

2.20 Whanau Camping ground expansion and Māori Myths & Legends Mini Putt

Project:	Whanau Camping ground expansion and Māori Myths & Legends Mini Putt		FOR: Approval
Applicant:	Te Kopua Trust		Pipedrive ID: Commercial Information
Application type:	Main PGF, WM	(A) Total Project Value:	\$ Commercial Informat
Funding type:	Grant	(B) PGF Funding Sought:	\$ Commercial Informat
Entity Type:	Maori Land Trust	(C) PGF Funding Recommended:	\$283,178
Region:	Waikato	(D) Applicant Contribution:	\$ ^{Com}
Tier:	2 - Sectors	(D/A) Co-contribution Rate:	^{Com} %
Sector:	Tourism		
Application summary:	<p>The applicant, Te Kopua Trust, is the land owner and the status of the land is Māori Freehold (Block name Te Kopua No. 4). The applicant has provided the PDU with minutes from a recent Trust AGM meeting which discusses the development of the Whanau Camping Ground and the application to the PGF.</p> <p>Te Kopua Trust is seeking funding for the expansion of their camp ground. This involves the construction of a second ablution block to meet legislative requirements (Camping Ground Regulations 1985) in order to increase capacity of the camp ground.</p> <p>Commercial Information</p> <div style="background-color: #cccccc; height: 80px; width: 100%;"></div> <p>The successful expansion of the camp ground would provide a significant boost to Trust income that would then be available to develop plans for the longer term vision of the Tihei Mauri Ora Strategic Plan.</p> <p><i>[Please see full project description on Page 3]</i></p>		

It is recommended that SROs:

Support the PDU recommendation to Approve \$283,178 grant funding from the PGF Whenua Māori fund towards the Whanau Camping ground expansion and Māori Myths & Legends Mini Putt proposal

➤ because

- The benefit of this investment will flow to a wide range of beneficiaries through the Te Kopua Trust;
- The investment will significantly increase revenue from the camping ground from \$^{Commercial Informa} to \$^{Commercial Inform} pa;
- The expansion of the camping ground is supported by year on year demand with the camping site operating at capacity over the summer period;
- **Commercial Information**
- The project aligns with the Whenua Māori goal to increase productivity of Māori land and to support businesses that create opportunities for Māori to be employed on their own whenua; and
- The project meets the following Whenua Māori principles:
 - The land is owned by Māori land owners (Māori Freehold). **Commercial Information** will be the primary beneficiaries of this development;
 - The project lifts the productivity of the land, doubling revenue generated by the camping ground;
 - The project will commence within the timeframe of the PGF;
 - Land owners have established governance and management arrangements with Te Kōpua Trust governing the land on behalf its owners;
 - There is evidence of capacity to develop and occupancy numbers indicate capacity to extend;
 - There is no evidence that indicates negative impacts on water quality and climate change; and
 - The additional revenue will be reinvested over time into an adjacent Kokiri centre that is used by schools for education and cultural lessons.

➤ subject to:

- Provision of a detailed budget;
- Further due diligence being followed up on the contractors; and
- Resource consent/building consent being confirmed.

Section A: Triage – Assessment against PGF eligibility criteria

Is the project:

➤ an illegal activity?	No
➤ located in the three main metropolitan areas?	No
➤ seeking investment in large scale infrastructure of social assets?	No
➤ three waters	No

Application description

This Whenua Māori Fund application seeks funding to increase productivity of Māori land and create new sustainable jobs by supporting the expansion of a whanau tourism venture in Raglan, Whaingaroa.

The project seeks funding for two initiatives specifically in the extension of the Whanau camp ground:

- To build a second ablution block to fulfil legislative requirements for the expansion (Camping Ground Regulations 1985), this is one toilet for every 25 male campers and one for every 12 females at the camp ground. Current capacity with one toilet is resulting in turning campers away.
- Double the existing size of the camping area to increase capacity and with it double the annual revenue currently derived from the operation of the campground.

Te Kōpua Trust administers two Māori land blocks located at the mouth of the Whaingaroa harbour. Commercial Information

This application seeks funding to accelerate the first stage of development and increase revenue streams using the unique history of the land, to contribute towards further development of the Cultural Theme Park.

This project is to extend the campground increasing capacity to cater for more visitors. To do this, the Trust needs to build a second ablution block to fulfil legislative requirements for the expansion.

Plans are underway to have Māori whakairo (carvings) and whakapakoko (statues) throughout the whole camping ground facility. This work will be conducted by whanau who whakapapa to Te Kōpua utilising their own master carvers and weavers using local rangatahi to build their Matauranga (cultural knowledge and skillsets).

