

Application for Funding Development Phase



About this form

This form enables you to make an application for funding over \$100,000 from the Provincial Growth Fund for activities in the Development Phase of a project.

You will need to use the Express Form if your application is for an activity under \$100,000 or the Standard Form if your application is for an actual Project (i.e. delivery of an asset).

These forms are available on the [Provincial Growth Fund website](#)

Purpose of the Provincial Growth Fund

The Provincial Growth Fund aims to lift productivity potential in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach their full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets.

Completing this form

Please complete all sections fully and accurately. Square brackets and italics indicate guides.

Please see the PGF website, or contact your regional relationship manager, for further support.

Submitting your application

All completed forms must be emailed to PGF@mbie.govt.nz with a clear subject heading.

If you are a Trust (or applying on behalf of a Trust), then you must provide a copy of your Trust Deed.

Next Steps

Applications will be assessed for eligibility, as well as how well they will deliver on the aims of the Provincial Growth Fund. One of our team will be in contact regarding your application.

Funding Agreement

The template funding agreements can be found on the [Provincial Growth Fund website](#)

Public disclosure

The Provincial Development Unit is responsible for leading the Provincial Growth Fund's design, administration and monitoring its operation in consultation with other government agencies. In the interests of public transparency, successful applications may be published by the Provincial Development Unit (PDU). Commercially sensitive and personal information will be redacted by reference to the provisions of the Official Information Act 1982. Please identify by highlighting any information in your application that you regard as commercially sensitive or as personal information for the purposes of the Privacy Act 1993.

Part A: Key Details

Please note that if the funding agreement will not be with the applicant (i.e. applying on behalf of another organisation), then please complete this application from the perspective of that organisation.

1. Proposal Title: Sugarloaf Expansion Business Case

2. Please provide a very brief description of the project/activity:

[If you had 30 seconds, or 50 words, to explain to someone with no knowledge of your sector what your project is, what would you say... i.e. what you will be doing, why, and what the outcome will be]

This application is for the funding of a business case to address a significant infrastructure problem, being the inadequacy of the Sugarloaf wharf. It is impacting the growth aspirations, health and safety, and productivity of the aquaculture industry in the Thames-Coromandel District. Sugarloaf wharf is at capacity, which is now seriously inhibiting the investment in, and will in the near future halt the growth of the sector by the CoromMFA members. The Wharf is a public asset, owned by TCDC, and used by both commercial and recreational users.

The business case will give increased certainty to the cost of the upgrade, the level of private sector investment enabled and the resulting economic impact to local iwi, the Thames-Coromandel and Hauraki Districts and Waikato Region as a whole, and neighbouring regions in terms of jobs and GDP growth. The Business Case will also provide information that will inform the subsequent resource consenting phase. The Coromandel aquaculture industry cannot grow without the ability to bring the product to shore. At present, the existing wharf would not safely, nor efficiently handle the additional volumes of product, which are predicted to reach up to Commercial Info tonnes / year in the coming decades (based on current productivity and planned growth). The ongoing development of the existing Commercial ha, together with the further Commercial ha of newly consented space to be developed over the next 5 years, and an additional Commercial ha of new mussel space projected to be consented over the next three years has created an urgency to the longstanding need for Sugarloaf development. A key focus of the business case will be to explore funding options and commercial operating models to enable a mixed funding model between the public and private sector.

Aquaculture is a highly significant part of the economy in Thames-Coromandel District; the industry currently contributes 7.2% of Thames-Coromandel GDP (~\$73 million in exports and \$30+ million in NZ retail sales). Estimated job growth within Thames-Coromandel District is likely to increase from the current Commercial full-time equivalents (FTE) to Commercial + FTE, with direct jobs in adjacent areas rising from Commercial to Commercial + FTEs when Commercial Info tonnes / year is reached. This equates to a further 5.0% (\$48.1M) to the GDP of Thames-Coromandel District. This project is of national significance to the aquaculture sector and is vitally important to realising the commercial aspirations of Pare Hauraki iwi.

3. Please provide the details of the applicant organisation/entity for which funding is being requested:

Legal Name:	Coromandel Marine Farmers Association Inc. (CoroMFA)
Entity Type:	Incorporated Society
Registered Offices / Place of Business:	Coromandel Marine Farmers Association Inc. PO Box 118, Whitianga 3542, New Zealand
Identifying Number:	N/A
Organisation's Website:	http://coromfa.co.nz/

4. Please provide the contact details for a person as a key point of contact):

Contact Name and Role:	Stephen Hand		
Email Address:	Privacy of natural persons	Telephone:	Privacy of natural persons

5. Please describe the principal role or activity of the applicant organisation.

The Coromandel Marine Farmers Association represents the Mussel and Oyster farmers of the Hauraki Gulf, who are concentrated around Coromandel Peninsula and at Waiheke Island. Coromandel Marine Farmers Association Incorporated (CoroMFA) has membership from every Mussel farm, and many of the Oyster farms, within the Hauraki Gulf. We work closely with the Mahurangi Harbour Oyster farmers who constitute the rest of the Aquaculture industry in the Hauraki Gulf. Our members produce Greenshell Mussels and Pacific Oysters for export and for North Island markets.

6. This project will be based in the region of: Waikato

7. What type of funding is this application for: Grant

[Note: the most appropriate funding type will be determined by the PDU in consultation with the applicant]

8. What is the activity / funding start and end date?

Start Date:	<small>Commercial Information</small>	Completion Date:	<small>Commercial Information</small>
--------------------	---------------------------------------	-------------------------	---------------------------------------

9. Has this project / activity been previously discussed with any part of Government? Commercial Information

- If Yes, please describe which part of government, and what the outcome of the discussions were.

Commercial Information

10. Have you previously received any Government funding for this Project/Activity? Yes: No:

11. Please set out the proposed sources of funding for the Project:

Source of Funding: <i>[please indicate where all other funding is sourced from, noting who the funder is]</i>	\$ (ex GST)	Status / Commentary
Provincial Growth Fund Funding (cost breakdown on pg 21)	\$ Commercial Information	Being sought by PDU
<small>Commercial Info</small> Co-funding Project Support & Business Case development Cultural Impact Assessment and iwi consultation Legal Structure and Governance Model Planning & Consenting Economic Analysis Health & Safety Financial Modelling & Commercial Analysis Technical / Engineering Stakeholder Engagement Governance Total Co-funding	\$ Commercial Info \$ Commercial Info \$ Commercial Info \$ Commercial I \$ Commercial I \$ Commercial I \$ Commercial I \$ Commercial Info \$ Commercial Info \$ Commercial Info \$ Commercial Info \$ Commercial Info \$ Commercial Info	Confirmed
Cash co-funding Commercial Information		
Total Project Cost:	\$ Commercial Information	Commercial Information
Cash Co-funding provided by CoroMFA and TCDC as part of feasibility studies Commercial Information /Sugarloaf Expansion (Legal) Commercial Information - Sugarloaf Hardstand Extension (Engineering) Commercial Information Sugarloaf Wharf Development - Feasibility (Engineering) <small>Commercial Information</small> - Sugarloaf Wharf - Geotechnical details (Engineering) Commercial Information - Sugarloaf Hardstand Extensions (Engineering) Commercial Information – governance and operating model (Legal) Commercial Information - Health & Safety and legal peer review (H&S) Cash co-funding spend for feasibility to date:	\$ Commercial I \$ Commercial Info \$ Commercial Info \$ Commercial I \$ Commercial Info \$ Commercial Info \$ Commercial Info \$ Commercial Info \$ Commercial Info	Received

Part B: Project Description

12. This application is: *“a stand-alone activity”* or *“in support of a wider project/programme”*

13. Will additional funding likely be applied for in the future?

Commercial Information

- If Yes, please describe at a high level, what this may include, and when this is likely to be applied for.

