

INVESTMENT ADVISORY PANEL

To:

MINISTER FOR PRIMARY INDUSTRIES

AND

DIRECTOR-GENERAL MPI

Ministry for Primary Industries
Manatū Ahu Matua



PRIMARY GROWTH PARTNERSHIP

ANNUAL REPORT OF THE INVESTMENT ADVISORY PANEL

FOR THE PERIOD

1 SEPTEMBER 2011

TO

30 AUGUST 2012

Foreword from the Chair

The Primary Growth Partnership has now been operating for three years and many innovative proposals have been presented to the Investment Advisory Panel in that time. During the period from 1 September 2011 to 30 August 2012, the Panel considered thirteen proposals, and approved six of these to go to Business Plan development. One of the Business Plans has recently been approved by the Director-General of MPI for funding, while four are still in development. The remaining Business Plan was completed, but the Panel did not recommend it to the Director-General MPI for funding as it became evident that PGP was not the right funding source for this project.

The Panel is adding to its experience every year and this year has revealed some new lessons, which it will apply in the future.

It is useful to summarise the criteria which a successful PGP proposal needs to meet in order to gain PGP funding. It must have:

- outcomes that are likely to generate significant economic benefit to New Zealand through the application of innovative research and development across some or all parts of the value chain;
- additionality, or involvement in activities which are beyond business as usual for the applicant; and
- spill-over benefits for the wider NZ economy, while generating economic returns for the investors.

The Panel's members bring a diverse range of experience in business, science and the primary sector to the table and have worked well together with the applicants and MPI officials to achieve the results gained so far.

April 2012 saw the official launch of the new Ministry for Primary Industries (MPI). This in turn saw a change in the way MPI administers the fund, with the creation of a dedicated PGP Team. This includes four full time Investment Managers who are dedicated to work with co-investors and sit on the Programme Steering Groups from the approval of the Business Plan right through to the end of the programmes.

The fund has been well patronised and is likely to be fully expended over the short term in the next round, which closes on Tuesday 16 October. MPI will be in a better position to confirm this once the Panel has made its decisions in early December.

W J Falconer
Chair, Investment Advisory Panel
September 2012

Panel Meetings

The Panel met eleven times in the 2011/12 year, totalling fourteen days. During that time it considered thirteen applications, approving six of them to proceed to Business Plan. One of these was approved for funding by the Director General MPI in September. Four Business Plans are still being developed, and one was declined.

Oral Questions

There were twenty four Parliamentary Questions received over the year. These related to the number of applications MPI received for PGP funding in the previous three years, the amount of funding drawn down in that time, and what reporting had been received from funded programmes. There were also questions on how many briefings about the PGP programme went to the Minister in the previous 18 months. All questions were answered to the requestor's satisfaction.

Media Coverage

There were around 200 media articles written in various rural and national publications throughout the year.

Official Information Act Requests

There were seven requests received for official information pertaining to PGP. These included a request for information on MPI's internal control systems for dealing with the PGP fund. This information was furnished.

Other requests were received requesting information about several PGP programmes. In nearly all cases the information was withheld on the grounds that it is classified commercial in confidence.

Contracted Programmes by Sector

