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7 January 2025

J Michael fyi-request-29400-a9df41e4@requests.fyi.org.nz

Kia ora J Michael,

I refer to your official information request dated 1 December 2024 for the following information:

In respect of each of these 12 projects [selected for the First Funding Round of the Products to Projects initiative in alliance with the Provincial Growth Fund in November 2019, July 2020 and November 2020], would you please provide a copy of the contract entered into with the provider entity (or entities), including details of any undertakings regarding the future location of business operations, the nature of those operations and the employment expected to be created in those locations.

In the event that the contracts themselves are unable to be provided, would you please provide, in respect of each project, details of any undertakings regarding the future location of business operations, the nature of those operations and the employment expected to be created in those locations.

On 4 December 2024, I emailed you asking for your phone number in order to have a conversation to better understand your request. You replied the same day providing some additional detail in relation to your request:

The information being sought in respect of each of the 12 Products to Projects contracts is:-

- 1.) details of any undertakings regarding the future location of business operations (e.g. an undertaking to locate business operations in Whanganui);
- 2.) the nature of those operations (e.g. the business operations will be a factory site for all production of the product developed with PF2050 funding); and
- 3.) the employment expected to be created in those locations (e.g. 15 FTEs in the factory).

The details of the undertakings should also include the enforceability of the undertakings (if at all) and the prospective contractual consequences of them not being met (e.g. any obligation to return funding received). If this information is all contained in the respective funding contracts, then the easiest will likely be to simply provide copies of these contracts.

We are pleased to grant your request in part. Excerpts from the 12 Products to Projects contracts have been provided in response to your questions (see Appendix 1). Where information repeated in the contracts it has only been provided once.

Unfortunately, we have decided to refuse the part of your request for a copy of the entire contracts under section 9(2)(b)(i) of the OIA to protect information where the making available of the information would disclose a trade secret. We considered if the countervailing public interest in release outweighed the need to withhold. However, if the information was in the public domain, competitors would be in a position to take advantage of it (by, for example, developing copycat products). This could cause real or significant harm to the businesses due to the specialised technical and scientific nature of the products they deliver (such as chemical toxins, traps, etc.).

In order to provide you with further context in terms of the information you have requested, please note:

- COVID-19 travel restrictions meant field trials at certain locations were not possible as staff were unable to leave Auckland, or uncertainty around lockdowns excluded travel to surge regions.
- The estimated permanent jobs listed in the documents was for the contracted research and development phase of the tool development (apart from Hammerforce who are not yet in their manufacturing phase).
- There are no obligations to reach specific future job numbers or to provide full time employment postcontract.
- There were no contractual obligations regarding the location of future business operations including manufacturing, assembly, distribution, etc. Developers were required, where possible, to outline the predicted location of business operations (see information provided in the attached documents).

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Ngā mihi,

Natalie Farell

Natalie Farell Accountability Advisor | Kaitohotohu Kawenga Takohanga

Encl Appendix 1

Appendix 1

Contracted party: Goodnature

Project title: AutoRat

Estimated job creation:

Regional Development

Tables to be completed by the Developer based on planned activities

Predicted number of permanent jobs created	In surge regions: 6
	In other regions: 15

Future location of business operations and nature of those operations:

Note for context that the 6 jobs created in surge regions will be in Hawke's Bay once manufacturing begins in late 2025. The 15 jobs in other regions include Goodnature's Head Office in Wellington, and research and development premises.

Excerpt from contract:

'Direct benefits to the regions as a result of supporting Goodnature in this application are evident in an increase in manufacturing in the Hawke's Bay. As mentioned in the previous section, Goodnature manufacture the majority of our trap parts in the Hawkes Bay and have done so for more than a decade. We have a long standing relationship with our toolmakers who also moulds the parts and we currently represent about 25% of their capacity. They currently employ 25 FTE's and we work closely to ensure we are working with complementary lean methods. By working in Napier, we have easy access to production information, can make modifications regularly and make tools as and when we need them. The production of this trap will likely double the number of parts we produce with them.'

'Conservation will be managed through our existing procurement agreement with the Department. Direct sales to Predator Free 2050 ltd, community groups, city and regional councils and other government and private trade customers will be managed by a dedicated team of 5 in-house Goodnature sales staff. The sales team, including technical field staff and in-house customer care staff, will support any and all; training, warranty and sales support needs.'

Contracted party: Zero Invasive Predators (ZIP)

Project title: Backcountry Camera

Estimated job creation:

Excerpt from contract:

'Regional Development

All product development and testing is expected to be undertaken existing ZIP staff or contractors at existing ZIP research facilities (e.g. Lincoln, Perth River valley). Therefore, all regional development objectives and outcomes will continue to be reported to PF2050 Ltd under the existing agreement 'Products that enable the 'Remove and Protect' Model for a Predator Free New Zealand' (No. PP/01/01).'