Commercial Information

14. What type of activity is this application for?

- Feasibility study
- Business case
- Report
- Creation of an action plan
- Research or surveys
- Workshops or consultation
- Capability building (Education / training)
- Other (please specify)

PROACTIVELY RELEASED

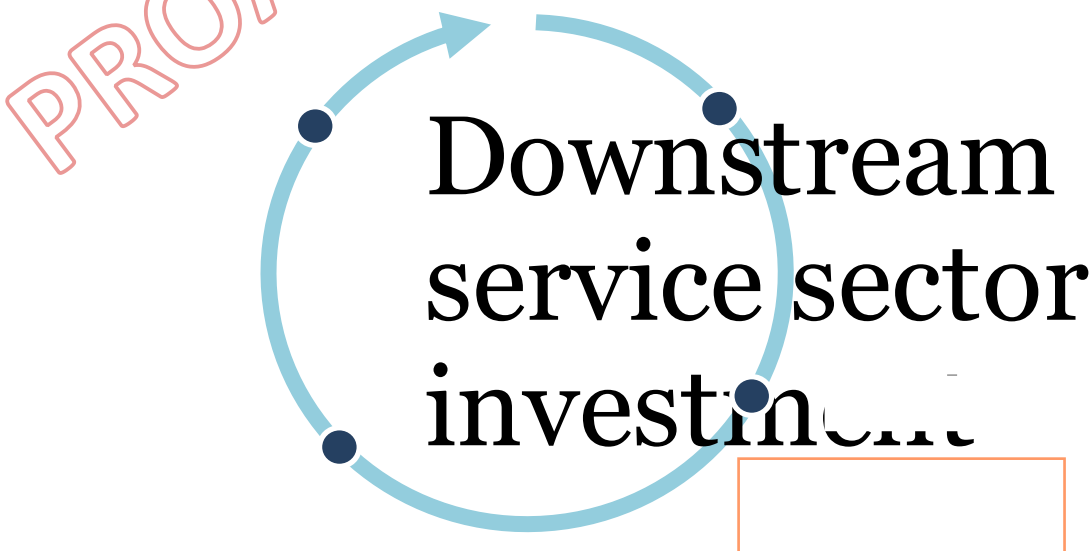
15. Please provide a detailed description of this activity for which funding is being applied:

[Note: please describe what the funding is for, why it is required, what the project will do and how it links to other projects or activities. A description of the benefits is asked elsewhere.]

This application is for the funding of a business case to address the current infrastructure problem, being the inadequacy of Sugarloaf, impacting the aquaculture industry in the Thames-Coromandel District. A wharf upgrade is the catalyst and enabler for significant private sector investment and growth in the aquaculture industry. Key points include:

- The current facility is at capacity meaning the private sector cannot invest into already consented water-space. Initial feasibility studies have identified the Sugarloaf wharf to be the most ideal location and cost-effective infrastructure solution. The private sector, including iwi through Pare Hauraki, is eager to invest and grow the industry but this cannot occur until the wharf capacity issue is resolved.
- There are existing time and cost inefficiencies through boat wait times that already impact the mussel sector – these will get worse over time.
- Sugarloaf Wharf is a public asset, owned by TCDC, and used by recreational users and the public as well as commercial users. It is a critical piece of regional infrastructure that provides multiple benefits. A recent study of Sugarloaf by ^{Commercial Information} noted issues of deferred maintenance as well as structural challenges that require maintenance within the next five years.
- The estimated long term benefit of future development is approximately ^{Commercial Information} + direct jobs, up to ^{Commercial} downstream jobs and direct revenue from the sale of product of >\$^{Commercial}. Over time, the sector intends that these jobs become increasingly productive and year-round rather than seasonal.
- Initial feasibility work suggests a wharf upgrade is in the vicinity of \$^{Commercial Information} depending on the capacity required for future expansion in mussel farming and fin-fish farming. Future capacity will encourage ongoing growth in the sector.
- This proposition provides an opportunity to increase the return on Māori-owned water space, assisting the training, upskilling and job opportunities for Māori and provide further investment opportunities to achieve intergenerational aspirations.
- The congestion issues at Sugarloaf have introduced substantial health and safety concerns during wharf activities. The development of Sugarloaf will alleviate these concerns, allowing the sector to operate safely and efficiently.

We have illustrated the problem below:



The table below provides a high-level summary of the current and future water space needs of the sector.

Water Space	Hectares
Current water space in operation	^{Commercial} Ha
Consented but not developed	^{Commercial} Ha
Planned expansion (mussels)	^{Commercial} Ha

Total

**Com Ha
merc**

The CFMA has requested funding of \$^{Commercial Inform} to undertake a business case to confirm the design and cost of the wharf and address the cultural, environmental, safety and commercial impact of the wharf upgrade and the resulting private sector investment into the aquaculture industry in Thames-Coromandel District. The business case will also explore the economics and options of a mixed funding model between the public and private sector and is expected to result in a PGF application for assistance to fund the development of Sugarloaf Wharf.

PROACTIVELY RELEASED

16. How does this project demonstrate additionality within the region?

PROACTIVELY RELEASED

Why the project is not already underway

Feasibility work has shown the urgent need for this phase of work. **Commercial Information**

Marine farmers are heavily investing in on-water and on-land growth and their operations are already providing significant economic and social wellbeing benefits to the people of the Hauraki Gulf. Sugarloaf wharf is a public asset, managed by TCDC. Business case investment is therefore towards a publicly owned asset, which, through the marine farming industry will leverage significant economic and wider benefits to the communities of the Hauraki Gulf. Given the ownership of the wharf and the wider spill-over benefits what will flow from its development, It is therefore not appropriate to expect the marine farming sector to solely directly fund this work.

Commercial Information

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

Free and frank opinions

[Redacted]

It is now very clear that the future increase in farming space will create serious capacity and health and safety issues which will render the wharf unserviceable. The industry urgently needs safe, user-friendly infrastructure to bring produce ashore and realise the economic potential of this very significant industry for the Hauraki Gulf, the Waikato region and New Zealand.

Following the commissioning and funding of technical underpinning work by the **Commercial Information** to develop Sugarloaf, the sector is now ready to progress this project, with the full support of TCDC, HDC and Te Waka/REDA. With the assistance of the Provincial Growth Fund alongside other investors, the investment needs of this project can be met.

Commercial Information

[Redacted]

How the project provides a new asset and is not seeking maintenance funding

N/A - business case only

The benefit of Central Government funding (i.e. over alternative sources)

There is significant public benefit in this work with long term benefits for recreational users alongside the mussel farming sector. **Commercial Information**

Commercial Information, and the future opportunity provided by aquaculture growth in the District is enormous. Conversely, the opportunity cost of not doing this work, in terms of lost jobs and wellbeing is also significant.

There are currently no other efforts to build upon existing infrastructure or create new facilities to handle the forecast increase in marine farming activity in Thames-Coromandel District, however, complementary PGF applications are being submitted for developments at Coromandel Town (Coromandel Gateway) and at Kopu (Kopu Marine Service Precinct).

This project demonstrates strong alignment with the central government outlook on long-term, innovative aquaculture with positive market prospects: *“Shane Jones and myself [Hon. Stuart Nash] are very keen to see applications from innovative aquaculture players who have done the testing, know their markets and just need start-up capital to get across the line”*. (Hon. Stuart Nash, Aquaculture New Zealand Annual Conference, 27/09/2018).

Why this project will unlock the potential within the region

This infrastructure development at Sugarloaf will expand upon what is already there, replacing a facility that is not fit for purpose, constructing new berthage, separating recreational from commercial facilities, and creating additional operating hardstand areas for commercial users.

Additional value-add will be primarily through the facilitation of the increase in aquaculture in the area, leading to substantial economic benefit to the region and the creation of many new jobs. New infrastructure at Sugarloaf will facilitate (and ensure) the movement and processing of product through Thames-Coromandel and other districts; subsequently leading to the creation of ancillary service industries that are not in existence now or are currently at a very small scale and often seasonal.

