

## 2.26 Whangawehi Walkway Project, Hawke's Bay

### Evaluation, Cover Sheet and Decision Form

<b>Project:</b>	<b>Whangawehi Catchment Management Group</b>	<b>FOR:</b>	<b>Discuss</b>
<b>Applicant:</b>	Whangawehi Catchment Management Group Inc	<b>Pipedrive ID:</b>	Commercial
<b>Application type:</b>	Main PGF	<b>(A) Total Project Value:</b>	\$ Commercial Informat
<b>Funding type:</b>	Grant	<b>(B) PGF Funding Sought:</b>	\$ Commercial Informat
<b>Entity Type:</b>	<b>Incorporated Society</b>	<b>(C) PGF Funding Recommended:</b>	\$ Comm
<b>Region:</b>	<b>Hawkes Bay</b>	<b>(D) Applicant Contribution:</b>	\$ Commercial Informat
<b>Tier:</b>	<b>2 - Sectors</b>	<b>(D/A) Co-contribution Rate:</b>	Comm %
<b>Sector:</b>	<b>Tourism</b>		
<b>Application summary:</b>	<p>The Whangawehi Catchment Management Group (WCMG) is seeking a grant to develop a high standard walkway and cycle way along the Whangawehi river. This project will help address the lack of “things to do” in the Mahia peninsula. This project builds on the conservation work already undertaken by the WCMG in Mahia.</p> <p>WCMG can't currently offer a walking/cycling experience over the intended route as there are no facilities, bridges or other structures needed in order to comply with NZ cycle trail standards.</p> <p>WCMG is a collaborative approach between Kaiuku Marae, Tuahuru Marae, Mahanga Marae, Ruawharo Marae, the Mahia Māori Committee, landowners, school and Government agencies including Wairoa District Council, Department of Conservation and Hawke's Bay Regional Council, to a shared desire to better manage, protect and enhance the natural, cultural, economic and spiritual resources of a whole catchment.</p> <p>The Marae involved are all associated with the Rongomaiwahine iwi, one of the iwi of Mahia and Nuhaka. As of the 2013 census 4,473 people identified as Rongomaiwahine. The Chairman of Rongomaiwahine Iwi Trust is on the Whangawehi Catchment Management Group Board and will be there to represent iwi interests.</p> <p><b><i>[Please see full project description in the Application Description Section]</i></b></p>		

#### The PDU recommends that the SROs:

**Discuss** the application for the \$200,000 grant from the PGF towards the Whangawehi Walkway project

1. because:

- a) The project is weakly aligned to PGF criteria
- b) This project would directly result in only a limited amount of jobs (Commercial direct FTE)
- c) There is only limited evidence that this project would directly enhance economic development in the region, in particular there are no specific plans for follow-on investment in marketing or developing

bookable tourism product.

2. however:
  - a) This is a community wide initiative, in a community with high Māori population, led by local Marae.
  - b) This project would support a historically disadvantaged area.
  - c) There is significant regional support, including the Wairoa District Council and the Hawkes Bay Regional Council.
  - d) The applicant has shown its project management skills in its conservation efforts, achieving international recognition of its efforts through the Asia Pacific International River Prize Awards.
  - e) The applicant has been working with the Rongomaiwahine Iwi Trust to explore an opportunity to use the construction of the walkway to enable the training of rangatahi, potentially through TAM.
  - f) While this project does not align with the Whenua Māori Allocation, as the land involved is not Māori owned, the project has a strong focus on Kaitiakitanga.
3. note:
  - a) DOC has provided a letter of support for the project.
  - b) That MPI supports this project.
  - c) Commercial Information
  - d) The PDU worked with the applicant in an attempt to bring the proposal to a state where the PDU could recommend an approval. This included encouraging the development of a skills and work package.
  - e) Due diligence has not been undertaken as this application is being recommended for discussion.

<b>Due diligence on applicant – Summary of findings</b>	<b>Not Requested</b>
Not requested as this application is being recommended for discussion	
<b>Conflicts of Interest</b>	<b>No</b>
The applicant has not noted any conflict of interest.	
<b>Terms and Conditions</b>	<b>Yes</b>
T&Cs has been correctly completed and signed.	

