

COVER SHEET

2.8 Super Māori Retire Co Project PGF Application	For: Approve
Background & context:	Recommendation:
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Parininihi ki Waitotara Incorporation (PKW Incorporation) This Māori Incorporation is made up of six Iwi/Māori organisations. <p>Location:</p> <ul style="list-style-type: none"> Based in Taranaki with potential investments being considered in Commercial Information <p>Proposal:</p> <ul style="list-style-type: none"> The completion of a feasibility study that will enable the participating organisations to assess the future viability of investment into the Aged/Retirement sector. <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$Commercial Informat PGF Funding: \$Commercial Informat (Grant) <p>Co-funding: Commercial Information \$Commercial Informat</p> <p>Background:</p> <p>a) Over the past 15 months, the Guardians of NZ Superannuation, the Crown entity that manages the NZ Superannuation Fund (NZSF), and six Iwi/Māori organisations, have investigated the potential to create a greenfield Aged/Retirement business on Māori -owned land in regional NZ.</p> <p>b) The project has a clear regional focus, with the six participating Iwi/Māori organisations being:</p> <ol style="list-style-type: none"> Parininihi ki Waitotara Incorporation – New Plymouth Ngati Whakaue Tribal Lands Inc – Rotorua Rangatira 8A17 Trust – Taupo Te Pae o Waimihia Trust – Taupo 	<p>We recommend that the SROs:</p> <p>a) Note the feasibility study is being managed by the NZ Super Fund with the Iwi/Māori organisations participating in this project undertaking a governance/guidance role.</p> <p>b) Note The initial conceptual review (legal, planning) was funded NZSF (Comm%) and the Iwi/Māori organisations (Comm%) on a shared basis. The overall cost of this review was \$Commercial Informat. A copy of this review of Comm potential sites has been provided to the PDU and highlights potential legal and planning issues for each site.</p> <p>c) Note The Comm potential sites were considered viable with the proposed feasibility study now required to develop financial, management, and operational models.</p> <p>d) Note The feasibility work is being progressed on a Comm/Comm cost basis between the consortium of six Iwi organisations and NZSF. The PGF funding is required to cover the Iwi/Māori organisations Comm% share of the total cost.</p> <p>e) Note Governance and guidance is to be provided by a Project Control Group consisting of one member from each of the participating Iwi/Māori organisations, and a representative from the NZ Super Fund.</p> <p>f) Note the feasibility study will incorporate:</p> <ol style="list-style-type: none"> Technical and Operational assessment and planning Financial modelling including: <ul style="list-style-type: none"> Revenue and operating forecasts;

<p>v) Rangitane Tu Mai Ra Trust – Masterton vi) Wakatu Incorporation and Ngati Rarua Atiawa Iwi Trust – Motueka</p> <p>c) Current Aged/Retirement providers generally do not cater for integrated, intergenerational living that has a (Māori and/or other) cultural overlay in the delivery of care and related services. The proposed business model is to incorporate manaakitanga (the process of showing respect, generosity and care for others), and facilities that interact with young people (child care and potentially tertiary students) and with the community generally (gym facilities being open to public access).</p> <p>d) A key driver is the utilisation of Māori owned land providing improved financial returns while retaining ownership. For a number of reasons, in many instances the land may be unsuitable for efficient primary sector use. The goal of the project is to deliver on sustainable economic growth aspirations, along with increased social inclusion and participation, with the opportunity for Iwi to participate as equity investors</p>	<ul style="list-style-type: none"> • The valuation, modelling and feasibility for each site; and • Structuring options and modelling for the JV. <p>iii) Short form business case for each site, short form business case for the joint venture, and joint venture formation.</p> <p>g) Note That Te Puni Kokiri supports the proposal. The project goal of utilising underperforming Iwi/Maori owned land is viewed as a key enabler of sustainable economic growth for Maori.</p> <p>h) Support the recommendation to Approve \$<small>Commercial/Comm</small> grant from the PGF fund towards the Super Maori Retire Co Project subject to:</p> <ul style="list-style-type: none"> i) PGF funding to be matched on a <small>Comm/Comm</small> basis with NZSF; ii) PDU agreement of the consultants/consultant firms contracted to undertake the work; and iii) Provision of the final feasibility report and summary of next steps to the PGF.
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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	The creation of new jobs is a critical component of the project. Based on the Retirement Villages Association assessment, a village comprising of <small>Comm</small> retirement villas and <small>Comm</small> aged care beds creates circa <small>Comm</small> full-time equivalent roles	✓✓✓✓
Delivers benefit to the community	The project is focused primarily on the wellbeing of elderly people. Regional impacts are expected to include population retention and increased local employment and earnings. Roles are expected to include leadership, medical/nursing, food preparation, facilities and grounds management, construction and project management.	✓✓✓

Increased utilisation and returns of Maori asset base	The project is focused on using Iwi/ Māori owned land that is currently unused or used for primary sector purposes. Provides Māori equity investment opportunities. If the project results in multiple villages being developed, the project will represent a significant multi regional investment on Māori owned land.	✓✓✓✓
Enhanced sustainability of natural assets		
Mitigation of climate change effects		
Additionality		
Adding value by building on what is already there	This is a Greenfield project.	
Acts as a catalyst for productivity potential in the region	Working across a number of regions generates benefits of scale in regard to capital costs, productivity, and operations.	✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	The local Iwi participating organisations have commenced socialising the project with both their own members as well as territorial authorities. The project is aligned with regional/local plans – Waikato means Business Strategy, BOP Regional Strategy, Tapuae Roa: Make Way for Taranaki Strategy, Wellington Regional Strategy (Masterton), and Nelson Tasman Regional Economic Development Strategy.	✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	Strong Iwi/ Māori involvement through the 6 participating Iwi/Māori organisations.	✓✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	Sound governance structure with a project Control Group established and the NZSF taking the lead management role.	✓✓✓
Risk management approach	Sound project management with a detailed Gantt chart developed outlining project activities, responsibility allocation, timing and costs.	✓✓✓
Future ownership / operational management	An appropriate <small>Commercial Information</small> will be established as an output of the feasibility study.	✓✓
The purpose of this briefing is to consider recommending PGF funds to the Super Māori Retire Co project.		

Risks Issues:**Eligibility points of note:**

- *Due diligence:* Full due diligence is to be completed. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team.
- *Conflict(s) 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:* The project is aligned with regional/local plans.
- *Commercial funding availability:* Given the nature of the project which is to undertake a feasibility study 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	TPK
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Supporting proposal:

Yes

Appendices:

Yes - Applications and supporting letters are as annexes

Sponsor(s):

N/A

Manager/Author of paper:

Nick Hough, Investment Team

PROACTIVELY RELEASED