NZIER 2017 Report on Economic Contribution of Aquaculture to the District

Key figures regarding the current value of aquaculture noted in the NZIER report include:

- Aquaculture contributes 7.2% (\$69.6M) of the GDP of Thames-Coromandel District.
- Of the \$69.6M of GDP, \$43M (4.5%) is from marine farming and \$26.6M (2.7%) is from aquaculture processing
- Coromandel aquaculture created export revenue of \$73M in 2015.
- Coromandel aquaculture also creates local market sales of \$^{Commercial In} annually.
- Further direct and indirect economic activity is related to industries that support aquaculture and benefits the households that receive income, within Thames-Coromandel and in other districts, from it. Aquaculture also stimulates growth in other industries such as construction, transport, retailing, education and hospitality.
- Thames-Coromandel aquaculture delivers around ^{Commer} ^{Commercial Info} (Tonne) of New Zealand’s Greenshell^T mussel production and ^{Commer} ^{Commer} (Tonne) of New Zealand’s Pacific oyster production by weight.

Aquaculture in the Coromandel was prepared in 2017 by TCDC. It notes that *the outlook for the future contribution of aquaculture to the Thames-Coromandel District is very good, provided there is further investment into this important industry:*

- *Current proposals for new consented areas could take shellfish production past ^{Commercial Info} T in the following decade. Increased tonnage from existing areas could increase mussel and oyster production by ^{Comm}% by 2025.*
- *The NZIER report conservatively models the potential growth from an expansion of both mussel and oyster production by ^{Comm}% including the proposed introduction of fed-fish farming with potential to produce ^{Commercial In} tonnes per year locally. The report finds that could add a further ^{Comme}% (\$^{Commercial In}) to the GDP of Thames-Coromandel District.*
- *The NZIER report states that to realise the benefits of continued aquaculture activity in the District, and its potential to drive growth, infrastructure needs to be improved, or developed, to handle the increased volumes of produce and inputs used.*

Additional Benefits:

Employment

As discussed, growth of the aquaculture sector is dependent on Sugarloaf being fit for purpose. Provided there is investment, including in Sugarloaf, the NZIER report identifies that direct employment opportunities arising within the District associated with the growth in the sector (to [Commercial Info] tonnes / year (based on current productivity and planned growth)) are expected to increase from the current [Commere] FTE to [Commere] + FTE jobs and over [Commercial] FTE outside the Region.

In addition to the direct employment opportunities, more jobs will be created indirectly downstream including ancillary industries such as engineering, marine electrical, and transport.

Additional future private investment from the aquaculture sector in order to reach [Commercial Info] tonnes / year will exceed \$ [Commercial Information] in coming decades, including lines and water based infrastructure, and on land with new processing facilities (e.g. oil / powder), new boats, ancillary services.

Tourism

The Coromandel is a highly utilised tourist destination. According to NZIER, mussel farming is of great benefit to the recreational and charter fishing businesses based out of the Thames-Coromandel District. They generate over \$1M of annual income for Coromandel (Town), from taking out some 20,000 fishers annually. The customers experience high customer satisfaction with fish being caught (~90%) inside Coromandel mussel farms for snapper and other fish species feeding within the vicinity. At May 2017 the District had [Commercial In] companies and [Comm] vessels ([Comm] + FTE) all with skippers and some with deck hands, making for many valuable jobs within the district.

Increased use and returns for Iwi from their asset base

Pare Hauraki Iwi are already an active and significant investor and owner of aquaculture assets in the area since the industry's inception. It has [Comm] % of both the currently farmed area and the consented (but not developed) area. Pare Hauraki Iwi's economic strategy includes a major strategic focus on maximising the performance of aquaculture assets, and is therefore highly supportive and integral to Sugarloaf development.

Commercial Information

[Redacted Commercial Information]

Iwi will be direct financial beneficiaries of the planned future growth; [Comm] % of any new consented space is allocated to iwi under the *Maori Commercial Aquaculture Claims Settlement Act 2004*. Many local Iwi are also directly employed by the sector and in ancillary industries. The Hauraki Maori Trust Board (HMTB) and Te Ohu Kaimoana are supportive of this initiative and have provided letters of support.

Benefits to the community and different groups in the community

Aquaculture is a key part of the social and economic fabric in the communities of Coromandel (Town), Manaia and Whitianga where the majority of sector employees live and work. Aquaculture is associated with community well-being, with contributions from the marine farming sector co-funding iwi education and health services. The CoromMFA maintains strong links to the local community, employing local people and supporting learning opportunities for youth including the Maritime New Zealand 'Seafarer Training' and 'Qualified Deck Crew' courses. The sector will expand its successful tertiary institutions employment readiness programme to attract and retain staff.

Benefits to the environment

Mussel production is a long-established industry in the area with a proven track record of very low environmental impact. There are also considerable environmental benefits such as the large Wilson Bay development's creation of an artificial reef structure that had a positive effect on natural fish stock productivity; improving associated

recreational/charter (tourist) fisheries. The International Conservation Organisation Blue Ocean Institute ranks New Zealand Greenshell Mussels as one of the top two 'eco-friendly seafoods' in the world (Aquaculture NZ). Mussels are often referenced as one of the best sustainable seafood options; as filter feeders they take all their nutrients from the seawater and are considered one of the best ways to naturally remediate the marine environment.

The Coromandel mussel industry is fully committed to minimise the loss of farm equipment (e.g. floats); members regularly clean adjacent beaches (of all anthropogenic waste) and record the volume of rubbish collected. The CoroMFA also funds a mussel farm equipment recovery programme that encourages locals to locate and return lost floats by providing \$^{Comm} donations (per float) to charities of the public's choice.

In addition, circular economy use of waste from the sector will occur, mitigating environmental impact and improving efficiencies industry-wide, beach clean up efforts will continue to ensure the increase in mussel production does not result in the degradation of the coastline, and the upgraded Sugarloaf facility will take into account the effects of climate change, including sea level rise and increased frequency of weather-related events. Also, there will be more efficient use of marine space by rationalising assets for multiple users, reducing the pressure on other areas of the coast.

PROACTIVELY RELEASED

17. How is the project connected to regional (and sector) stakeholders and frameworks?

PROACTIVELY RELEASED

[Please provide an overview, including any evidence where appropriate of any relevant local and regional support, either via existing regional development mechanisms (i.e. regional plans), or through any other relevant body (i.e. council, iwi, hapū, or other representative group). If you do not have support, please explain why not and how you intend to get it]

National Level Policy

New Zealand Coastal Policy Statement

The 2010 New Zealand Coastal Policy Statement, Policy 8 provides the following with regard to aquaculture growth: *“Recognise the significant existing and potential contribution of aquaculture to the social, economic and cultural well-being of people and communities by:*

- a. *including in regional policy statements and regional coastal plans provision for aquaculture activities in appropriate places in the coastal environment, recognising that relevant considerations may include:*
 - i. ...
 - ii. *the need for land-based facilities associated with marine farming;*
- b. *taking account of the social and economic benefits of aquaculture, including any available assessments of national and regional economic benefits...”*

Waikato Regional Council

Waikato Regional Council (WRC) has been heavily involved in aquaculture since the early days of the industry, both as a regulator and as a promoter of sustainable economic growth. In the Firth of Thames WRC was key to the establishment of the Wilson Bay marine farming zone. ~^{comm}% of the currently consented aquaculture areas in the Hauraki Gulf are within the WRC boundaries. WRC requires through its consents that all mussel farm landings occur only at approved landing sites, among which Sugarloaf is the only functional option.

Aquaculture Forum & Draft Regional Strategy

The WRC has recognised that aquaculture is particularly important to the Region by convening (and chairing) an Aquaculture Forum to consult with industry and inform the Regional Plan renewal process. It has also prepared a draft Aquaculture Strategy to guide future development and growth in the Region.