Project title: Remove and Protect

Estimated job creation:

Predicted number of permanent regional jobs created	In surge regions: 4 (direct employment)
	In other regions: 0 (direct employment)

Nature of those operations:

Excerpt from contract:

'Regional Development:

The majority of field testing to prove the technology, and subsequent market readiness of the product, will take place at ZIP's research site in the Perth River valley, South Westland. This site sits within the surge region of the West Coast. ZIP employs 4 permanent field rangers to carry out this field work, with the team based in Hokitika when not in site. This employment and activity - living locally, renting accommodation, groceries, etc - generates a spend of \$600,000 p.a. In the region.'

Future location of business operations:

Rat & Stoat Trap, Possum Leg Hold, Automated Lure Dispenser

All products available on ZIP's website: <u>https://zip.org.nz/products</u>

Excerpt from contract:

'Due to the specialised nature of the injection moulding plastics and electronics involved In these tools, the componentry manufacture and assembly of these products will likely to take place In Auckland and Christchurch (using companies we have established relationships with).'

Contracted party: NZ AutoTraps

Project title: AT220

Estimated job creation:

Note for context that FTE for product development and field trials was within the timeframe of the contract.

Excerpt from contract:

Regional Development

Tables to be completed by the Developer based on planned activities.

Predicted number of permanent regional jobs created	In surge regions: 5 (direct employment)
	In other regions: 2 (direct employment)

Nature of those operations:

Excerpt from contract:

'The Bay Bush Trial in Opua will create 3- 4 jobs for the duration of the trial and an area of Opua forest that is predator controlled.

The setting up of full scale manufacture, whilst in Hamilton, will add 12 permanent jobs into the Waikato. The purchase of new plant and equipment will mean that some components will be made in house rather than sourced off shore. It will also contribute to the local industry including ES Plastics, Dean Freight and other suppliers'

Note for context that NZ AutoTraps relocated their factory from Hamilton to Whakatane in 2019 upon receipt of Products to Projects funding from PF2050 Limited, and this is where traps are assembled, serviced and distributed.

Future location of business operations:

Product available through the NZ AutoTraps website: https://nzautotraps.com/

Note for context that the AT220 continues to be manufactured at the facilities in Whakatane. NZ AutoTraps currently has 14 full time and 8 part time employees. Of the 14 full time, 2 are based in Hamilton, 1 in Papamoa and the rest in Whakatane.

Contracted party: Envico Technologies (ECT)

Project title: Spitfire

Estimated job creation:

Note for context that FTE for product development was within the timeframe of the contract.

Excerpt from contract:

Regional Development

Tables to be completed by the Developer based on planned activities.

Predicted number of permanent regional jobs created	In surge regions: 3 (direct employment)
	In other regions: 0 (direct employment)

Nature of those operations:

Excerpt from contract:

'The project is to be managed by Environment & Conservation Technologies Ltd (ECT). ECT will conduct all engineering product development for both Spitfire systems, along with input and review from partners.'

Future location of business operations:

Excerpt from contract:

'Assembly will be conducted at ECT premises in Tauranga with a trained team, overseen by a quality control manager.'

'Production and supply of Spitfire units will be managed through ECT, with the supply and installation of toxin directly into the Spitfire systems being managed by Connovation Ltd.'

Contracted party: Hammerforce Global

Project title: Airbow

Estimated job creation:

Note for context that FTE in surge regions is for field trials (within the timeframe of the contract) and post-contract manufacturing and distribution jobs. FTE in other regions is for electronics engineers, and designers, within the timeframe of the contract.

Excerpt from contract:

Regional Development

Tables to be completed by the Developer based on planned activities

Predicted number of permanent regional jobs created	In surge regions: 10.5 (direct employment)
	In other regions: 2 (direct employment)

Nature of those operations:

Note for context that due to COVID-19 travel restrictions, travel to surge regions was not always possible.

Excerpt from contract:

'We have already established relationships with relevant collaborators and contractors who will be employed to undertake field trial work, providing direct employment. These sites cover seven specific sites across five regional development areas, including Tai Tokerau/Northland region (via Northland Regional Council and Bream Head Conservation Trust), Manawatu- Whanganui (Pukaha Mount Bruce and additional private land sites), Hawkes Bay (Ngatapa Ecological Trust and Predator Free Mahia) Toi Moana/Bay of Plenty (with Whirinaki Te-Pua-a-Tane), and West Coast (with Predator Free Punakiki).'

Future location of business operations:

Note for context that the contract is still underway and manufacturing arrangements are to be determined.

Excerpt from contract:

'Public Good and Commercial Arrangements

Provide details of any public good and/or commercial arrangements that are required for the completion of the project.

