

COVER SHEET

2.23 Far North Te Hiku Water Project PGF Application		For: Approval	
Tier:	1 - Regional	Sector:	Water Storage
Background & context:		Recommendation(s):	
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Te Runanga o Ngai Takoto <p>Location:</p> <ul style="list-style-type: none"> Northland <p>Proposal:</p> <ul style="list-style-type: none"> This application seeks funding for a pre-feasibility study for a wider water project which seeks to assess, design and implement multiple small water storage units to achieve a sustainable supply of water for horticultural and other use. Additionally, the project will identify what improvements can be made to the current water management framework. <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$ <small>Commercial Inform</small> PGF Funding: \$ <small>Commercial Inform</small> <p>Background:</p> <p>A collective group, hosted by Te Runanga o Ngai Takoto, is seeking to undertake a programme of work with an overarching objective to achieve a sustainable supply of water to both residents and horticulture growers.</p> <p>The region's groundwater supply comes from the Aupouri aquifer which only services approximately half of the region. Additional horticulture and tourism developments could occur if additional water could be supplied, making surface water collection investigations necessary to identify how and where this water can be stored and distributed across the region.</p> <p>The demand to draw water from the region's</p>		<p>We recommend that SPOs:</p> <p>a) Discuss the Far North Te Hiku Water Project application.</p> <p>b) Note this proposal is seeking funding for the creation of a water storage project in Northland to help bring land into higher value production.. The project is looking to identify solutions for capturing surface water and in some areas access ground water to create small storage solutions. The proposed end use of the land is horticulture, specifically avocado production and complementary crops which will support year round employment.</p> <p>c) Note the \$99,500 grant funding being requested is to complete the pre-feasibility study.</p> <p>d) Note four Te Hiku iwi; Ngai Takoto, Te Rarawa, Te Aupouri and Ngāti Kuri are part of the project governance, demonstrating a high level of collaboration that will contribute to the Māori development goals of the PGF.</p> <p>e) Approve \$99,500 PGF grant funding towards the Far North Te Hiku Water Project subject to:</p> <ul style="list-style-type: none"> A detailed project plan and agreed milestones. Confirmed timeline and governance team for the completion of the study, including the role of the other iwi and other stakeholders in this process. 	

<p>groundwater source is becoming more competitive and environmentally challenging. The project intends to investigate how improvements can be made to the current water management framework for the Aupouri aquifer – the district’s main groundwater supply.</p> <p>The overall project has five planned stages. This application seeks funding support for Stage one of the project, a pre-feasibility study. Key activities that will be a focus of the pre-feasibility are:</p> <ul style="list-style-type: none"> - Review existing datasets - Obtain any new data required - Test Bores – Physical land-based investigations and analyse test bore results - Analyse water availability, area of interest, market demand, cost analysis and pathway forward - Identify options for both residents and industry - Present options to project community <p>The applicant intends to have this work completed over a Commercial Information period.</p>		
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"> • Not immediately via the study. This will be covered in the scope of the pre-feasibility study. • If all stages of the project are undertaken there is potential for significant contributions to the Fund’s objectives and government outcomes. 	✓✓✓
Delivers benefit to the community		
Increased utilisation and returns of Maori asset base		
Enhanced sustainability of natural assets		
Mitigation of climate change effects		
Additionality		
Adding value by building on what is already there	<ul style="list-style-type: none"> • This will be completed as part of the study. This project is expected to create significant employment and economic value for the Far North. A scenario analysis undertaken by Commercial Information Commercial Information puts the number of potential jobs created between Commerc and Commercial Inf 	✓✓✓

Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> Not immediately via the study. This will be covered in the scope of the pre-feasibility study. 	✓✓✓							
Connected to regional stakeholders and frameworks									
Alignment with regional priorities	<ul style="list-style-type: none"> Water supply for horticulture and agriculture has been identified as a priority by Councils and in the Regional Economic Action Plan. 	✓✓✓✓							
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> Strong support from Te Hiku iwi for the project. 	✓✓✓✓							
Governance, risk management and project execution									
Robust project management and governance systems	<ul style="list-style-type: none"> Adequate for the size of the application. 	✓✓✓							
Risk management approach	<ul style="list-style-type: none"> Adequate for the nature of the proposal being a pre-feasibility study. 	✓✓✓							
Future ownership / operational management	<ul style="list-style-type: none"> This will be covered as part of the scope of the study. 								
The purpose of this briefing is to consider recommending/ declining PGF funds to the:									
<p>Risks Issues:</p> <ul style="list-style-type: none"> All relevant stakeholders need to be involved in this pre-feasibility study for ensure early buy-in and a well-informed study. If funded, the funding agreement will need to ensure all relevant stakeholder are consulted. <p>Eligibility points of note:</p> <ul style="list-style-type: none"> <i>Due diligence</i>:- 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. <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 complete a pre-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	MPI
Supporting proposal:				Yes					
Appendices:				Yes - Commercial Information					
Sponsor(s):				N/A					
Manager/Author of paper:				Paul Swallow, Investment Team					