The Strategy is future-based with a long-term vision reaching out beyond 2050, including core components for success. It identifies three aims and outcomes for the Waikato aquaculture sector:

1 *Sustainable Strategy:*

- to work in harmony with the environment; a modern sector that is aligned region-wide.

2 *Innovative Approaches:*

- to create a resilient sector, with innovative approaches for facilities, products, to reach market potential.

3 *Community Connections:*

- to establish a local and nationally supportive regulatory environment, creating growth, and connected with community.

Underpinning the key aims and outcomes, WRC has identified five future focus areas to facilitate aquaculture development, these include:

- Sustainable Environment and Community;
- Leadership and Collaboration;
- Infrastructure Support for Aquaculture and Marine Industries;
- New Opportunities in Aquaculture Development;
- Develop Marine Science, Technology, Education and Training.

Waikato Means Business & Waikato Regional Economic Development Agency / Te Waka

One of the ‘Waikato Means Business’ (WMB) Economic Strategy (2014) flagship initiatives highlights the need to maximise value from primary production: *“the Waikato advantage includes natural resources, major businesses involved in primary production and related processing and a strong base of science and research in the primary sectors. However, more value could be extracted from our ... aquaculture and materials sectors through further*

processing and innovation... the connections are not as strong as they could be. Bringing these strengths together could secure the region's reputation as New Zealand's centre of production, engineering and manufacturing". Additional value-add through new primary production growth and processing facilities for the burgeoning aquaculture industry in the Coromandel would meet many of the region's economic development strategy's major objectives (WMB Annual Report, 2017), including:

- to leverage value from our location and connections as the key servicing hub of the North Island;
- to be New Zealand's premier engineering and primary processing hub; and
- to be known for excellence in sustainable food production, agri-research and agri-business.

WMB also notes *"Waikato iwi are active investors in property and finance, geothermal energy, aquaculture, dairy and tourism, which offers significant potential for our region."*

The Waikato Regional Economic Development Agency; Te Waka, has recognised the regional significance of the Sugarloaf project in providing a letter of support for this project.

Sea Change Tai Timu Tai Pari:

Growth in the Hauraki Gulf's aquaculture sector was also a key theme throughout the Sea Change Tai Timu Tai Pari Marine Spatial Plan in 2016, which identified Sugarloaf as the main current landing facility for aquaculture products, and noted the need for the Regional Coastal Plan to provide the planning framework for future growth. Sea Change also identifies *"a strong need within the Hauraki Gulf to provide for the expansion, readjustment and/or relocation of existing marine farms, particularly in areas like the Firth of Thames/Coromandel where aquaculture has large growth potential and is viewed positively by most of the community."*

Thames Coromandel District Council

TCDC has identified infrastructure resilience as a key issue for the District. With many coastal assets at risk of sea level rise and flooding through climate change-related issues, the Council is focused on ensuring the long-term sustainability of these assets. This project will address the sustainability of Sugarloaf with a long-term (100 year) outlook that builds-in climate change resilience by designing for the future sea-level rise projections.

As a significant proportion of marine farm produce is handled and processed within the District (with Sugarloaf as the primary port) the strong performance of the aquaculture sector will support demand for the facilities at the planned Kopu Marine Service Precinct. These assets will allow the District and Region to benefit from all components of the industry, providing a great many new jobs for Thames-Coromandel District and wider region.

"Critical coastal assets include ... Sugarloaf wharf and jetty, ..." (Thames-Coromandel District Council Long Term Plan 2018-2028).

Aquaculture has been identified as an industry with significant growth potential and has therefore been identified as an economic growth priority for the Thames-Coromandel District Council. The Infrastructure Strategy outlined in the TCDC 2018-2028 Long Term Plan describes *"a conservative approach to spending that ensures existing assets are managed efficiently and effectively, and that investment in new infrastructure assets will be based on the following principles:*

1. *Making best use of existing infrastructure and ensuring good stewardship of the investments already made.*
2. *Managing assets based on quality information.*
3. *"Right sizing" infrastructure assets.*
4. *Ensuring that investment in new infrastructure is only where demand is certain and long-term.*
5. *Taking a careful approach to adopting increased service levels."*

TCDC recognise that *"there are capacity constraints at the boat ramp at Sugarloaf"*, and although the 2018-2028 Long-Term Plan seeks to manage assets to meet the needs of users, the financial strategy of TCDC is to upgrade facilities once the asset reaches the expected end of useful life. This project aligns with TCDC infrastructure priorities by:

1. addressing existing concerns regarding the current health and safety issues at Sugarloaf, including the spatial congestion between farmers and recreational users;

2. recognising that job opportunities are limited in Thames-Coromandel and Hauraki Districts and that creating infrastructure services for the growing marine farming industry will help address this issue;
3. synthesising a range of high-quality information from industry, community, iwi, and local government to allow stakeholders to identify the appropriate mix of infrastructure that will facilitate long-term growth in the Region;
4. recognising that Sugarloaf is a critical coastal asset as the only all-tide access boat ramp in the Coromandel, and is the preferential location for aquaculture-related activity;
5. seeking a circular economy solution to minimise waste associated with significant long-term future growth;
6. ensuring future development will provide for climate change adaptation and low carbon economic transition.

TCDC and Hauraki District Council have provided letters of support for this application.

Other Provincial Growth Fund applications:

The Thames-Coromandel District Council is actively supporting three other PGF applications in addition to this application. Each project complements, without overlapping or contradicting the Sugarloaf application. These projects are:

1. Kopu Marine Service Precinct (TCDC – applicant):

An independent, yet complementary proposal initiated by TCDC to enhance existing marine service facilities in Kopu Township that will also support vessel servicing (including tourism and aquaculture) that would traditionally go to Whangarei or Auckland. If successful, this investment will allow for cluster development and multi-use facilities growth in marine servicing, bulk storage, research and water-based tourism related activities. The Sugarloaf project has a high degree of alignment with potential development at Kopu and aquaculture industry growth will support the economic development potential of Kopu by keeping important marine servicing industries in the District.

2. Coromandel Gateway Project (Pita Street Developments – applicant):

An independent submission to the PGF that seeks funding to develop a new centrally located marine facility at Coromandel Town. This tourism and recreationally-focused proposal provides alternative landing facilities for recreational boat owners away from the aquaculture activities.

Commercial Information

Evidence of support:

The CoroMFA and TCDC have had a MOU in place for Sugarloaf Wharf Facilities since 2016. The purpose of the MOU includes *“to confirm that TCDC will act to ensure industry access is ongoing and on supportive terms”*. It also notes *“both parties wish to expand the Sugarloaf as part of a ‘whole of harbour’ response to increased user pressures”*.

Through the preparation of this proposal CoroMFA has actively been engaging with relevant stakeholders including: Thames-Coromandel District Council, Hauraki District Council, Te Waka / REDA, Waikato Regional Council, Hauraki Maori Trust Board, Commercial Information, MPI, Te Ohu Kaimoana, DOC, and the Provincial Development Unit of MBIE. Minister Jones has been briefed by CoroMFA regarding the project and has expressed support along with the aforementioned stakeholders. Letters of support are attached from multiple stakeholders.

The overwhelming majority of the Coromandel community view mussel aquaculture in a positive light, and

recognise the benefits (e.g. employment, economic activity, improved recreational fishing) it brings to the region.

Commercial Information

CoroMFA has developed a strong working relationship with this group over the years and has exceeded resource consent compliance requirements beyond what was required to mitigate noise pollution; the primary issue identified by the community in the past. The RMA processes required to support Sugarloaf development past the Business Case phase will address future concerns within a consenting framework.