The current facility utilises solar energy to power showers, lights etc. The land (including the camping site) is used for both commercial and social purposes including school camps. Public celebrations are also hosted within the grounds such as Matariki market day and Waitangi. The applicant states the whanau provide the wider public with access to the lands and educating them about Māori culture as well as provide access to the camping facilities.

This development will;

- Allow for more visitors to stay at the campground and potentially for a longer period of time. This should lead to a more significant contribution to the economy of the Raglan township and wider coastal community.
- Increase income of Te Kōpua that will be reinvested to contribute towards further development.
- Progress the Trust's plans to develop on their land.
- Create up to Commercial In new jobs for local people.

Feasibility

Te Kōpua Trust has not undertaken a feasibility study but has provided evidence of a proven record of a steady income from the camp ground and an annual increase in occupancy rate since 2014 to the point where the camp ground operates at capacity over the summer months. This increase in revenue and occupancy demonstrates the ability to double capacity with the addition of the ablution block. This supports the applicant's claim that with the increased intake of campers will lead to an increase in income from \$ Commercial Informa to \$ Commercial Informa per annum.

Whenua Background

Te Kōpua No 3 and 4 land blocks were claimed by the Crown during the Second World War for a military airfield and then later used as a public golf course. After a prolonged struggle led by the late Mrs Eva Rickard the Crown agreed

to return the land and it was vested in the owners at the time the land was taken for their descendants. The Māori Land Court vested ownership of Te Kōpua No 3 Block and Te Kōpua No 4 Block in Te Kōpua Trust on 30 November 1987.

Both blocks are now managed as Ahu Whenua Trusts. The total land is approximately [redacted] ha. The land is Māori Freehold. Te Kōpua Board of Trustees govern the land and all activities on it. Currently the Trust has operationalised a small camping site ([redacted] sqm) that is open for the shareholders and the public. Based on the latest audited financials the camp site generated \$ [redacted] of revenue from the campsite. Information provided by the applicant shows that camping capacity is now at [redacted] % over summer and capacity is unable to be increased because of camping regulations of 1 toilet per 25 male campers and 1 toilet per 12 female campers.

Commercial Information
[redacted]

Commercial Information [redacted]. PGF investment will accelerate their ability to expand their campsite and with it improve profitability. Income is projected to increase from \$ [redacted] turnover to \$ [redacted] from the camp ground. Additional income in the long term is expected to come primarily from school camps.

Commercial Information
[redacted]

Overseas Investment Office

➤ Is the application being made by a non-New Zealand based legal entity? (Foreign investment laws may apply and the Overseas Investment Office consulted)	No
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Te Ara Mahi (applications only) – N/A

Section B: Operational Assessment Criteria (Complete for Eols and Applications)
(Rate and comment – 1= poor, 5 = very good - Provide the number for this project, not subsequent phases)

Fund and government outcomes Please highlight number below

Would the project:		
➤ create permanent jobs?	This project looks to create [redacted] to [redacted] new sustainable jobs in regards to the day-to-day running and operation of the campground as well as a minimum of [redacted] contractors with regards to the construction.	N/A 1 2 3 4 5
➤ deliver community	Direct general public benefits include;	N/A 1 2 3 4 5

<p>benefits?</p>	<ul style="list-style-type: none"> • Increased supply of public services, i.e. toilet facilities • Increased number of tourists to Raglan, with the potential for tourists to stay longer and spend more money in the district. • Te Kōpua Trust hold events open to the public. Examples provided by the applicant include an annual Waitangi Day gathering with the public held on 06/02/2019 and Matariki Market Day held on 29/06/2019 • The Trust holds several hui, wananga, whānau reunions and celebrations on the site as well. 	
<p>➤ increase utilisation of and returns on Māori assets?</p>	<p>Commercial Information</p> <p>[Redacted]</p> <p>With the expansion of the camping ground income is projected to go from \$^{Commercial Informat} turnover to \$^{Commercial Informatio}</p> <p>Benefits will be distributed widely as owners of ^{Commercial Information} will be the primary beneficiaries this development.</p> <p>Commercial Information</p> <p>[Redacted]</p>	<p>N/A 1 2 3 4 5</p>
<p>➤ enhance the sustainability of natural assets?</p>	<p>N/A</p>	<p>N/A 1 2 3 4 5</p>
<p>➤ mitigate climate change effects, or assist with the lowering of emissions?</p>	<p>The applicant notes that the Whanau camping ground takes steps to be an eco-friendly campground, using solar power for showers and also having a wind turbine on the grounds.</p>	<p>N/A 1 2 3 4 5</p>
<p>Additionality</p>		
<p>Would the project:</p>		
<p>➤ add value by building on what is already there, without duplicating effort?</p>	<p>This project will enable more visitors to visit the region and stay longer. This will boost the economy of the Raglan township and surrounding communities given Raglan is a connector through to the Aotea and Kawhia harbours.</p> <p>The project will also provide an additional accommodation option for bigger groups, potentially school groups/sports</p>	<p>N/A 1 2 3 4 5</p>