## Application description

The Whangawehi Catchment Management Group is a marae initiative which identified the Whangawehi stream on the Mahia Peninsula as a sacred river which needed protection and enhancement. The main focus of this application is on building a high standard walkway and cycle way along the Whangawehi river.

This first stage consists of upgrading and setting the standards for a good standard/dual purpose walkway and cycleway. This will involve upgrading entrances, improving the crossings, Commercial Information, picnic tables, interpretative signs, shelters and to develop an app to share more information and generate a return.

The second stage will consist of:

- Building bridges to facilitate creek crossings
- Extending the walkway and aiming at a 3 to 4 day experience as well as working with the community to develop accommodations and eco-tourism ventures.

The Department of Conservation is a key partner in this project as the Whangawehi walkway already connects with a DOC walkway. HBRC and Wairoa District Council are signatories to WCMG's Memorandum of Understanding and provide support and in-kind donations

The initial walkway project was supported by the NZ Access Commission. It has helped develop an easement and provided expertise to complete the legal components associated with the development of a walkway.

Once completed, the Whangawehi walkway will offer a 24 km loop bike ride from Mahia beach. The walkway would be a new asset to the community.

The applicant has provided the following breakdown of costs for the project.

Cost Description:	\$ (excluding GST)
<b>Entrance way enhancement</b>	
Earthwork to extend current parking facilities at Whangawehi and Kinikini (digger grader work, metal)- sealing	\$ <span style="background-color: #cccccc;">Commercial Info</span>
Welcome signage and information panels with maps (4)	\$ <span style="background-color: #cccccc;">Commercial Info</span>
Public facilities <span style="background-color: #cccccc;">Commercial In</span> (1) (Kinikini)	\$ <span style="background-color: #cccccc;">Commercial Info</span>
Waharoa (2). These structures will be carved by local artist	\$ <span style="background-color: #cccccc;">Commercial Info</span>
Carvings to display on Waharoa (2sites)	\$ <span style="background-color: #cccccc;">Commercial Info</span>
Enhancement planting, landscaping with rocks and plants	\$ <span style="background-color: #cccccc;">Commercial Info</span>
<b>Total</b>	\$ <span style="background-color: #cccccc;">Commercial Inform</span>
<b>Walkway earthwork</b>	
Bench track	\$ <span style="background-color: #cccccc;">Commercial I fo</span>
Gravel for targetted areas	\$ <span style="background-color: #cccccc;">Commercial Info</span>
Culverts	\$ <span style="background-color: #cccccc;">Commercial I</span>
Prune trees	\$ <span style="background-color: #cccccc;">Commercial Info</span>
Fencing	\$ <span style="background-color: #cccccc;">Commercial Info</span>
Enhancement planting	\$ <span style="background-color: #cccccc;">Commercial Info</span>
<b>Total</b>	\$ <span style="background-color: #cccccc;">Commercial Inform</span>
<b>Signage and public facilities</b>	
Sittings, picnic tables	\$ <span style="background-color: #cccccc;">Commercial Info</span>
Interpretative signs with carved posts and rocks. These signs will be developed by a local historian	\$ <span style="background-color: #cccccc;">Commercial Info</span>
Stalls and structures to cross properties (7)	\$ <span style="background-color: #cccccc;">Commercial Info</span>
<b>Total</b>	\$ <span style="background-color: #cccccc;">Commercial Info</span>
<b>Maintenance and cost recovery</b>	

Creation of an app that allows trampers to donate and contribute to the maintenance costs	\$ Commercial Info
Labour to maintain part time the walkway (fencing, brush cutting etc.)	\$ Commercial Info
<b>Total</b>	\$ Commercial Info
<b>Project Management</b>	\$ Commercial Info
<b>Legal costs/ contingency</b>	\$ Commercial Info
<b>Total</b>	\$ Commercial Info