Industry remains sympathetic to operating at Sugarloaf in a way that is mindful of the adjacent residential houses in Puriri Road. The CoroMFA Sugarloaf Code of Practice demonstrates the Industry commitment to respecting others' uses and values. As part of the Business Case process, feasible options will be considered and discussed with the community including through the TCDC's local Coromandel-Colville Community Board, and possibly other forums, to fully understand the concerns and what opportunities exist to address the concerns.

Aquaculture Industry Sector

Aquaculture NZ recognise this project as one of the most critical port projects that are nationally significant to the sector. 90% of North Island mussels are already landed at this port, and existing health and safety concerns and constraints to sector growth are critical. Growth of Sugarloaf is recognised an enabler of iwi-led spat initiatives that are taking place elsewhere (e.g. Aotea Harbour, Raglan Harbour, Opotiki, Te Hiku).

The entire mussel industry in the Coromandel area is relying on this business case and subsequent investment proceeding; without Sugarloaf expansion the sector will not be able to grow efficiently, and existing Commercial Information will be exacerbated. Aquaculture NZ has provided a letter of support to this application.

Iwi

As discussed above, Pare Hauraki iwi via Hauraki Maori Trust Board (HMTB), has mana whenua status for the relevant area. It has been actively involved both as a commercial developer and culturally affected party. HMTB is aware of, and supports the proposed development: *"The Hauraki Maori Trust Board supports the development of this planned expansion and confirm their ongoing support for the aquaculture sector in the Thames-Coromandel District. We wish to reinforce that without the expansion of Sugarloaf, future aquaculture development in the Thames-Coromandel District will be negatively affected. This will, in turn, impact the ability of Hauraki iwi to realise our aspirations for commercial aquaculture development, and the associated cultural and social benefits that would accrue to our iwi and the broader district"* (HMTB letter of support dated 26th September 2018).

The 12 iwi of Hauraki are;

- Ngāti Maru
- Ngāti Porou ki Harataunga ki Mataora
- Ngāti Tara Tokanui
- Ngāti Hako
- Ngāti Hei
- Ngāti Pūkenga ki Waiau
- Te Patukirikiri
- Ngāti Whanaunga
- Ngāi Tai
- Ngāti Tamaterā
- Ngāti Paoa
- Ngāti Rāhiri Tumutumu

These 12 Iwi of Hauraki are the mana whenua of Tikapa Moana, the ancestral sea of Pare Hauraki. The world view of Pare Hauraki is that it never ceded tino rangatiratanga of Tikapa Moana.

Iwi are invested in the aquaculture industry in several ways:

Commercial Information

Commercial Information

[Redacted text block containing several lines of obscured information]

PROACTIVELY RELEASED

18. How will your project lift productivity potential in the regions?

PROACTIVELY RELEASED

[We want to understand how your project will meet the primary objective of the fund: “to lift productivity potential in the regions”. Please provide a description of this and where relevant, please cover how your project contributes to the following outcomes:

The Sugarloaf project meets several objectives of the PGF. Recent analysis has included NZIER undertaking detailed analysis of the current and future economic opportunity associated with the District, and a feasibility study into options at Sugarloaf by [Commercial Info]. The current Sugarloaf facility that was consented in 1993 and built in 1994 to cater for growth of the marine farming industry to [Commercial Info] harvest tonnes. The facility is now handling harvest tonnage of ~ [Commercial Info] (exceeding production capacity) and further inward / outward freight of new and used gear, plus workers. Current delays during loading/unloading of product cost the industry significantly, and this will intensify as volume increases.

Further growth is anticipated to increase with demand to approximately [Commercial Info] tonnes per annum within 25 years according to industry forecasts (based on current productivity and planned growth). Sugarloaf currently caters for [Comm] vessels; with the forecast growth a much larger fleet will be required. Strong market conditions and positive growth forecasts for the marine farming industry in New Zealand lends confidence to the position of the CoromFMA and is a good indicator for sustainable growth beyond the duration of the Provincial Growth Fund. The aquaculture industry in the Coromandel is reliant on good infrastructure to support its growth and is therefore committed to ensuring the long-term sustainability of associated Port facilities and transport routes.

Following significant investment from both industry and government to get to this stage it should be apparent that interested stakeholders have a long-term view of ensuring the sustainability of activities at Sugarloaf. Planned future investments in excess of \$ [Commercial Information] by industry reduces the risk of the overall project, as does the intent of the Coromandel Marine Farmers Association to work collaboratively with the Thames-Coromandel District Council, Hauraki District Council Waikato Regional Council and the Waikato Regional Economic Development Agency to achieve the intended infrastructure investment outcomes.

PGF Outcome	✓	How will the project positively or negatively impact this outcome in the region(s) identified?
1. Increase economic output	✓	<ul style="list-style-type: none"> NZIER found that aquaculture development has significant social, cultural and economic benefits for the Thames-Coromandel District and Waikato Region, and already contributes 7.2% of Thames-Coromandel District GDP; approximately \$73 million in exports and \$ [Commercial Information] in NZ retail sales. The industry is recognised as a significant source of employment for local communities in Thames-Coromandel District and subsequently supports several other ancillary service industries that also employ skilled locals.
2. Enhance utilisation of and/or returns for Māori assets	✓	<ul style="list-style-type: none"> Pare Hauraki iwi have mana whenua status and are already an active and significant investor and owner of aquaculture assets in the area, with [Comm] % of the currently farmed area, and [Comm] % of the consented (but not yet developed) area. Pare Hauraki Iwi's economic strategy includes a major strategic focus on maximising the performance of aquaculture assets, and is therefore highly supportive and integral to Sugarloaf development.
3. Increase productivity and growth	✓	<ul style="list-style-type: none"> The mussel sector has significantly increased its consented area in the immediate past, and will continue to do so. In addition growth will occur in the future through fin fish farming. With the local sector already generating \$73 million in exports and >\$30 million in domestic retail sales, we

		<p>are anticipating the planned growth to more than double revenue to approximately \$200 million in the coming decades.</p> <ul style="list-style-type: none"> • Aquaculture sector jobs are highly productive, with remuneration significantly higher than average wages in the District.
4. Increase local employment and wages (in general and for Maori)	✓	<ul style="list-style-type: none"> • Growth will provide a significant boost to the region in terms of jobs; estimated job growth within Thames-Coromandel District is likely to increase from the current 350 full-time equivalents to 900+ FTE, with direct jobs in adjacent areas rising from 450 to 1100+ FTEs when ^{Commercial Information} / year is reached.
5. Increase local employment, education and/or training opportunities for youth (in general and for Māori)	✓	<ul style="list-style-type: none"> • Aquaculture is a key part of the social and economic fabric in the communities of Coromandel (Town), Manaia and Whitianga where the majority of sector employees live and work. • The CoroMFA maintains strong links to the local community, employing local people and supporting learning opportunities for youth including the Maritime New Zealand 'Seafarer Training' and 'Qualified Deck Crew' courses. • The sector will expand its successful tertiary institutions employment readiness programme to attract and retain staff. Increased production will stimulate education, research and training.
6. Improve digital communications, within and/or between regions	<input type="checkbox"/>	N/A
7. Improve resilience and sustainability of transport infrastructure, within and/or between regions	<input type="checkbox"/>	N/A
8. Contribute to mitigating or adapting to climate change	✓	The upgraded Sugarloaf facility will take into account the effects of climate change, including sea level rise and increased frequency of weather-related events.
9. Increase the sustainable use of and benefit from natural assets	✓	<ul style="list-style-type: none"> • Mussel production is a long-established industry in the area with a proven track record of very low environmental impact. • As filter feeders, mussels take all their nutrients from the seawater and are considered one of the best ways to naturally remediate the marine environment. • International conservation organisation Blue Ocean Institute ranks New Zealand Greenshell Mussels as one of the top two 'eco-friendly seafoods' in the world.
10. Enhance wellbeing, within and/or between regions	✓	<ul style="list-style-type: none"> • Aquaculture development provides benefits across all four wellbeings.
Total number of outcomes project contributes to	8/10	

Part C: Project Delivery

19. Please provide an overview of the project management approach / plan for this activity.

[We would like you to demonstrate:

- How the activity will be managed from your organisation?

