

COVER SHEET

2.13 Accelerating Aquaculture Development in Whakatohea Rohe Moana Project PGF Application		For: Approval	
Tier:	1 - Regional	Sector:	Aquaculture
Background & context:		Recommendation(s):	
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Whakatohea Māori Trust Board (“WMTB”) <p>Location:</p> <ul style="list-style-type: none"> Ōpōtiki, Bay of Plenty <p>Proposal:</p> <ul style="list-style-type: none"> The funding is for the Whakatohea Māori Trust Board to accelerate aquaculture by: <ol style="list-style-type: none"> developing a special plan for the Whakatohea Management Area including research and development plans for the marine farms (Eastern Seafarm, Ōpōtiki Marine Farm, Whakatohea Marine Farm), <p>Commercial Information</p> <ol style="list-style-type: none"> Hiring a commercial manager for 19-24 months to project manage these initiatives Commissioning a scientific assessment for a new Whakatohea seafarm (4,043ha) and a deep water seafarm site (3,500ha). <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$^{Commercial Infor} PGF Funding: \$950,000 <p>Background:</p> <ul style="list-style-type: none"> The Whakatohea Māori Trust Board was formed to administer the assets of the Whakatohea for the benefit of its members. It is the owner of the primary (pre-treaty settlement) assets of the iwi. The Trust is the primary holder of fisheries and aquaculture assets of the iwi in the water space located of the Eastern Bay of Plenty and oversee Whakatohea’s Aquaculture strategy. 		<p>We recommend that the SRO:</p> <p>a) Note WMTB is seeking support; (i) to fund the development of a marine spatial plan for the broader Whakatohea Aquaculture Management Area (identifying sites and implications for different kinds of culture and organisms); (ii) to complete the Business Case for developing a 957ha Ōpōtiki marine farm; (iii) to employ a Commercial Manager to manage and co-ordinate activities; and (iv) conduct a scientific assessment for a new 4,043ha Whakatohea seafarm site and an additional 3,500ha deep water seafarm.</p> <p>b) Note the alignment of this application with the broader strategy for the Eastern Bay of Plenty aquaculture initiatives and the ability of all of these together to create and industry of scale in Ōpōtiki.</p> <p>c) Note the alignment with the PGF criteria as this supports the a region in significant need of investment and the Whakatohea Māori Trust Board is pre-settlement, requiring support to better utilise a Māori asset, accelerate growth and create employment in Ōpōtiki.</p> <p>d) Consider the lack of monetary co-contribution against the need of the applicant and their position as a key partner for the development of aquaculture in the Ōpōtiki region.</p> <p>e) Note Commercial Information</p>	

<ul style="list-style-type: none"> The water space potentially being unlocked by this application is 8,800ha of the possible 20,000 hectares carrying capacity in the bay. 3800ha is already consented, 8800ha is located within the Whakatohea marine area of interest. A further 7400ha is possible in the bay. 	<p>Commercial Information</p> <div style="background-color: #cccccc; height: 100px; width: 100%;"></div> <p>f) Approve the application for up to \$950,000 grant funding as part of the broader strategy for the Whakatohea Aquaculture initiatives, <small>Commercial Information</small></p> <p>Commercial Information</p> <div style="background-color: #cccccc; height: 20px; width: 100%;"></div>
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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	<ul style="list-style-type: none"> Limited to one person as this is a planning stage, but the greater project has the potential to provide good benefits. 	✓
Delivers benefit to the community	<ul style="list-style-type: none"> A key initiative for the area that as part of the wider package could have wide reaching benefits for the area due to the acceleration of the aquaculture industry. 	✓✓✓✓
Increased utilisation and returns of Māori asset base	<ul style="list-style-type: none"> Strong benefit, as the applicant is the Whakatohea Māori Trust Board, representing local Iwi and the development could utilise the board's assets. 	✓✓✓✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> Good, due to utilisation of the ocean for aquaculture in a sustainable way. 	✓✓✓
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"> Strong, post planning stage, due to aquaculture being an industry that could become an operation of scale in the Ōpōtiki area 	✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> Strong, post planning stage, given the alignment with other applications to accelerate growth of aquaculture in the area 	✓✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> Strongly aligned, as Ōpōtiki harbour and aquaculture is one of four high priority catalytic infrastructure 	✓✓✓✓

	projects identified in the Eastern Bay of Plenty: Regional Development Project report (September 2018).								
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> Strong, as the applicant is the owner of the primary (pre-treaty settlement) assets of the iwi, including dairy farms, kiwifruit orchards, forestry shares, fisheries assets and aquaculture assets; as well as a provider of social, health and education services. 	✓✓✓							
Governance, risk management and project execution									
Robust project management and governance systems	<ul style="list-style-type: none"> Adequate, as the applicant has stated a governance group will be established for this project comprising the chairs of Whakatohea Māori Trust Board (Robert Edwards), Eastern Seafarms (Maui Hudson), Whakatohea Mussels Ōpōtiki Ltd (Ian Craig), Whakatohea Aquaculture Ōpōtiki Ltd (Fred Cookson), Pakihi Trading Company (Barry Howe), as well as representation from Aquaculture NZ (TBC) and the Provincial Development Unit (TBC) 	✓✓							
Risk management approach	<ul style="list-style-type: none"> Adequate, although given their lack of capacity there is a risk that they could have incorrectly estimated the cost and timeframe of some of the workstreams. To mitigate this we recommend requesting two quotes per each workstream. 	✓✓							
Future ownership / operational management	<ul style="list-style-type: none"> Strong, as the Whakatohea Māori Trust Board see aquaculture as its key industry 	✓✓✓✓							
The purpose of this briefing is to consider recommending/ declining PGF funds to the:									
<p>Risks Issues: Cognisance should be taken of two risks raised by MPI, namely:</p> <ol style="list-style-type: none"> Timing between the Commercial Information, the research and spatial plan components need to be managed to maximise the opportunity. Confidential advice to Government 									
<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> The Bay of Plenty Regional Strategy has the goal to “Establish a significant Aquaculture industry in the Eastern Bay of Plenty, and investigate options for a Harbour Entrance in Ōpōtiki.” <i>Commercial funding availability:-</i> Given the nature of the project which is made up of feasibility studies, 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	

Supporting proposal:	Yes
Appendices:	No
Sponsor(s):	N/A
Manager/Author of paper:	Jason Hall, Investment Team

PROACTIVELY RELEASED