**Co-Funding Table**

Co-Funder	Pledged/Confirmed/Cash/In-Kind	Amount \$
Provincial Growth Fund Funding	In Principle	\$200,000
Commercial Information	Anticipated	\$ Commercial Information
Commercial Information	Approved	\$ Commercial Information
Commercial Information	Approved	\$ Commercial Information
Commercial Information	Approved	\$ Commercial Information
HBRC Project Management	Commercial Information	\$ Commercial Information
<b>Total</b>		\$ Commercial Information

**Project Ownership (Structure and Key Personnel)**

Key stakeholders in the project already form governance of the project. These stakeholders are those with ownership or vested interest in Whangawehi Catchment area.

1. Patrick O'Brien - Landowner and Chair of the WCMG
2. Rae Te Nahu – Tuahuru Marae and Secretary of the WCMG
3. Peter Manson – Treasurer of the WCMG and Hawkes Bay Regional Council representative

Privacy of natural persons

**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)	<b>No</b>
Does the Application have a Te Ara Mahi (TAM) component?	Unclear
<b>Te Ara Mahi (applications only)</b>	
➤ This project will be based in region:	<b>Hawkes Bay</b>
➤ Does your funding request involve wage subsidies?	No

## ➤ Who does the project/activity target?

The local Iwi Trust has expressed an interest in leading a youth employment pathway by using the walkway and the different activities occurring around it. This aspiration would be developed in a further project.

The waharoa and other pou and carvings along the cycle and walkway will be done by local carvers who have undertaken to provide training for young Māori who are keen to develop this taonga skill.

Commercial Information

## ➤ Is there any other information which would be useful background or context at this stage?

Commercial Information

**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?	Limited direct and sustainable jobs would be created as Labour for maintenance will be needed. There will be employment during the construction phase. The walkway will also be a platform for the growth of local hospitality employment.	N/A 1 2 3 4 5
➤ deliver community benefits?	This project has strong support from the community and there is cultural significance of the river which the applicant indicates needs "protection and enhancement".	N/A 1 2 3 4 5
➤ increase utilisation of and returns on Māori assets?	While this project is a marae initiative, the works will be undertaken on non-Māori land.  There is an indirect impact on local Māori business through an increase in visitor numbers.	N/A 1 2 3 4 5
➤ enhance the sustainability of natural assets?	Developing eco-tourism options makes the makes the management of the catchment more economically viable.	N/A 1 2 3 4 5
➤ mitigate climate change effects, or assist with the lowering of emissions?	Not directly mitigating the effects of climate change, but assists diversification of the regional economy away from agriculture, this may support the area during droughts.	N/A 1 2 3 4 5

**Additionality****Would the project:**

<p>➤ add value by building on what is already there, without duplicating effort?</p>	<p>This project would build on the existing walkway and the work done to help landowners to fence off their waterways, re-vegetate river margins, better manage their soil and carry out pest control work.</p> <p>Commercial Information to fund the survey and registration costs of the walkway.</p> <p>Commercial Information</p> <p>Wairoa District Council are supportive in principle and will help with machinery when required.</p> <p>Commercial Information</p> <p>Commercial Information</p> <p>The applicant anticipates a further \$ Commercial Information co-contribution from Commercial Information</p>	<p>N/A 1 2 3 4 5</p>
<p>➤ be a catalyst for productivity potential in the region?</p>	<p>The applicant has briefly indicated that there is a long term vision to develop eco-tourism infrastructures (eco lodge and cabins) as part of a 3 to 4 days track on Mahia peninsula.</p> <p>How this project would support local tourism has not been quantified.</p>	<p>N/A 1 2 3 4 5</p>
<p><b>Connected to regional stakeholders and frameworks</b></p>		
<p><b>Does the project:</b></p>		
<p>➤ align with regional priorities, such as frameworks, or regional plans?</p>	<p>This project ties into a number of regional priorities, such as;</p> <p><b>Matariki – Hawkes Bay Regional Economic Development Strategy and Action Plan 2016.</b></p> <p>This plan has direct reference to the economic potential in Mahia leveraging off Rocket Lab. It specifically talks about the cultural and natural beauty of Mahia in which the Whangawehi cycle and walkway is built from.</p> <p><b>Strategic Direction 6 –</b> Become a beacon for investment, new business and migrants.</p> <p><b>6.1</b> Work with Rocket Lab to develop opportunities to leverage business attraction off their Te Mahia initiative.</p> <p><b>Strategic Direction 7 -</b> Kahungunu Ringa Hora, Enhance visitor satisfaction and increase spend. The arrival of Rocket Lab at Te Mahia Peninsula provides a unique opportunity to build tourism products centred on “space-launch tourism” while also allowing the natural beauty and the extensive history of the area to be showcased.</p>	<p>N/A 1 2 3 4 5</p>