CoroMFA will act in a governance role, alongside TCDC and PDU staff, and through subcontracted project management. Financial control will be provided through the use of a trust account and clear accountabilities and dual signoff for all invoices from the CoroMFA Executive. This is consistent with other projects of this nature we have been involved with.

- What involvement is required by the Provincial Development Unit?

Steering Group participation (if desired), review of draft and final outputs

- What other partners are required for successful delivery?

TCDC as current asset manager, Pare Hauraki iwi, PDU.

- What project management practices will be in place?

We will place early emphasis on effective mobilisation of project controls (project plan, financials, communications, reporting, risk and issue management) alongside iwi, TCDC, government and stakeholder engagement. We already have strong relationships with key individuals and organisations who will be involved in this project, both as stakeholders and participants. The CoroMFA is committed to following a structured process through which risks to the project are regularly assessed and relevant stakeholders are engaged throughout the project timeline.

A kickoff meeting will be held with all external providers to ensure alignment and consistent understanding of scope, timing, roles and responsibilities. This will ensure all participants are aware of the critical path for the project, and the need to remain on track with both scope and timing. The kickoff session will include risk identification and stakeholder engagement planning.

The project manager will continue to have regular meetings with all providers on a 1-1 and team basis. This will allow regular reporting of progress against scope and critical path (along with risks and cost control) to be communicated to the governance group. Project partners/key personnel include: Stephen Hand (CoroMFA Chair and GM Pare Hauraki Kaimoana), Tom Hollings (Executive Officer CoroMFA), Jake Bartrom (CoroMFA and Gulf Mussel Farms), Daniel Ramsey (CoroMFA and NIML), Dr Commercial Information Commercial Information TCDC, Hauraki Maori Trust Board, and the MBIE Provincial Development Unit.

There are five workstreams. Although they are separate, in reality there will be strong 'feedback loops' built in to each to ensure all scenarios are properly understood and any rework necessary will be undertaken. The project plan will be agreed by all participants and overseen by the project manager. The five workstreams are:

- 1) Stakeholder Engagement (ongoing throughout)
- 2) Technical Studies (including Cultural Impact Assessment)
- 3) Financial and Commercial Analysis
- 4) Legal and Governance changes required (for future investment)
- 5) Compile Business Case

Stakeholder Engagement

This will occur throughout the process and will be tailored to particular stakeholder / group needs and expectations.

Technical Studies

The technical studies will all result in stand-alone reports but will be summarised and amalgamated into the final business case. Studies (with scope) include the following:

Health and Safety Commercial Information

- Conduct a desk top review of the detailed engineering plans for the new Sugarloaf development, focusing on the safety aspects of the design elements of the wharf plans.
- The desk top review and its findings are to be included in the application for funding as considerations of

design and cost relative to the successful application and subsequent approval of works

Cultural Impact Assessment (Hauraki Maori Trust Board)

This will include identification of any cultural concerns and potential opportunities that can be addressed through technical studies, the business case or future operations.

Engineering and Technical Commercial Information

General:

- Time Study, Design Basis Statement, Preliminary Design Report, Cost Estimate.

Commercial Wharf:

- Layout Design, Structural Design, Pavement Design, Geotech design, Water / Wastewater / Stormwater Design, Lighting, Drawing Production.

Recreational Wharf:

- Layout Design, Pavement Design, Water / Wastewater / Stormwater Design, Lighting, Revetment Design, Drawing Production.

Planning and Consenting Requirements Commercial Information

- The identification of any environmental overlays that apply to the project area in the Waikato Regional Policy Statement, Waikato Regional Coastal Plan, Thames-Coromandel District Plan, Conservation Management Strategy and Iwi Environmental Plans;
- The identification of the resource consents required from the Waikato Regional Council and the Thames-Coromandel District Council (in order to determine the overall activity status of the project and any challenges this may present);
- A summary of the statutory planning framework that will be relevant to the consideration of any resource consent applications for the project;
- The identification of the key environmental issues / challenges that will need to be considered as part of the project (and the nature of the environmental assessments required to address these matters); and
- General recommendations regarding the 'consentability' of the project and next steps.

Cost Benefit Analysis Commercial Information

An economic cost-benefit assessment to determine the full range of benefits to the District, and within a regional and national context that will articulate 'value for money'. This will include an investigation of the following through 'what if' scenarios:

- The baseline situation and net additional (intervention vs business as usual)
- The counterfactual situation (different approaches)
- The funding arrangements (cost inefficiencies)
- Summary ratios, including:
 - cost-benefit ratio;
 - return on private funding;
 - return on public funding;
 - NPV of the cost/benefits; and
 - net position on a per capita basis (\$ benefit per resident) at a total level and the make-up of the net position (and contribution per component).

Financial Modelling and Commercial Analysis Commercial

- Review historical materials and new information available and provide initial analysis and support to the other workstreams.
- Participate in commercial stakeholder engagement and provide analysis, support and advice in terms of the potential operating models and the financial and commercial implications of these options.
- Develop a financial model based on the commercial engagement and options assessment.
- The model will include the required sensitivity analysis and allow the comparison between scenarios

where appropriate.

Legal and Governance Commercial Information

Define and document optimum legal structure and governance model for future Sugarloaf operation, including identification of:

- Identify desirable characteristics of the optimum legal structure.
- Scan of potential governance models.
- Assessment of proposed governance models.
- Ownership and access issues to existing wharf facilities.
- Recommendations for a steering committee and its composition.
- Appropriate ownership model to apply for, and hold, resource consents.
- What, if any, new entity should be established to manage resource consent process, source funding, oversee wharf design and build and undertake day to day management of the Wharf / Port.
- In conjunction with key stakeholders, determine the optimum legal structure for development, ownership and management of the Wharf/Port.
- Establishment/incorporation requirements for the optimum legal structure, including development of constitutional documents and/or agreements.

Project Management and Business Case Compilation Commercial Information

The technical studies, financial modelling and legal and governance work will be amalgamated to form the business case for future investment. This will include working closely with each workstream to ensure they are coordinated and cognisant of changes / scenarios that may affect their respective area.

Once the Steering Group for the project agree on their preferred outputs for each piece of work, the business case will draw findings from each to present a comprehensive, investment ready business case. This will be reviewed externally including by the PDU to ensure it provides the framework for subsequent Provincial Growth Fund resourcing, alongside other investors.

- Who are the key personnel within the organisation relating to this project?

Stephen Hand, Chair CoroMFA, Tom Hollings Executive Officer, CoroMFA, Jake Bartrom, Executive Member CoroMFA and Sugarloaf Subcommittee, Daniel Ramsey, Executive Member CoroMFA and Sugarloaf Subcommittee.

- Please include bio's and provide an organisational/project structure where possible.

Biographies for core project team:

CoroMFA members possess most of the relevant skill sets in order to deliver this project successfully; in areas where we require additional skillsets we have already indicated relevant technical experts.

Steering Group Chair

Stephen Hand, Chair CoroMFA, GM Pare Hauraki Kaimoana

Chairman of CMFA since July 2018 and on the Executive Committee since 2015. 38 years experience in financial, commercial and general management roles in New Zealand and Australia across a number of industries. Most recent ten years as CFO and GM of a large NZ recycling and waste management company and since 2015 General Manager of Pare Hauraki Kaimoana; the aquaculture, fishing and investment company of Pare Hauraki. Qualified with B.Comm from Auckland University 1981.

Steering Group Support

Tom Hollings, Executive Officer CoroMFA

Executive Officer to the Coromandel Marine Farmers Association Inc. (& NZ Oyster Industry Association) for 20 years, including; project support & admin., stakeholder organisation and funding, marine farming development, ecological assessment and sustainability, maritime policy and safety, industry port development, coastal resource law and policy, aquatic resource advice (assessment/utilisation/management).

