



COVER SHEET

3.6 Predator Free 2050 Ltd PGF Application	For: Approve
Background & context:	Recommendation:
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Predator Free 2050 Limited (PF2050) <p>Location:</p> <ul style="list-style-type: none"> Northland, Manawatu, Bay of Plenty/Hawke’s Bay, Westland, Banks Peninsula <p>Proposal:</p> <ul style="list-style-type: none"> Fund PF2050 to contract for at least five large landscape-scale projects targeted at these regions to generate predator control and eradication operations on approx. 270,000 ha of rural and forested land Commercial regional jobs paying Commercial in salaries over 5 years in these regions. Third party funders are expected to include regional councils, iwi entities, regional trusts and philanthropic donors <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: Commercial In PGF Funding: \$19.5m <p>Background:</p> <p>PF2050 is a Crown-owned company established under Schedule 4A of the Public Finance Act 1989 to realise NZ’s Predator Free 2050 goal. It was formed in Nov 2016, with initial Crown funding of \$Commercial for its first 4 years.</p> <p>PF2050 states that it has an ongoing commitment to be funded at \$Comme per annum following this period. It is registered under the Charities Act.</p> <p>The company currently invests around \$Co mer per year in large landscape projects and scientific research, and leverages new funding to rid NZ of possums, rats and stoats which threaten our</p>	<p>We recommend that the IAP:</p> <ol style="list-style-type: none"> Agree to recommend to RED Ministers to approve, funding of up to \$19.5m for PF2050 to contract for at least 5 large landscape-scale predator control and eradication projects in Northland, Manawatu, Bay of Plenty/Hawke’s Bay, Westland, and Banks Peninsula; Note that the PGF funding will be used to leverage co-funding of an additional \$Commercial for the identified projects and that this is a prerequisite of the project; Note the PGF funding and other funding is to be spent on a pro-rata basis; Note that the CEO of PF2050 advises that the project is strongly supported by the Director General of the Department of Conservation; Note this project forecasts Commercial regional jobs paying Commercial Info in salaries over 5 years, alongside providing commercial opportunities for local technology and manufacturing firms. Note that the predator control workforce will create opportunities for regional training institutes to provide new curricula in environmental management and field operations Note that the PGF funding will stimulate projects from an expressions of interest

<p>unique fauna and flora.</p> <p>PF2050 is overseen by a Board of leading New Zealanders with governance, science, iwi, conservation, business, rural management and philanthropic backgrounds.</p> <p>PF2050 creates partnerships that deliver large landscape-scale and related-science projects, that are funded through an EOI and RFP process. PF2050 has leveraged its core funding, to fund projects worth <small>Commercial In Form</small> over 5 years via its EOI process.</p> <p>In 2016 PF2050 EOI process generated 45 large landscape projects, covering 1.7m ha, with 100 collaborators and 40 other fund providers, with total project costings of <small>Commercial In Form</small>.</p> <p>The funding sought from the PGF will enable PF2050 to significantly ramp-up projects in the regions identified, and develop tailored EOIs aimed at achieving regional economic development outcomes alongside its conservation outcomes.</p> <p>These projects will require around <small>Commercial In Form</small> trapping devices costing <small>Commercial Info</small>. Nine NZ firms currently manufacture traps and toxins. Some who are developing export markets.</p> <p>The projects will require around 5000 wireless technology nodes and hubs covering 500km and costing <small>Commercial In Form</small>. In addition to the big telcos, several NZ firms have capability to deliver solutions for this aspect of the programme.</p>	<p>process already undertaken by PF2050 and includes approaches from regional entities, including post-settlement iwi;</p> <p>h) Note that following approval of the PGF funding a detailed project and procurement plan will be developed to include PGF criteria, and that the selection of agreed providers will take up to 12 months, with the individual projects funded for 5 years; and</p> <p>i) Note that funding will be released to PF2050 on the following basis: commitment to the outcomes detailed in the application; following approval of the project and procurement plan; and, will be phased upon achievement of agreed milestones and project expenditure commitments.</p>
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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><small>Commercial</small> regional jobs paying <small>Commercial In</small> in salaries and wages to project employees and contractors over 5 years.</p> <p>Jobs will be in roles such as field crews, training schools, trap manufacturing, design and software engineering, telecommunications systems, and eco-tourism.</p>	✓✓✓✓

Delivers benefit to the community	<p>Opportunities for regional training institutes to provide new curricula in environmental management and field operations. Anticipated providers include Commercial Information [REDACTED]</p> <p>More than Commercial In [REDACTED] will be spent on regional property leases, consultancy, and general business activities associated with the projects over 5 years.</p>	✓✓✓✓
Increased utilisation and returns of Maori asset base	The predator free operation will increase productivity of Maori land, and is fully supported by land owners involved in any of the projects	✓✓✓
Enhanced sustainability of natural assets	PF2050 advise that public research estimates the economic and tourism benefits of a predator free NZ at several billion dollars	✓✓✓✓✓
Mitigation of climate change effects	Protection of trees	✓✓✓✓✓
Additionality		
Adding value by building on what is already there	This funding accelerates an existing Government/regional initiative	✓✓✓
Acts as a catalyst for productivity potential in the region	New regional jobs; technology and manufacturing contracts; new curricula in local polytechs and training organisations; eco-tourism opportunities	✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	Strong alignment with regional priorities	✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	The overall programme has strong regional support. Each eradication and control project will need to demonstrate local Council and Iwi/Hapu support	✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	<p>PF2050 has strong governance processes and this project will be undertaken using its standard structures, including:</p> <ul style="list-style-type: none"> • Delivery methodology • Roles and responsibilities • Procurement 	✓✓✓

	<ul style="list-style-type: none"> • Risk Management • Governance 	
Risk management approach	See above	✓✓✓
Future ownership / operational management	PF2050 is a Schedule 4A Company with an ongoing funding commitment from the Crown	✓✓✓✓

The purpose of this briefing is to consider recommending PGF funds to Predator Free 2050

Risk Management:

PF2050 has provided a strong risk/ mitigation processes, and funding will be phased and released against agreed milestones.

Eligibility points of note:

- *Due diligence:-* Due diligence of company accounts and of directors is being completed.
- *Conflicts of interest:-* Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further
- *Illegal Activity:-* 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.
- *Alignment with Regional development plans:-* Project aligns with regional priorities
- *Commercial funding availability:-* PF2050 complements its Crown funding with local sources of funding, both Council and private.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	N/A
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Supporting proposal:	Yes
Appendices:	No
Sponsor(s):	N/A
Manager/Author of paper:	Investment Team