



1. WAIRARAPA DARK SKY RESERVE

PGF Application		For: Approval	
Applicant:	Martinborough Dark Sky Incorporated	Pipedrive ID #	Commercial Information
Entity Type:	Incorporated Society	PGF Funding Sought:	\$100,000
Region	Wellington (Wairarapa)	Total Project Value:	Commercial Information
Tier:	1 - Regional	Co-contribution rate:	Commercial Information %
Sector:	Tourism	Funding Structure:	Grant

We recommend that the SROs:

- a) **Approve** \$100,000 from the PGF fund towards Wairarapa Dark Sky Reserve international certification project, subject to further discussions with Commercial Information
- b) **Note** the applicant has advised that obtaining accredited status for the reserve is dependent on provision of an independent economic assessment of what accreditation status would provide for the region.
- c) **Note** the \$100,000 sought would be allocated across the following major deliverables:
 - \$ Commercial Information for an economic study;
 - \$ Commercial Information for development of an economic plan; and
 - \$ Commercial Information for writing of the business case.
- d) **Note** that grant funding is recommended on the basis that the applicant is a voluntary/not for profit organisation and has limited access to other sources of funding and there has been limited PGF funding granted to Wairarapa related projects to date.
- e) **Note** that although the applicant is seeking an Commercial Information % contribution from the PGF for the project, there has Commercial Information

Proposal:

Funding is needed to undertake an independent economic assessment of the benefits of obtaining accreditation for a new gold standard international dark sky reserve providing for an astronomy tourism attraction in the Wairarapa.

To attain accreditation status, applications are required to be submitted to the International Dark Sky Association and assessed against its eligibility criteria. The accreditation association has six application submission deadlines per year and there is an expectation that it will take a maximum of 2 months to confirm whether or not the proposed reserve meets the required criteria to gain accreditation. The applicant has received confirmation from the accreditation association that the submission will be considered in accordance with the 2018 eligibility criteria. However there is a risk that this may lapse if the submission is not made as soon as possible and could result in further delays and additional costs.

Accreditation status would place the reserve alongside 13 other reserves worldwide and would increase the Wairarapa region’s attractiveness as a tourist destination for astronomy enthusiasts. This would be complementary to other tourism related activities/attractions in the region such as food and wine, hot air ballooning and aviation –particularly in the off-season. Tekapo is the other NZ reserve with accreditation status.

Assessment against the PGF criteria:

Eligibility Criteria

No issues.

Productivity Potential

Establishment of accreditation status for the reserve is likely to result in the need for further PGF investment in facilities to realise the full productivity potential, including job creation in the wider tourism sector including accommodation, hospitality and tour operators.

Policy objectives and regional priorities

Commercial Information

PGF Criteria	Assessment Commentary	Rating (0✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<ul style="list-style-type: none"> • Not directly from the funding contribution towards gaining accreditation status, but limited jobs are likely to be created - if any at all - if accreditation is not achieved. • Increased tourism offering and throughput will increase jobs across a number of sectors, existing and new. The development of the economic plan should attempt to quantify a range of jobs created directly and by proxy. 	✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> • The unique nature of achieving gold standard as a dark sky reserve will be a source of pride for the region and will generate widespread interest. 	✓✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> • The application is supported by local iwi and the South Wairarapa District Council Māori Standing Committee. However, the economic plan and detailed project work would benefit from exploring a closer alignment with iwi and associated linkages to astronomy and its deeper cultural meaning. 	
Enhanced sustainability of natural	<ul style="list-style-type: none"> • There is a linkage of creating a dark sky reserve and 	✓✓

assets	reducing or minimising light pollution. The application references research from the Royal Society on the negative impacts of blue light pollution. Although a minor factor in the context of the application, there is upside impact on the environment.	
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"> • Strongly by adding to a region rich in food and wine production. This is unique (one of only 13 worldwide and 2 in New Zealand) and will add a dimension to its tourism offering. 	✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> • Potential new jobs created directly as a new sector and service offering as well as indirectly through existing products and support services. 	✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> • The three councils in the region, the two iwi, and local business communities are well connected and highly supportive of the initiative. The reserve and its benefits are referenced in the Grow Wairarapa Economic Development Plan. 	✓✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> • Commercial Information 	✓✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> • It is evident from the quality of the application that there has already been extensive stakeholder engagement including the services of <small>Commercial Inf</small> • The applicant has approximately <small>Comm</small> trustees from a wide cross-section of the community, including business which provides a level of confidence in relation to governance. 	✓✓✓
Risk management approach	<ul style="list-style-type: none"> • Given the stakeholder support, sound governance, and reputable project management, the risks are well mitigated. The project is also time bound, clearly articulated and relatively small. 	✓✓✓