Hammerforce will enter into a commercial arrangement with a contract manufacturer for the supply of production parts necessary to assemble the re-setting traps. Subject to commercial viability (sufficient trap volumes) the assembly operation will be set-up in Whangarei using local labour. Hammerforce also has a commercial agreement in place with Boffa Miskell as a partner for this project.'

'Distribution, support, training and servicing will he managed by our existing sales & distribution business unit, Airbow Systems, which already distributes and supports our existing products across the country. Additional support staff can be added as and where needed dependent on volumes. All warranties will be managed via Airbow Systems Ltd.'

Contracted party: The Cacophony Project

Project title: High Interaction Rate Trap

Estimated job creation:

Excerpt from contract:

'Regional Development

Note that Regional Development estimates cannot yet be provided, as procurement pipelines and manufacturing arrangements are to be finalised during the project. Procurement and manufacturing will be sourced from regional companies where possible, with development estimates to be provided at the end of the project.'

Tables to be completed by the Developer based on planned activities.

Predicted number of permanent regional jobs	In surge regions: not yet known (direct employment)
created	In other regions: not yet known (direct employment)

Nature of those operations:

Excerpt from contract:

Features or	Why this feature/process is	Description of the project status
process	important	or plan
Commercial	Note that none of this funding will be	Note that all the technology is
implementation	used for commercial implementation.	available under Open Source. Any
	This is already being worked on	company is welcome to create and
	separately by a start-up company that	sell products and services based on
	is preparing to make and sell our	The Cacophony Project's technology.
	devices (2040 Ltd)	Open Source is a proven model for
		getting high quality, reasonably priced
		products to market.

Future location of business operations:

Product available through the 2040 (manufacturer) website: https://www.2040.co.nz/collections/traps-powered-by-artificial-intelligence/products/high-

interaction-rate-trap-v2

Excerpt from 10 month post-contract report:

'How has the Funding accelerated regional development through the increase productivity and potential for more employment and better paying jobs in the region?

The funding supported a number of existing roles within The Cacophony Project. It also provided a manufacture-ready design and for our partners at www.2040.co.nz, such that they were able to bring the product to market.

The potential for ongoing employment with both The Cacophony Project and 2040.co.nz has increased through this work.

As The Cacophony Project is an open-source organisation, the design is also available to any other individual or organisation that may want to commercialise the product and/or provide services based around the product.

Please state the number of jobs that have been created during and resulting from t he Project (please include the location of employment and whether the position was full-time, part-time, contractor or causal worker):

No jobs were directly created as a result of this funding. However, the funding contributed to the retention of the following roles in The Cacophony Project:

- 1. Designer (full time)
- 2. Mechatronics Engineer (part -time)
- 3. Al Developer (part-time)'

Contracted party: Red Fern Solutions (RFS)

Project title: Flexi-comms

Estimated job creation:

Note for context that FTE for field trials, electronic engineer and designer was within the timeframe of the contract.

Excerpt from contract:

Regional Development

Predicted number of permanent jobs created	In surge regions: 1.5 (direct employment)
	In other regions: 1.5 (direct employment)

Nature of those operations:

Note for context that due to COVID-19 travel restrictions, travel to surge regions was not always possible.

Excerpt from contract:

'We have already established relationships with relevant collaborators and contractors who will be employed to undertake field trial work, providing direct employment. These sites cover seven specific sites across five regional development areas, including Tai Tokerau/Northland region (via Northland Regional Council and Bream Head Conservation Trust), Manawatu- Whanganui (Pukaha Mount Bruce and additional private land sites), Hawkes Bay (Ngatapa Ecological Trust and Predator Free Mahia) Toi Moana/Bay of Plenty (with Whirinaki Te-Pua-a-Tane), and West Coast (with Predator Free Punakiki).'

'Component parts of the R&D scope will be undertaken by Red Fern Solutions and Boffa Miskell as appropriate, with Red Fern Solutions acting as the technical Lead, and Boffa Miskell acting as the ecological and market lead.'

Future location of business operations:

Excerpt from contract:

'Manufacture will be managed by RFS, who will engage with offshore suppliers and contractors when appropriate (e.g., PCB manufacture), but will manufacture in NZ where commercially competitive (e.g., potentially plastics manufacture) or where IP protection is an issue. Final assembly, QA, and testing will be done locally.'

Contracted party: Manaaki Whenua - Landcare Research

Project title: Image Recognition

Estimated job creation:

Note for context that tasks under this contract were carried out by employees at Manaaki Whenua - Landcare Research and Trap.NZ (all desktop based).

Excerpt from contract:

Regional Development

Tables to be completed by the Developer based on planned activities.