Tom manages his own consulting business, Hollings Resource Management Ltd. re marine farming and fisheries advice and services. 35 years of experience and service, for organisations and in private consultancy. Qualified with

B.Sci. Hons. Marine Biology, 1981, University of Wellington.

Steering Group Members

Daniel Ramsey, GM North Island Mussels Ltd

Executive Committee member of the Coromandel Marine Farmers Association and General Manager of North Island Mussels Ltd. 15 years specialised operational management experience across vertically integrated FMCG seafood, dairy, poultry industries. Currently managing farming and processing operations comprising of farms covering over 20% of Coromandel developed water space and mussel processing for over 40% of all mussels grown in the Coromandel. Bachelor of Technology (food) from Massey University and a current member of the Export NZ (BOP) Executive committee.

Jake Bartrom, Director Gulf Mussel Farms Ltd

Jake is a director of Gulf Mussel Farms, the Bartrom family’s Greenshell mussel farming operation based in Coromandel. He a second-generation marine farmer with over 12 years’ experience growing mussels in the Hauraki Gulf. He has grown up around the aquaculture industry and knows what goes into producing the best quality seafood – and the tremendous opportunity it offers New Zealand to generate export earnings and create green, local jobs. Jake has a Mechanical Engineering degree, and worked offshore in the Oil and Gas industry before returning to Coromandel. He opened the Coromandel Mussel Kitchen with his parents in 2009, in part to raise the profile of aquaculture in the Coromandel Peninsula. Jake is also on the Board of Aquaculture New Zealand and was co-chair for the Sea Change / Tai Timu Tai Pari Aquaculture Roundtable Stakeholder Working Group.

Project Manager

Dr Nigel Bradly, Director EnviroStrat Ltd

A blue growth, freshwater and impact investment expert with 24 years’ experience in both the public and private sectors around the world. Extremely strong tertiary qualifications underpin practical experience across strategy and economic growth initiatives, policy, science, stakeholder engagement, and regional, national and international government. Has completed consulting assignments in NZ across multiple sectors for DoC, MBIE, MFE, MPI, several State Owned Enterprises, multiple tribes, private sector organisations, the Waikato River Authority, and regional councils. International experience has included private sector work in the United States, Middle East, Australia, and United Kingdom, the National Oceanic and Atmospheric Administration and State environmental agencies in the United States, the World Bank Group, and the UN. Significant recent focus has been on impact investment project development, from concept through to investment in both terrestrial and marine areas.

- *Please attach a copy of your health and safety policy that will apply for this project.*

N/A for business case. All providers have their own H&S policy.

20. Please provide us with a project plan, where possible please attach a schedule (i.e. Gantt chart):

[Please use the following table to describe the activities of the project. Please use as many lines as it takes to provide us with the appropriate detail]

NB - See list above for detail on scope

#	Project Activity	Responsible:	Date / Period (assume 1 Nov kickoff):
1	Cultural Impact Assessment	Commercial Inf	Commercial Information
2	Technical Studies <ul style="list-style-type: none"> • Health & Safety • Engineering & Technical • Planning & Consenting • Economic Cost Benefit Analysis 	Various (as above)	Commercial Information
3	Financial & Commercial Analysis	Commercial	Commercial Information
4	Legal and Governance	Commercial Information	Commercial Information
5	Project Management and Business Case Compilation	Commercial Information	Commercial Information
6	Stakeholder Engagement	Commercial Information	Commercial Information

21. Please provide a complete breakdown of the costs of the project:

[Note that figures in this table must align with other figures provided in Q11. Please use as many lines as it takes to provide us with the appropriate detail. If more suitable, please attach a budget spreadsheet to this application]

Cost Description:	PGF \$ (ex GST)	In-kind Contributions	\$ cash co-funding spent on feasibility (ex GST)
Project management	\$ Commercial Info	\$ Commercial Info	
Cultural Impact Assessment & iwi consultation	\$ Commercial Info	\$ Commercial Info	
Legal Structure & Governance Model	\$ Commercial Info	\$ Commercial Info	\$ Commercial Info
Planning & Consenting	\$ Commercial Info	\$ Commercial Info	
Economic Cost Benefit Analysis	\$ Commercial Info	\$ Commercial Info	
Health & Safety	\$ Commercial Info	\$ Commercial Info	\$ Commercial Info
Financial Modelling & Commercial Analysis	\$ Commercial Info	\$ Commercial Info	
Technical / Engineering	\$ Commercial Info	\$ Commercial Info	\$ Commercial Info \$ Commercial Info \$ Commercial Info \$ Commercial Info
Stakeholder Engagement		\$ Commercial Info	
Governance		\$ Commercial Info	
Business case development	\$ Commercial Info	\$ Commercial Info	
Total	\$ Commercial Info	\$ Commercial Info	\$ Commercial Info

22. Please provide a description of why Government funding is required to deliver this project?

[Specifically, please set out why the funding cannot be sourced from other sources (e.g. banks, investors)]

There are no other sources of government funding that match the criteria of the proposed project. Industry and TCDC lack the available funding to carry out the business case. Feasibility studies in the past have clearly identified that Sugarloaf is the only realistic option for commercial aquaculture facilities in the Coromandel. There are also significant public benefits to this work.

23. What are the proposed deliverables if funding is approved?

[Please use the following table, consider what deliverables there will be, when, and whether there are any payments associated with them and against what criteria payment should be made. If it is a single deliverable with single payment, please just use one line]

Payments to be monthly rather than deliverable based. Key deliverables will be draft and final reports by the technical contributors. Each will be assessed against the terms of reference and adherence to scope and quality expectations.

#	Deliverable Description	Payment criteria:	Invoice Value \$ (Exc. GST)	%	Deliverable Date:
1	Draft Technical Reports Completed	Draft technical reports to be checked against agreed scopes of work for quality, cost and timeliness.	NA	NA	Commercial Information

2	<i>Final Technical Reports Completed</i>	<i>Final technical reports to be checked against agreed scopes of work for quality, cost and timeliness.</i>	NA	NA	Commercial Information
3	<i>Draft Financial & Commercial Analysis completed</i>	<i>Draft model to be checked against agreed scope of work for quality, cost and timeliness</i>	NA		Commercial Information
4	<i>Final Financial & Commercial Analysis completed</i>	<i>Final model to be checked against agreed scope of work for quality, cost and timeliness.</i>	NA	NA	Commercial Information
5	<i>Draft Legal & Governance Structure for future operations completed</i>	<i>Final report to be checked against agreed scope of work for quality, cost and timeliness</i>	NA	NA	Commercial Information
6	<i>Final Legal & Governance Structure for future operations completed</i>	<i>Final report to be checked against agreed scope of work for quality, cost and timeliness</i>	NA	NA	Commercial Information
7	<i>Draft Business Case completed</i>	<i>Monthly invoices based on status report and evidence of progress against plan</i>	NA	NA	Commercial Information
8	<i>Final Business Case completed</i>	<i>Final report to be checked against agreed scope of work for quality, cost and timeliness</i>	NA	NA	Commercial Information

24. Please provide an overview of the applicant's relevant skills and experience for delivering a projects of this nature:

[We would like to understand your relevant experience to assist in delivering this project. In addition, any track record you may have delivering projects of a similar size, scope, or complexity, and how these projects will contribute to the future success of your business. Please use examples. If you do not have the experience, then please indicate how you will manage this risk.]

CoroMFA has been actively working with the sector and other stakeholders on aquaculture growth, and Sugarloaf in particular for many years. We have contracted specialist expertise to supplement our industry knowledge and experience, which will reduce the risk to project delivery.