Future ownership / operational management	<ul style="list-style-type: none">• The applicant suggests that future funding requests will be forthcoming. The applicant notes that there is a private application on commercial terms for business development directly associated with the dark sky reserve strategy. This particular application (although early in its process) has a high degree of third party private funding.	✓✓✓
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PROACTIVELY RELEASED

Analysis of the benefits and costs

- The application is for the development of an independent economic assessment which is needed to support the accreditation application.
- The creation of a dark sky reserve in the Wairarapa will provide diversification and a complimentary tourism offering for a region rich in food and wine production. This tourism product has been highly successful in Tekapo NZ and continues to grow. The product also has the benefit of being year round (some of the best viewing being in winter) which stretches the traditional NZ tourism season.
- Additional tourism, especially balancing the season, has widespread economic benefits for supporting sectors such as accommodation, hospitality, tour operators, and supporting services.
- The sector, being new to the region, will help in the creation of new jobs if accreditation is obtained.

Financial Analysis

The applicant is an incorporated society and reliant on voluntary contributions /grants for funding of activities.

Funding Arrangements

Applicant is seeking \$100,000 in grant funding from the PGF out of a total cost of \$ [Commercial Information] needed to undertake the study needed to apply for accreditation status. Significant additional funding is likely to be needed to realise

# Deliverable	Due Date	Associated Payment (ex-GST)
1. On execution of the funding agreement	[Commercial Information]	\$ [Commercial Inform]
2. On delivery of key project artefacts (Partner & Stakeholder Engagement Plan, Project Plan, etc)	[Commercial Information]	\$ [Commercial Inform]
3. On delivery of a Dark Sky Economy Study	[Commercial Information]	\$ [Commercial Inform]
4. On delivery of an Economic Development Plan	[Commercial Information]	\$ [Commercial Inform]
5. On delivery of a Business Case	[Commercial Information]	\$ [Commercial Inform]

Due Diligence and Ownership

There were no adverse findings from the Due Diligence carried out in respect of the Incorporated Society.

Shareholders:

Shareholder	%
N/A	

Directors:

- Lee Mauger – Chair
- David Kershaw – Treasurer
- Ray Lilley – Secretary

Trustees:

- [Privacy of natural persons]

Privacy of natural persons

Key Management Personnel:

- As above, with Privacy of natural persons as project manager.

Risk Assessment

The key risks to the PDU and proposed mitigations of this investment are as follows:

Type of risk	Risk description	Mitigations	Risk Rating L/M/H
Project	NZTA/ Maritime NZ exclusion zones restrict size of the reserve	<ul style="list-style-type: none"> Applicant to work with officials to get clarity 	M
Timing	Criteria for obtaining certification status is changing in 2019 and unclear how this might impact the steps needed to attain accreditation status.	<ul style="list-style-type: none"> Submit application before changes are implemented Close working relationship with the accreditation association 	M

Consultation undertaken or implications:

MBIE Tourism notes :

Free and frank opinions

But in saying this, the proposal strongly aligns well with a key element of the tourism strategy as it should help attract tourist in the off-season. This could result in tourism providers improving their utilisation rates in the off-season (it is often very difficult to come up with initiatives that do this).

The dark sky initiative appears to be looking to take good use of the natural comparative advantage Wairarapa has over other regions.

The proposal appears well put together and comprehensive. Given the “public good” (i.e. non-excludable and non-rivalrous) of a “dark sky” proposal it is understandable they are seeking government assistance.

Supporting proposal:

Yes (subject to conditions)

Appendices:

Yes – Applications and supporting letters are as annexes

Author of paper:

RM, Investment Director, PDU Investment Team