

2.15 Pirongia West - Access to Whenua Māori

Project:	Pirongia West - Access to Whenua Māori		FOR: Approval
Applicant:	Pokaia Whanau Trust		Pipedrive ID: Commercial
Application type:	WM	(A) Total Project Value:	\$ Commercial Informa
Funding type:	Grant	(B) PGF Funding Sought:	\$ Commercial Informa
Entity Type:	Maori Land Trust	(C) PGF Funding Recommended:	\$305,000
Region:	Waikato	(D) Applicant Contribution:	Comme
Tier:	2 - Sectors	(D/A) Co-contribution Rate:	Comme %
Sector:	General Infrastructure		
Application summary:	<p>The applicant represents the beneficiaries of Commercial Hectares of Māori Land near Oparau in Kawhia that is effectively “land locked” with limited access due to lack of infrastructure. The applicant seeks PGF assistance to construct a bridge and metalled road to access its currently under-utilised Maori Freehold land. The block shares boundaries with four other Māori land blocks (which will benefit by the access to their land - equating to Commercial ha of additional land).</p> <p>[Please see full project description in the Application Description Section]</p>		

The PDU recommends that the SROs

Agree to approve \$305,000 grant from the PGF fund towards Pirongia West - Access to Whenua Māori

- because:
 - The project is undertaking preparatory works necessary to unlock the economic value of Maori Freehold land.
 - The long term economic benefits will be distributed widely to Pokaia Whanau Trust beneficiaries, in the form of financial returns from future development of the Commercial Hectares of Māori Land. The whenua is currently a mixture of native forest, scrub and farmland, with the lack of access meaning the majority of the land is currently leased by neighbouring land owners.
 - This project meets Whenua Māori criteria through:
 - The Pokaia Whanau Trust is an Ahu Whenua Trust who represent a whānau grouping that are the legal owners and kaitiaki of Pirongia West 3B 2G 2. By providing reliable access the project has the potential to be the catalyst for increasing productivity of the land.
 - The project will commence within the timeframe of the PGF – the applicant’s project plan estimates that the bridge will be completed by the end of April.
- subject to:
 - Relevant consents being obtained.
 - The PDU ensuring the project plan, procurement process, final costings, and agreed project milestones are to the Unit’s satisfaction.
 - Due diligence being completed, including on proposed contractors

- Letters of support from the trustees of the four neighbouring Māori land blocks
 - Access agreement to the bridge and metal road between Pokaia Whanau Trust and the owners of the four neighbouring Maori land blocks.
 - Provision of minutes from the Trust, as the land owning entity, confirming the application
 - Provision of the Trusts financial details
- Note:
- Funding for this proposal will be allocated against the Whenua Māori \$100 million from the PGF
 - Land summary reports have been provided that outline potential development options once reliable access has been secured.

Section A: Triage – Assessment against PGF eligibility criteria	
➤ Is the project an illegal activity?	No
➤ Is the project located in the three main metropolitan areas?	No
➤ Is the project seeking investment in large scale infrastructure of social assets?	No
➤ Is the project seeking investment for three waters?	No

Application description

The applicant seeks PGF assistance to develop infrastructure, a bridge and necessary roading, to access its currently under-utilised Maori Freehold land. There are ^{Commercial Information} Hectares of Māori Land near Oparau in Kawhia that are effectively “land locked” with limited access due to lack of infrastructure.

The applicant, the Pokaia Whanau Trust is an Ahu Whenua Trust who represent a whānau grouping that are the legal owners and kaitiaki of Pirongia West 3B 2G 2. The Trustees recognise that the land has greater potential than currently utilised; however their options are currently limited given their lack of practical access.

Should the bridge proceed, the Pokaia Whanau Trust will allow access over the bridge to respective neighbouring land block owners.

Quotes from contractors have been procured to install the bridge:

- Humes is New Zealand’s leading pipeline system supplier, signalling an exceptional level of quality. The bridge is suitable for heavy vehicles, tractors and farm machinery with maximum axle loading of 15 tonne double axel (7.5 tonne single). For additional safety, the bridge includes built-in continuous kerbing either side. Humes has quoted \$^{Commercial Information} including GST.
- Curin Contractors has been providing professional earthworks since 1996. For this project, the services provided include establishment and site set-up, piling and abutments, bridge instalment and approach ramp establishment. Installation quote of \$^{Commercial Information}.

Establishment of a metalled track:

- A quote has also been obtained from Waikato based contractors, Profile Earthworks, to ascertain the cost to metal the existing right of way which runs from the proposed bridge site at the end of Rotoiti Road up to the boundary gate of Pirongia West 3B 2G 2 Block.
- This stage the roading project is intended to be completed following the establishment of the bridge, in summer of 2020.
- Detailed plans will need to be completed however an illustration of the track for the purpose of quoting has been included as follows



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

Does the Application have a Te Ara Mahi (TAM) component?	No
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Section B: Operational Assessment Criteria (Complete for Eols and Applications) <i>(Rate and comment – 1= poor, 5 = very good - Provide the number for this project, not subsequent phases)</i>	
Fund and government outcomes	Please highlight number below