Predicted number of permanent regional jobs created	In surge regions: 0 (direct employment)
	In other regions: 0 (direct employment)

Nature of those operations: N/A

Future location of business operations: N/A

Note for context that the product is available through the Trap.NZ website:

https://help.trap.nz/books/trapnz-comprehensive-user-guide/page/camera-trap-recording-and-reporting-including-ai-MsH

Contracted party: Invasive Pest Control Limited

Project title: Norbormide

Estimated job creation:

Excerpt from contract:

Regional Development

Tables to be completed by the Developer based on planned activities

Predicted number of permanent regional jobs created	In surge regions: 0 (direct employment)
	In other regions: 1.5 (direct employment)

Nature of those operations:

Note for context that field trials were undertaken by Boffa Miskell staff (sub-contractor) and Connovation (a vertebrate pest control manufacturer).

Future location of business operations:

South Auckland

Excerpt from contract:

'Bait manufacture

Connovation Ltd currently manufacture in excess of 15 tonnes of toxic rodent baits annually for the New Zealand market and for export. Connovation Ltd already own the necessary equipment to manufacture norbormide baits and in anticipation of bringing this product to market have already invested in further machinery to enable increased production of baits.'

Contracted party: Boffa Miskell

Project title: Auto-dispense Lure

Estimated job creation:

Note for context that FTE for field trials were within the timeframe of the contract.

Excerpt from contract:

Regional Development

Predicted number of permanent regional jobs created	In surge regions: 0.75 (direct employment)
	In other regions: 0.75 (direct employment)

Nature of those operations:

Note for context that the ability to trial in most locations was not feasible due to COVID-19 travel restrictions. Northland field trials took place which resulted in 0.75 jobs created in surge regions.

Excerpt from contract:

'We have already established relationships with relevant collaborators and contractors who will be employed to undertake field trial work, providing direct employment in these areas. These sites cover seven specific sites across five regional development areas, including Tai Tokerau/Northland region (via Northland Regional Council and Bream Head Conservation Trust), Manawatu- Whanganui (Pukaha Mount Bruce and additional private land sites), Hawkes Bay (Ngatapa Ecological Trust and Predator Free Mahia) Toi Moana/Bay of Plenty (with Whirinaki Te-Pua-a-Tane), and West Coast (with Predator Free Punakiki).'

Future location of business operations:

Note for context that the product is open source; therefore, anyone can access the designs and manufacture/develop the tool. Open source documents can be accessed by emailing contact@redfernsolutions.co.nz.

Excerpt from contract:

'6. Regional Development

Our proposal aims to make an openly available lure dispenser that is cheaper, simpler to use, longer-lasting and more cost-effective than current alternatives. These improved financial and practical aspects allow our lure dispenser to be more financially accessible and thus reach a wider market. Our open-source approach fully includes community groups and predator free projects across all regions, allowing them to build their own dispensers, leading to improved predator control at the landscape scale in all regions that may not otherwise have access significant funds. When we reach the field trialling stage of development, we will collaborate with regional partners, such as Northland Regional

Council (NRC). NRC have already expressed interest in collaboration and are keen to be involved in trialling new predator control technology in conjunction with Northland's Predator Free aspirations at the landscape scale.'

Note for context that RFS is an abbreviation for Redfern Solutions, located in Christchurch.

Excerpt from contract:

'Manufacture

Manufacture will be managed by RFS, who will engage with offshore suppliers and contractors when appropriate (e.g., PCB manufacture), but with manufacture in NZ where commercially competitive (e.g., potentially plastics manufacture) or where IP protection is an issue. Final assembly, QA, and testing will be done locally.'

Contracted party: Boffa Miskell

Project title: Long-life Lure

Estimated job creation:

Note for context that FTE for field trials were within the timeframe of the contract.

Excerpt from contract:

Regional Development

 Tables to be completed by the Developer based on planned activities

 Predicted number of permanent regional jobs created
 In surge regions: 1.5 (direct employment)

 In other regions: 0.5 (direct employment)

Nature of those operations:

Note for context that the ability to trial in most of these locations was not feasible due to COVID-19 travel restrictions. Northland field trials took place which resulted in 1.5 jobs created in surge regions.

Excerpt from contract:

'When we reach the field trialling stage of development, we will collaborate with regional partners, such as Northland Regional Council (NRC). NRC have already expressed interest in collaboration and are keen to be involved in trialling new predator control technology in conjunction with Northland's Predator Free aspirations at the landscape scale. We also have collaborative agreements with other regional groups such as the Whirinaki Collective and Pukaha Mount Bruce, who will be involved in field trials.'

Future location of business operations:

Product available through the Connovation website: https://www.connovation.co.nz/products/poauku

Note for context that there were no contractual obligations for the future location of operations at the contract stage:

Excerpt from contract:

'2.4 Manufacture and Distribution:

The final lure products will be customised for each of the prioritised target species, and may involve different treatment ingredients / processes to ensure efficacy. Until the development roadmap for each has been completed we are unable to completely finalise the desired manufacturer specification as we cannot yet confirm the facilities needed and/or treatment types needing to be procured.'