

COVER SHEET

1. Hawkes Bay Air Freight Initiative – Feasibility Study		For: Approve
Background & context:		Recommendation:
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Hawkes Bay Airport Limited <p>Location:</p> <ul style="list-style-type: none"> Hawkes Bay (surge region) <p>Proposal: <i>Assess the feasibility of introducing air freight capacity at Hawkes Bay Airport. The study will initially focus on demand for such a service, followed by an investigation of the infrastructure required at the airport to facilitate.</i></p> <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project cost: \$<small>Commercial Inform</small> PGF Funding requested: \$<small>Commercial Inform</small> <p>Background:</p> <ul style="list-style-type: none"> There is a strong existing horticulture industry in the Hawkes Bay. However there is currently no capacity for air freight services for high value (fresh) horticultural products in the Hawkes Bay. This initiative is the first step in potentially unlocking further high value horticultural products for the Bay. The airport has received indications of interest for such a service and the initiative is supported by local authorities. It aligns well with and builds on the Hawkes Bay's existing strengths in the horticulture industry. 		<p>We recommend that the SROs:</p> <p>a) Discuss the Hawkes Bay Air Freight Initiative – Feasibility Study application</p> <p>b) Note the applicant is seeking <small>Comm</small>% per cent funding</p> <p>c) Note that MPI support the project</p> <p>d) Note that MoT feedback is being sought and will be provided at SRO meeting</p> <p>e) Note the funding request is recommended for support because:</p> <ol style="list-style-type: none"> The project links strongly with PGF and government outcomes; <p>f) Approve (subject to completion of due diligence) as a grant either:</p> <ol style="list-style-type: none"> \$<small>Commercial Inform</small> \$<small>Commercial Inform</small>
PGF criteria that this proposal supports:		
PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<ul style="list-style-type: none"> This initiative could facilitate new high value product lines in the horticultural (and other) sectors that rely on getting product to market quickly. 	✓✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> Increased economic activities from subsequent 	✓✓✓

	projects would connect local communities to markets and increase social participation for regional growth.	
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> Potential to enhance the returns for Maori through their business investments and role as landowners. 	✓✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> N/A 	
Mitigation of climate change effects	<ul style="list-style-type: none"> N/A 	
Additionality		
Adding value by building on what is already there	<ul style="list-style-type: none"> Initiative aligns well with and builds on the Hawkes Bay's existing strengths in the horticulture industry. 	✓✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> Subject to feasibility study validation, would act as a catalyst. 	✓✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> Aligns with regional strengths and priorities. 	✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> Supported by local authorities. 	✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> Experienced management team at the airport. Are just completing a terminal upgrade. 	✓✓✓✓
Risk management approach	<ul style="list-style-type: none"> The project risks are considered to be low. 	✓✓
Future ownership / operational management	<ul style="list-style-type: none"> To be considered as part of the feasibility study. 	
The purpose of this briefing is to consider recommending PGF funds to the Hawkes Bay Air Freight Initiative – Feasibility Study		
Eligibility points of note: <ul style="list-style-type: none"> <i>Due diligence</i>:- Full due diligence is to be completed, although risk is low as the airport is owned by local authorities and the Crown. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team. <i>Conflict(s) of interest</i>:- Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further. <i>Illegal Activity</i>:- Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity. <i>Commercial funding availability</i>:- Commercial Information 		
Consultation undertaken or implications:		

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	Yes	Other	MPI – Supportive MoT - pending
Supporting proposal:		Yes							
Appendices:		Yes – Application as an annex (noting that the focus of the application has shifted following discussions from purely infrastructure as stated in the application form to a much greater focus on the demand side)							
Sponsor(s):		N/A							
Manager/Author of paper:		RW Investment Team							

PROACTIVELY RELEASED