Would the project:		
➤ create permanent jobs?	The construction of the bridge will not create any permanent jobs directly. However, access to the block may create further employment opportunities indirectly once the land is developed. Contractors will be employed for the construction.	N/A 1 2 3 4 5
➤ deliver community benefits?	There is no evidence of wider community benefits outside addressing the landowners' largest barrier of accessing their own land. However, enabling access to the land creates opportunities to develop the land for horticulture which may lead to sustainable economic benefits for the district.	N/A 1 2 3 4 5
➤ increase utilisation of and returns on Maori assets?	This project will be the first step to allowing the development of the under-utilised Maori Freehold land.	N/A 1 2 3 4 5
➤ enhance the sustainability of natural assets?	Not directly, however, when access is permitted there is potential for sustainable development of the land.	N/A 1 2 3 4 5
➤ mitigate climate change effects, or assist with the lowering of emissions?	Not evident	N/A 1 2 3 4 5
Additionality		
Would the project:		
➤ add value by building on what is already there, without duplicating effort?	Currently there is no vehicle access available to the applicant's land blocks. The construction of the bridge and other relevant works will provide an important addition to grow the applicant's current asset base.	N/A 1 2 3 4 5
➤ be a catalyst for productivity potential in the region?	This project will enable the applicant to develop and lift the productivity of their land. In addition, the block is neighboured by other Māori land blocks (which will benefit by the access to their land equating to ha of additional land)	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?	The project aligns with the Te Whara Ohaoho (Waikato region Māori economic development plan)	N/A 1 2 3 4 5

➤ have the support of local governance groups (councils, iwi and hapu)?	The applicant has indicated that they have obtained letters of support “from the trustees of the other land blocks, as well as local authorities and government agencies”. However these have not been provided as of yet.	N/A 1 2 3 4 5
Governance, risk and project execution		
Does the application show:		
➤ robust project management and governance systems?	The overall project will be governed by the Trustees of the Pokaia Whanau Trust with the delivery of the project being outsourced. The governance and methodology are appropriate for this project.	N/A 1 2 3 4 5
➤ plans for future ownership and operational management?	The applicant will own the asset on delivery.	N/A 1 2 3 4 5
➤ how the project will be delivered and managed?	<ul style="list-style-type: none"> ➤ The applicant has stated Humes (a pipeline systems supplier company) will be managing the bridge installation. ➤ PDU will ensure the procurement process, costs, and payments made against invoices and agreed project milestones are to the Unit’s satisfaction. 	N/A 1 2 3 4 5

Section C: Risk Management Evaluation

Does this application demonstrate consideration of the following risks?			Yes
Type of risk	Risk description	Mitigations	Risk Rating
<input checked="" type="checkbox"/> Project risk	Key contractors are not able to complete project on time and to budgeted cost.	Ensure procurement process, cost quotes, and payments made against invoices and agreed project milestones are to the Unit’s satisfaction before release of funding.	Low
<input checked="" type="checkbox"/> Regulatory Risk	Road consent may not be obtained in the estimated timeframe.	Ensure evidence of consent before release of funding.	Low

If the answers to the first question is NO, or assessments of risk(s) are HIGH, discuss with an Investment Director.

Section D: Funding and financial analysis		Please highlight number below
Does the application show:		
➤ How strong is the financial position of the applicant organisation?	There is currently minimal economic activity by the Pokaia Whanau Trust. The lack of strength in current financial position is not necessarily a negative for Whenua Māori applications.	N/A 1 2 3 4 5
➤ How does the scale of the project compare to their overall business?	The scale of the development is of an appropriate level for the Trust to manage. However, subsequent development of the land will require appropriate technical and project management capability.	N/A 1 2 3 4 5
➤ Why is Crown funding being sought rather than commercially-available funding?	Traditional commercial funding options may be unavailable due to the potential request to hold land as security. The scope of the project is in line with the investment statement of Whenua Māori.	N/A 1 2 3 4 5
➤ What does the independent financial analysis/ business case indicate?	Not applicable	N/A 1 2 3 4 5
➤ Is the funding model requested appropriate? Is the PDU recommending a different model?	The funding model requested (a grant of \$305,000 through Whenua Maori) is appropriate.	N/A 1 2 3 4 5
➤ Has the applicant provided evidence of market pull for this project?	Not applicable	N/A 1 2 3 4 5
➤ Has the applicant provided evidence that their supply chain is secure?	Not applicable	N/A 1 2 3 4 5
Summary of funding and financial analysis:	The applicant is an appropriate receiver of a Whenua Maori Grant.	N/A 1 2 3 4 5

Funding arrangements

The applicant has provided the below deliverables:

#	Description	Payment criteria:	Invoice Value \$ (Exc. GST)	Invoice Date:
1	Delivery of the bridge	On invoice from Humes/Curin Consultants as per the stipulated payment terms.	\$ <small>Commercial Inform</small>	
2	Delivery of the road	On invoice from Profile Earthworks as per the stipulated payment terms.	\$ <small>Commercial Inform</small>	

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

Is the application a Grant or Loan?

Grant - Delete next section

Consultation from partner agencies undertaken or implications

TPK assisted with development of this application.

Conflicts of interest and T&Cs

Yes - Comments below

The applicant declared no conflicts of interest, including potential conflicts of interest and T&Cs has been correctly completed and signed.

The due diligence process has been started.

Further information from applicant

Yes - Comments below

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

- Financials
- Minutes
- Letters of support

Summary statement of Application Review undertaken

The following 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 review by an Investment Director has taken place and included the following to the satisfaction of the 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 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.

Review has been completed

Yes

Supporting proposal:	Yes
Appendices:	[Yes – Applications and supporting letters are as annexes] Supporting letters withheld - Commercial Information
Author of paper:	[SC, Investment Analyst, NH, Investment Director, PDU Investment Team]