	teams/community groups/corporate groups etc. in Raglan.	
➤ be a catalyst for productivity potential in the region?	Currently, the campground profits are minimal which hinders the Trust's ability to invest in further development. This project would enable immediate development in time for the upcoming summer peak season and will provide the Trust additional income to progress next the larger Cultural Centre development.	N/A 1 2 3 4 5
Connected to regional stakeholders and frameworks		
Does the project:		
➤ align with regional priorities, such as frameworks, or regional plans?	<p>Goals of the Waikato Regional Economic Development Strategy include:</p> <ul style="list-style-type: none"> To support Māori to implement a social procurement programme to ensure that Māori businesses, service providers and rangatahi are provided with opportunities to be part of the growing Waikato economy. To support Māori tourism initiatives such as facilities, accommodation, visitor attractions and historical based tourism opportunities <p>The project also aligns with the following goals of the Te Whare Ohaoha – Waikato Māori Economic Development Strategy:</p> <ul style="list-style-type: none"> To support productivity of Māori land To support businesses that create opportunities for Māori to be employed on their own whenua 	N/A 1 2 3 4 5
➤ have the support of local governance groups (councils, iwi and hapu)?	N/A	N/A 1 2 3 4 5
Governance, risk and project execution		
Does the application show:		
➤ robust project management and governance systems?	<p>Te Kōpua Trust governs the land on behalf of its owners. The land is multiply-owned. The Trust has five Trustees as reported in the Trust's annual report.</p> <p>Privacy of natural persons</p> <p>[Redacted]</p> <p>The Trust has provided quotes from multiple contractors that will potentially be brought in to do the development work.</p> <p>There is evidence of annual general meetings with the Trust's shareholders. Audited financial accounts for the Trust have also been provided.</p>	N/A 1 2 3 4 5

<p>➤ plans for future ownership and operational management?</p>	<p>Te Kōpua Trust governs the land on behalf of its owners. The Trust has five Trustees</p>	<p>N/A 1 2 3 4 5</p>
<p>➤ how the project will be delivered and managed?</p>	<p><small>Privacy of natural persons</small> will be the project manager for the camp ground with support from <small>Privacy of natural persons</small> and <small>Privacy of natural persons</small>. The applicant has provided bios of each individual. The applicant has also provided a table of milestones and deliverables for the project, a Health and Safety policy and a breakdown of estimated costs.</p>	<p>N/A 1 2 3 4 5</p>

Section C: Risk Management Evaluation

Does this application demonstrate consideration of the following risks? **Yes**

Type of risk	Risk description	Mitigations	Risk Rating
<p><input checked="" type="checkbox"/> Project risk</p>	<p>The project is feasible and the applicant has provided quotes for the ablution block. There is a small risk it will not be delivered to the planned dates provided due to time taken to evaluate this application. <small>Com</small></p>	<p>The delivery dates should be updated to take in account time taken to achieve funding.</p>	<p>Low</p>
<p><input checked="" type="checkbox"/> Operational risk</p>	<p>Will the project or asset operate to specification, to budget, and achieve the forecast revenue?</p>	<p>The camping ground is under established and experienced management. The increased revenue from the expansion will ensure ongoing repairs and maintenance will be funded appropriately. This risk will be treated by PDU monitoring progress through the applicant reporting quarterly to the PDU</p>	<p>Medium</p>
<p><input checked="" type="checkbox"/> Force majeure/Insurance risk</p>	<p>Have insurable risks been considered? Is the level of insurance adequate?</p>	<p>Ablution block will be insured by existing insurance providers.</p>	<p>Low</p>
<p><input checked="" type="checkbox"/> Macroeconomic risk</p>	<p>Has the impact of possible external economic changes been considered?</p>	<p>N/A</p>	<p>Low</p>