	<p><b>7.2</b> Develop a Māori-centred tourism group to increase the experience, the spend and employment opportunities e.g space launch tourism at Mahia Peninsula.</p> <p><b>The Economic Development Report “Whakarauora” – the Regeneration of Long Water commissioned by the Wairoa District Council.</b> The document refers to the Whangawehi Catchment Management under eco-tourism and Māori experiential tourism. The walkway will allow for storytelling particularly in person and could be part of a wider cultural map bringing in other natural and cultural assets in the area.</p> <p><b>Wairoa Business Survey 2012</b> The Wairoa Business Survey identified the most promising economic growth area for Wairoa was Tourism. 29.1% of the respondents indicated that tourism, specifically identifying Mahia and ecotourism as a potential growth area.</p> <p><b>DOC</b> supports the connection of the Whangawehi walkway to their networks to enhance the recreational opportunities.</p>	
➤ have the support of local governance groups (councils, iwi and hapu)?	This project has strong support from the community, backed up with letters of support including from the Kaiuku Marae Committee Wairoa District Council, Hawkes Bay Regional Council and Gisborne Canoe and Tramping Club.	N/A 1 2 3 4 5
<b>Governance, risk and project execution</b>		
<b>Does the application show:</b>		
➤ robust project management and governance systems?	<p>WCMG will coordinate the governance of the project and direct project management. Key stakeholders in the project already form governance of the project.</p> <p>The applicant has shown its project management skills in its conservation efforts, achieving international recognition of their efforts through the Asia Pacific International River Prize Awards.</p>	N/A 1 2 3 4 5
➤ plans for future ownership and operational management?	<p>WCMG is a marae initiative which identified the Whangawehi stream on the Mahia Peninsula as a sacred river which needed protection and enhancement.</p> <p>Over the past 5 years, the group has retired over 100 ha of land, planted 200 000 native trees and organised a number of community events. WCMG has been operating for the last 7 years and has a team of workers that are claimed to be capable of delivering the projects goals.</p> <p>The walkway will also be a platform for hospitality employment especially when the eco lodge and cabins are built.</p>	N/A 1 2 3 4 5
➤ how the project will be delivered and	The project will be managed by the WCMG and the landowners. All landowners involved in the Whangawehi walkway are signatories to	N/A 1 2 3 4 5

managed?	<p>the WCMG MOU and attend the WCMG's meetings. They are able to have input via this forum. Decisions will be made by the committee during our bi monthly meetings.</p> <p>The applicant has identified that they will procure from local/regional suppliers</p> <p>It is intended that the work on the trails can be done as part of a programme to train members of the community in trail building and maintenance.</p>	
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**Section C: Risk Management Evaluation****Note:** Based on the decision to discuss, a detailed Risk Assessment has not been completed

Does this application demonstrate consideration of the following risks?			N/A
Type of risk	Risk description	Mitigations	Risk Rating
<input checked="" type="checkbox"/> Project risk	Is the project feasible? Can it be delivered on time, on budget and to specification?	N/A	Low/Medium/High
<input checked="" type="checkbox"/> Operational risk	Will the project or asset operate to specification, to budget, and achieve the forecast revenue?	N/A	Low/Medium/High
<input checked="" type="checkbox"/> Force majeure/Insurance risk	Have insurable risks been considered? Is the level of insurance adequate?	N/A	Low/Medium/High
<input checked="" type="checkbox"/> Macroeconomic risk	Has the impact of possible external economic changes been considered?	N/A	Low/Medium/High

