity...]

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

#	Risk	Mitigation approach	Rating
1	If the market is unable to respond to the need, then the deliverable will not be provided	- L	[H/M/L]
2	If the contractor's price is not accurate, then additional funding may be required	- M	[H/M/L]
3	If access to stakeholders is not achieved, then full consultation may not occur	- L	[H/M/L]

**Part D: Declarations**

- 15. Has this activity ever been declined Crown Funding in the past? Yes:  No:
- 16. Is the applicant or the contracting entity insolvent or subject to any insolvency action, administration or other legal proceedings? Yes:  No:
- 17. Is any individual involved in the application, the proposed contracting entity or the project, an undischarged bankrupt? Yes:  No:
- 18. Is any individual under investigation for, or has any individual been convicted of, any offence that has a bearing on the operation of the project? Yes:  No:
- 19. Are there any actual, potential or perceived conflicts of interest that the applicant or any of the key personnel have in relation to this project. Yes:  No:

“In a small country like ours, conflicts of interest in our working lives are natural and unavoidable. The existence of a conflict of interest does not necessarily mean that someone has done something wrong, and it need not cause problems. It just needs to be identified and managed carefully...”

<https://www.oag.govt.nz/2007/conflicts-public-entities>

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

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

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

**Full name:**

**Warren Douglas Furner**

**Title / position:**

**Manager Economic Development and Land Transport**

**Signature:**



**Date:**

**20 August 2018**

## **General**

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

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

## **Reliance by Provincial Development Unit**

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

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

## **Ownership and intellectual property**

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

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

## **Confidentiality**

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

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

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

## **Limitation of Advice**

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

This limitation includes individual members of the IAP. The IAP's recommendations and advice are made by the IAP in its formal sessions and any views expressed by individual members of the IAP outside of these do not commit the IAP to make any

recommendation.

#### **No contractual obligations created**

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

#### **No process contract**

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

#### **Costs and expenses**

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

#### **Exclusion of liability**

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

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

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

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

#### **Inducements**

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

#### **Governing law and jurisdiction**

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

#### **Public statements**

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

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

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

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

### Link to Fund and government outcomes

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

### Additionality

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

### Connected to regional stakeholders and frameworks

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

### Governance, risk management and project execution

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