

COVER SHEET

Greymouth Lagoon Dredging PGF Application

**For:
Approve**

Background & context:

Recommendation:

Applicant Organisation:

- Grey District Council (GDC)

Location:

- Port of Greymouth

Proposal:

- Provide urgent funding of up to \$750,000 plus GST to dredge the Greymouth lagoon and slipway to a depth of 4m to enable fishing vessels to enter and operate in the lagoon during low tide

Funding Sought:

- Total project value: \$750,000 plus GST

Background:

In 2017, fishing, aquaculture and seafood processing contributed \$17.5m to West Coast GDP (1.1% of GDP of \$1.56bn). There were Commercial Inf fish processing jobs, Commercial Inf% of total employment

The Port of Greymouth includes a lagoon that provides a safe haven for the fishing fleet – up to 70 vessels during hoki and tuna season. It also is where all fish off-loading, and vessel maintenance is done - with a slipway also being located in the lagoon. Vessels require a depth of 3m at low tide in order to be able to move freely within the lagoon. The larger vessels require up to 4m clearance.

The lagoon shoals up at a rate of approx. 10,000 m³ p.a., which means that it has to be dredged every 5 years.

Because of the significant cost of dredging, GDC purchased and operates its own dredge. The dredge is a maintenance dredge only. It has been unable to contain the silt build-up and depth of water in the lagoon has reduced to as little as 1

We recommend that SROs:

- Agree** to fund up to \$750,000 plus GST to dredge the Greymouth lagoon and slipway to a depth of 4m at low tide;
- Note** that the need for dredging has become urgent and is immediately affecting the fishing and aquaculture industries on the West Coast;
- Note** that the need for remedial dredging was signalled as part an application to the fund for the recently approved feasibility studies into the upgrades of Greymouth and Westport ports;
- Note** that Commercial Information has allocated \$Commercial Inf for strengthening jetties in Greymouth lagoon as its contribution to the upgrade of the port;
- Note** that the funding will be provided for the actual costs of the dredging, to be confirmed by GDC, up to the approved amount;
- Note** that the PDU will develop project milestones with GDC as part of the funding contract, and will ensure an appropriate procurement process is undertaken by GDC.

metre in places. This means that vessels, even the smaller fleet, can only move around in the lagoon at high tide.

These mobility constraints reduce the productivity of the fishing industry in Greymouth. It also represents a real threat of damage to vessels, even at high tide.

The slipway, as the only registered maintenance facility between Bluff and Nelson, is also located in the lagoon. The mobility constraints also detract from the functionality and productivity of this as an important regional facility.

The solution is a one-off dredging to 4 metres at *chart datum* (essentially, at low-tide) on an urgent basis.

Ministers Jones and O'Connor, and Under Secretary Tabuteau, recently met with local body and fishing industry leaders in Greymouth who stressed the urgent need for the dredging, Commercial Information

Commercial Information

Commercial Information Ministers said to the local and industry leaders that they were convinced with the need and the urgency.

The need for dredging was signalled as part of an initial application to the PGF to fund a feasibility study for upgrading both Greymouth and Westport's ports, but has become more urgent.

Commercial Information has allocated \$Commercial Information to GDC for the strengthening of the jetties where the independent fishing boats moor after dropping their catch at Commercial Information or Commercial Information processing facilities.

GDC has estimated that the dredging will cost approximately \$Commercial Information, extrapolated from costings when the lagoon was dredged 5 years ago. GDC is currently negotiating a firm quote for the work. Work will commence immediately on confirmation of the funding.

PGF criteria that this proposal supports:

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	The fishing and aquaculture, and seafood	✓✓✓✓✓

	processing industries directly contribute to over <small>Commercial</small> jobs to the Westland economy, and significant employment in supporting and related sectors. The Greymouth port is critical to both industries, and the funding assists in securing these jobs.	
Delivers benefit to the community	The fishing and aquaculture, and seafood processing are significant employers and participants in the local community.	✓✓✓✓✓
Increased utilisation and returns of Maori asset base	N/A	
Enhanced sustainability of natural assets	N/A	
Mitigation of climate change effects	N/A	
Additionality		
Adding value by building on what is already there	The port studies focus on developing new business, increasing capacity and resilience.	✓✓✓✓✓
Acts as a catalyst for productivity potential in the region	The fishing and aquaculture sectors have the potential for more value-added business, and are a key part of the region's growth plans.	✓✓✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	Fishing and aquaculture are growth industries for the region.	✓✓✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	The proposal has broad council and industry support	✓✓✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	GDC will use its standard project and procurement, and risk management systems,	✓✓✓✓✓
Risk management approach		✓✓✓✓✓
Future ownership / operational management	GDC own and operate the Port of Greymouth	✓✓✓✓✓

The purpose of this briefing is to recommend PGF funds to GDC for dredging Greymouth lagoon

Due Diligence:									
The Department of Internal Affairs undertakes ongoing monitoring of the performance or local bodies.									
Consultation undertaken or implications:									
Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	N/A
Supporting proposal:					Yes				
Appendices:					No				
Sponsor(s):					N/A				
Manager/Author of paper:					Investment Team				

PROACTIVELY RELEASED