

COVER SHEET

1. Waharoa Industrial Hub Feasibility and Development Programme PGF Application	For: Approve
<p>Background & context:</p> <p>Applicant Organisation:</p> <ul style="list-style-type: none"> Matamata-Piako District Council (M-PDC) <p>Location:</p> <ul style="list-style-type: none"> Waharoa, Waikato <p>Proposal:</p> <ul style="list-style-type: none"> The completion of the feasibility and business case in support of the development of Waharoa as a key sub-regional industrial hub <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$<small>Commercial Information</small> PGF Funding: \$800,000 Co-funding: \$<small>Commercial Information</small> <p>Background:</p> <ul style="list-style-type: none"> Waharoa occupies a significant strategic location, both in the Matamata-Piako district but also in the Waikato region and the upper North Island. It is located on the East Coast Main Trunk Line and State Highway 27, and is well situated in relation to the Port of Tauranga, Hamilton Airport and Auckland. The completion of the Waikato Expressway to Cambridge in 2020 will significantly increase the attractiveness of Waharoa as a commercially viable investment location for industries looking to both relocate from, and supply the Auckland market. The location of Waharoa on a spur of the east coast main trunk line also creates significant economic potential. This connects Waharoa with Auckland and Hamilton, and via the Kaimai tunnel to the Port of Tauranga. 	<p>Recommendation:</p> <p>We recommend that the SROs:</p> <p>a) Note The proposed approach is based on three milestones:</p> <ul style="list-style-type: none"> a. Initial feasibility: Est \$<small>Commercial Information</small> b. Business case: Est \$<small>Commercial Information</small> c. Investment case: Est \$<small>Commercial Information</small> <p>Detailed budgets for each phase have yet to be established.</p> <p>This programme of work will identify funding and financing models for the development stages that are likely to include a mix of commercial debt, private investment, and PGF funding.</p> <p>a) Note At each milestone there will be reporting and risk assessment before proceeding to the next stage in the programme. This will also manage risk in that the project will have clear exit points and stop/go points with each phase.</p> <p>b) Note a comprehensive list of key stakeholders have been identified for engagement and consultation.</p> <p>c) Commercial Information</p> <p>d) Note That the Matamata-Piako District has a low, largely rural ratepayer base and the District Council does not have the financial resources to contribute to the co-funding of the feasibility study.</p> <p>e) Note That NZTA is not aware of this project and</p>

<ul style="list-style-type: none"> • Three key constraints have been identified that have hindered expansion of existing businesses: <ul style="list-style-type: none"> ○ Lack of sound infrastructure – water, wastewater, energy and digital services. ○ Challenges in attracting trade skilled workers, and training opportunities for semi and skilled labour. ○ Housing for seasonal and long term employees. • The feasibility study, business and investment case will define the scale and scope of investment required to overcome these constraints. 	<p>has not had any contact with the applicant. NZTA is identified as being a member of the project’s proposed Governance Group. NZTA support progressing to the feasibility study.</p> <p>f) Support the recommendation to Approve up to \$800,00 from the PGF fund towards the Waharoa Industrial Hub Feasibility and Development Programme subject to:</p> <ul style="list-style-type: none"> • Agreement between the PDU and Matamata-Piako District Council as to the project deliverables, and associated detailed budget for each phase; • Commercial Information • PDU agreement to the make-up of the Programme Governance Group and proposed project management structure; • PDU agreement of the consultant/consultant firm contracted to undertake the work; • Staged payment gateways with each of the three phases; and • Funding beyond each phase subject to confirmation and agreement of the PDU.
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PGF criteria that this proposal supports:

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<p>Waharoa has 13.3% unemployment. The business growth generated by the proposed industrial hub will lead to more opportunities for local workers.</p> <p>Providing the required infrastructure to support business growth will provide confidence for firms to invest in the area. Support and service industries could be expected to develop alongside these firms.</p>	✓✓✓✓

Delivers benefit to the community	Public benefits, including broader social and economic benefits for Matamata-Piako and the Waikato Region, will flow from provision of additional employment opportunities, economic development and connections to surrounding regions.	✓✓✓
Increased utilisation and returns of Maori asset base	The development of an industrial park is likely to provide investment opportunities for Iwi in and around Waharoa. Increased employment and industry driven training opportunities for Māori	✓✓✓
Enhanced sustainability of natural assets		
Mitigation of climate change effects		
Additionality		
Adding value by building on what is already there	Improvement in regional connectivity (within and between regions) – it will help connect the Waikato region to the Bay of Plenty and Auckland regions through better utilisation of road and rail linkages.	✓✓
Acts as a catalyst for productivity potential in the region	Some existing businesses are stating they are constrained from growing through infrastructure limitations. This proposal will unblock these constraints. Training opportunities for local workers	✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	There is strong alignment with Council's priorities through the District Plan review, Long Term Plan, the regional economic strategy, and Waikato Plan.	✓✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	Matamata-Piako District Council has engaged directly with Ngāti Hauā in the preparation of this application Waikato Regional Development Agency has provided a letter of support.	✓✓
Governance, risk management and project execution		
Robust project management and governance systems	A Programme Governance Group is to be established with an overall Programme Manager to be allocated from the Matamata-Piako District Council's existing management team. The M-PDC has a project management framework in place. An external consultant will be commissioned to	✓✓✓

	undertake the project.		
Risk management approach	A full project management plan (incorporating a risk management strategy) will be developed as part of the initial phase of the project.		✓✓
Future ownership / operational management	The project outputs (feasibility and business case) will be owned by the M-PDC.		✓✓✓
The purpose of this briefing is to consider recommending PGF funds to the Waharoa Industrial Hub Feasibility and Development Programme			
Risks Issues:			
That the M-PDC lacks the experience and skill base to deliver the project successfully. Mitigant – The establishment of a Programme Governance Group made of key stakeholders with the necessary skills and experience to oversee the work programme.			
Eligibility points of note:			
<ul style="list-style-type: none"> • <i>Due diligence:</i> Entity due diligence is not required as the applicant is a local authority. • <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>Alignment with Regional development plans:</i> • <i>Commercial funding availability:</i> Given the nature of the project which is to develop a business case access to commercial funding is not considered a feasible option. 			
Consultation undertaken or implications:			
Legal	N/A	HR	N/A
Finance	N/A	MBIE policy	N/A
Other	NZTA		
Supporting proposal:	Yes		
Appendices:	Yes - Applications and supporting letters are as annexes		
Sponsor(s):	N/A		
Manager/Author of paper:	Nick Hough Investment Team		