Section D: Funding and financial analysis		Please highlight number below
Does the application show:		
<p>➤ How strong is the financial position of the applicant organisation?</p>	<p>As at June 2019 the balance sheet of the Trust reports: Commercial Information [Redacted]</p> <p>For the 15 months to 30 June 2019 the Trust recorded a ^{Commercial Information} [Redacted] of \$ ^{Commercial In} [Redacted] (^{Commercial Information} [Redacted]) for the 12 month period ending March 2018 was \$ ^{Commercial In} [Redacted].</p> <p>Income is projected to go from \$ ^{Commercial Informa} [Redacted] turnover to \$ ^{Commercial Informa} [Redacted] from the camp ground.</p> <p>Commercial Information [Redacted]</p> <p>Increased income from the proposed development will be reinvested to improve the facilities over time.</p>	<p>N/A 1 2 3 4 5</p>
<p>➤ How does the scale of the project compare to their overall business?</p>	<p>The proposal is an extension of the existing business.</p>	<p>N/A 1 2 3 4 5</p>
<p>➤ Why is Crown funding being sought rather than commercially-available funding?</p>	<p>The balance sheet and income generated don't support commercial funding.</p> <p>Commercial Information [Redacted]</p>	<p>N/A 1 2 3 4 5</p>
<p>➤ What does the independent financial analysis/ business case indicate?</p>	<p>N/A</p>	<p>N/A 1 2 3 4 5</p>
<p>➤ Is the funding model requested appropriate? Is the PDU recommending a different model?</p>	<p>The project aligns with the principles of the Whenua Maori allocation. Commercial Information [Redacted]</p>	<p>N/A 1 2 3 4 5</p>

<p>➤ Has the applicant provided evidence of market pull for this project?</p>	<p>The camp ground is currently operating at full capacity over the summer period and regularly turns customers away</p>	<p>N/A 1 2 3 4 5</p>
<p>➤ Has the applicant provided evidence that their supply chain is secure?</p>	<p>N/A</p>	<p>N/A 1 2 3 4 5</p>
<p>Summary of funding and financial analysis:</p>	<p>The successful expansion of the camping ground would provide a significant boost to Trust income of Te Kōpua Trust that would then be reinvested to develop plans for the longer term vision of the Tihei Mauri Ora strategic plan. The expansion of the camping ground is supported by year on year demand with the operation of the camping site at capacity over the summer period.</p>	<p>N/A 1 2 3 4 5</p>

Funding arrangements

PGF via a grant and will cover:

Plumbing and electrical	\$ <small>Commercial Inform</small>
Ablution Block	\$ <small>Commercial Informa</small>
Council Fees etc	\$ <small>Commercial Inform</small>
Office	\$ <small>Commercial Inform</small>
Fencing	\$ <small>Commercial Inf</small>

Payment against invoices and agreed milestones.

Consultation from partner agencies undertaken or implications

Feedback from MSD:

Free and frank opinions

The mini putt golf course is an attraction to increase revenue – it's a great location and if done right, will provide an added attraction for visitors over the colder months. **Free and frank opinions**

I think the carving workshop has a lot of potential to grow Māori Tourism in the area, as well as train new carvers/artists. This has certainly worked in Whangarei with the recent developments in and around the basin.

Feedback from Te Puni Kokiri:

- Whānau enterprise and community development have huge upside in the benefit of the campground
- The feasibility for the ablution block in terms of accurate figures for costing would be more reliable
- I would suggest and encourage them to make a plan or a strategy for the beneficiaries and the whānau collected to the land, like their aspirations for their people etc.
- I would suggest that they do a feasibility on the mini golf venture, as from a business perspective, think that it could bring a unique product differentiation to their services and their campground as a whole given the popularity of Raglan in recent years. Therefore, possibly bringing bigger economic benefits to the campground.

Conflicts of interest and T&Cs

Governance

Commercial Information

There are no conflicts of interest identified. Due diligence has been undertaken and no further action is required.

Further information from applicant

Following initial assessment, additional information was sought from the applicant:

Commercial Information

Summary statement of Peer Review undertaken

The following Peer Review has taken place in connection with this application:

All applications are discussed between the Regions Team and Investment Team during the assessment process and prior to submission to SROs / IAP.

Consultation with the relevant partner agencies has occurred allowing them to provide any relevant technical advice with any feedback included verbatim within this application form.

In the development of this form:

- i. A peer review by an Investment Director has taken place and included the following to the satisfaction of the peer reviewer:
 - a. An evaluation against the PGF criteria;
 - b. Financial analysis;
 - c. A risk assessment, highlighting any relevant or key risks;
 - d. Conflicts of interest have been noted and accepted
 and the peer reviewer concurs with the recommendation proposed.
- ii. The Head of Investment has reviewed this recommendation.
- iii. This application has been reviewed by the PDU SLT.

Peer Review has been completed	Yes
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Supporting proposal:	Yes	Application Will Be Proactively Released Separately to this Document
Appendices:	Yes – Applications and supporting letters are as annexes]	Annexes Withheld in Full Due to Commercial Sensitivity
Author of paper:	MN, Investment Analyst, NH, Investment Director, PDU Investment Team	