**Section D: Funding and financial analysis**

Please highlight number below

**Note:** Based on the decision to discuss, a detailed Financial Analysis has not been completed

<b>Does the application show:</b>		
➤ How strong is the financial position of the applicant organisation?	N/A	N/A 1 2 3 4 5
➤ How does the scale of the project compare to their overall business?	N/A	N/A 1 2 3 4 5
➤ Why is Crown funding being sought rather than commercially-available funding?	N/A	N/A 1 2 3 4 5
➤ What does the independent financial analysis/ business case indicate?	N/A	N/A 1 2 3 4 5
➤ Is the funding model requested appropriate? Is the PDU recommending a different model?	N/A	N/A 1 2 3 4 5
➤ Has the applicant provided evidence of market pull for this project?	N/A	N/A 1 2 3 4 5



➤ Has the applicant provided evidence that their supply chain is secure?	N/A	N/A 1 2 3 4 5
<b>Summary of funding and financial analysis:</b>	N/A	N/A 1 2 3 4 5

### Funding arrangements

The funding will be released against agreed project milestones, and on evidence of actual costs incurred.

The applicant has provided the following milestone schedule,

#	Description	Payment criteria:	Invoice Date:
1	<i>Planning and design</i>	Payment on presentation of a planning design and detailed budget	Commercial Information
2	<i>Implementation phase</i>	Completion of the works programme	Commercial Information
3	<i>Official launch of the walkway</i>	Official opening ceremony	Commercial Information
	<b>Total</b>		

### Proposed Term Sheet Summary (noting full term sheet will be developed post decision)

Is the application a Grant or Loan?

**Grant**

### Consultation from partner agencies undertaken or implications

DOC fully supports application of Whangawehi for cycle / walkway.

Commercial Information

The catchment group has good governance and has proven successful in other projects and funding. DOC representation is on the Governance group.

### Ministry of Primary Industries' Recommendation:

That SROs approve funding of \$200,000 towards this proposal.

To date, the Whangawehi Catchment group have secured a number of funding allocations

Commercial Information

Activities

have included catchment planning, forming MOU agreements with landowners, fencing and land retirement, planting riparian margins, pest control, fish habitat enhancement, monitoring, learning and educational programmes including Maturanga Māori based learning, archaeological assessments, installation of structures and development of initial walking track.

### NZTA

- The proposed trail is not part of the New Zealand Cycleway or the Te Araroa Trail.
- As the benefits of the trail are primarily local recreation and tourism, and the trail does not close a strategic gap in the transport network or address any existing safety issues, the project is unlikely to be eligible for NLTF funding.

TPK has noted that

- Commercial Information
- [Redacted]
- [Redacted]. Rongomaiwahine is the iwi group in Mahia / Nuhaka. Mō is on the Whangawehi Catchment Management Group Board and will be there to represent iwi interests.
- Rongomaiwahine Iwi Trust are also part of the predator free strategy which is peninsula wide.
- This does appear to be a community wide initiative which includes local marae / iwi groups.

**Summary statement of Application Review undertaken**

All of the following have occurred as part of this application assessment and recommendation:

- Discussions between the Regions Team and the Investment Team; and
- Consultation with relevant partner agencies allowing the provision of technical advice; their verbatim feedback is included above; and
- Full and comprehensive review by an Investment Director; and
- Review by the Head of Investment; and
- Review by the PDU Leadership Team.

These have occurred to the satisfaction of the reviewer and the reviewer concurs with the recommendation.

Review has been completed	Yes
<b>Supporting proposal:</b>	No
<b>Appendices:</b>	Yes – Applications and supporting letters are as annexes <span style="color: red;">Supporting letters withheld - Commercial Information</span>
<b>Author of paper:</b>	SC, Position, AM, Investment Director, PDU Investment Team