Commercial Information prepared this application and will be the overall project manager; Commercial Information specialises in project mobilisation and delivery. Recent relevant experience includes:

- Programme strategy, mobilisation and management for multiple large scale public and private sector initiatives, including leading establishment of the Commercial Information
- Led the writing team for NZ's Commercial Information; including significant strategic work with the aquaculture sector. The work included highly complex stakeholder management, including iwi, sector groups, community groups, regional and central government agencies. The writing team reported to a co-governance structure and required working alongside a collaborative stakeholder working group to ensure community and matauranga Iwi perspectives were woven throughout the process.
- Led / leading feasibility studies, due diligence and business cases for several impact investment projects, including securing funding from both public and private sources. Projects include circular economy responses to waste, low carbon, and high value / low impact aquaculture and fisheries development
- Commercial Information

25. Please explain the Governance arrangements for this project:

[We would like to know about how your organisation will govern the project/activity, as well as how other organisations may be involved (i.e. the Provincial Development Unit, local council, or iwi/hapū) in the governance procedures. Specifically please name who is on the governance board / leadership team]

The Steering Group will comprise the CoroMFA (chair), industry representation, TCDC, Pare Hauraki iwi, and the Provincial Development Unit of MBIE. It will meet regularly throughout the business case development and will receive a weekly written report detailing progress against plan, any constraints, risks or issues that have arisen and details of actions to deal with them. The Steering Group will attend the kickoff session to allow input to the overall plan, critical path and key decision points.

Steering Group members:

Organisation	Role
Steering Group	
CoroMFA (Stephen Hand, CoroMFA Chair, GM Pare Hauraki Kaimoana)	Project Owner / Steering Group Chair
Jake Bartrom (Director, Gulf Mussel Farms Ltd), Commercial Information , Provincial Development Unit (name TBC), TCDC (name TBC), Pare Hauraki Iwi (name TBC).	Steering Group
CoroMFA (Tom Hollings, Executive Officer)	Support Steering Group / Chair

26. What procurement process has been undertaken (i.e. selection of a provider), or will be undertaken, and how will that be managed?

[We wish to understand how you will approach the market effectively and ensure value for money is delivered, noting that public money is being utilised. If you have already been to market, then please describe who the supplier(s) are, how/why they were selected, and what the contractual arrangements are]

Procurement will be on a fixed fee basis, to be agreed following confirmation of funding from the PGF and an agreed scope and timeline between CoroMFA and the providers. Each provider has already provided the scope above and cost indications in the costing table.

All of the providers have worked in different capacities with the sector in the recent past and are therefore highly experienced and capable and well known to the CoroMFA, the industry and regional stakeholders.

27. What risks are associated with the delivery of this activity?

An initial risk assessment session has been held with the CoroMFA Chair and Executive Officer. This will be further developed in the kickoff session, reviewed on a weekly basis with the 1-1 provider updates, and reported by the project manager to the Steering Group.

#	Risk	Mitigation approach	Rating
1	Project is not supported by local, regional or central government.	Understand needs, concerns and expectations of all relevant agencies. Build any concerns into scope of technical studies. Provide opportunity for peer review of draft outputs.	Low
2	Project is not supported by community.	Early engagement with key community stakeholders to ensure that concerns are understood and factored into technical reports and future consultation.	Low
3	Project is not supported by iwi.	Cultural Impact Assessment and ongoing dialogue to ensure cultural concerns are identified early and dealt with appropriately.	Low
4	Business case fails to attract investment	Work with potential investors (including PGF) through business case development, including during drafting of structure and financial analysis workstreams.	Low

5	Project fails to be completed within timeframe.	Project plan agreed early on with key milestones and targets identified and worked to.	Low
---	---	--	-----

28. What is the future intent (at this stage) relating to the project? Has there been any assessment of future viability of the project undertaken?

[We would like to understand what will happen after the funding has been used, and the activity is complete. Specifically in relation to the viability of the project going forward (if applicable to this application), and what the end objectives are. Please describe/attach any former development phase outcomes that you may have completed prior to this application (i.e. business cases, feasibility assessments, workshop result, consultation etc.)]

This business case builds on two previous feasibility studies; ^{Commercial Infor} 2018 Sugarloaf Feasibility Report, and Preferred Location Options Report: Selection of Optimum Wharfing Site for Aquaculture Industry, Hauraki-Coromandel Development Group (2011). Both reports are available on request.

The output (Business Case) will allow the sector, investors and the Provincial Growth Fund to collectively invest in the most appropriate mix of infrastructure and governance / management to support mussel sector growth.

Part D: Declarations

Commercial Information

- 29. Has this activity ever been declined Crown Funding in the past?
- 30. Is the applicant or the contracting entity insolvent or subject to any insolvency action, administration or other legal proceedings?
- 31. The contracting entity is compliant and will continue to comply with all applicable laws, regulations, rules and professional codes of conduct or practice including but not limited to health and safety and employment practices
- 32. Is any individual involved in the application, the proposed contracting entity or the project, an undischarged bankrupt?
- 33. Is any individual under investigation for, or has any individual been convicted of, any offence that has a bearing on the operation of the project?
- 34. Are there any actual, potential or perceived conflicts of interest that the applicant or any of the key personnel have in relation to this project.
 "In a small country like ours, conflicts of interest in our working lives are natural and unavoidable. The existence of a conflict of interest does not necessarily mean that someone has done something wrong, and it need not cause problems. It just needs to be identified and managed carefully..."
<https://www.oag.govt.nz/2007/conflicts-public-entities>

If you answered "Yes" to any of the above, please provide a description below:

Commercial Information

By completing the details below, the applicant makes the following declaration about its application for Provincial Growth Fund funding for the project ("application"):

- I have read, understand and agree to the Terms and Conditions of applying for Provincial Growth Fund funding which are attached as Appendix 1;
- The statements in the application are true and the information provided is complete and correct, and there have been no misleading statements or omissions of any relevant facts nor any misrepresentations made;
- I have secured all appropriate authorisations to submit the application, to make the statements and to provide the information in the application;
- I consent to this application being publically released if funding is approved. I have identified the commercially sensitive and personal information.
- The applicant warrants that it has no actual, potential or perceived conflict of interest (except any already declared in the application) in submitting the application, or entering into a contract to carry out the project. Where a conflict of interest arises during the application or assessment process, the applicant will report it immediately to the Provincial Development Unit by emailing PGF@mbie.govt.nz; and
- I understand that the falsification of information, supplying misleading information, or the suppression of material information in this application, may result in the application being eliminated from the assessment process and may be grounds for termination of any contract awarded as a result of this application process.

Full name: Stephen Vaughan Barry Hand

Title / position: Chairman of Coromandel Marine Farmers Association Inc.

Privacy of natural persons

Date:

10th OCTOBER 2018

Appendix 1 – Terms and Conditions of this Application

General

The terms and conditions are non-negotiable and do not require a response. Each applicant that submits a request for Provincial Growth Fund (“PGF”) funding (each an “application”) has confirmed by their signature on the application that these terms and conditions are accepted without reservation or variation.

The Provincial Growth Fund is a government initiative which is administered by the Provincial Development Unit, a unit within the Ministry of Business, Innovation and Employment. Any reference to the Provincial Development Unit in these terms and conditions, is a reference to MBIE on behalf of the Crown.

Reliance by Provincial Development Unit

The Provincial Development Unit may rely upon all statements made by any applicant in an application and in correspondence or negotiations with the Provincial Development Unit or its representatives. If an application is approved for funding, any such statements may be included in the contract.

Each applicant must ensure all information provided to the Provincial Development Unit is complete and accurate. The Provincial Development Unit is under no obligation to check any application for errors, omissions, or inaccuracies. Each applicant will notify the Provincial Development Unit promptly upon becoming aware of any errors, omissions or inaccuracies in its application or in any additional information provided by the applicant.

Ownership and intellectual property

Ownership of the intellectual property rights in an application does not pass to the Provincial Development Unit. However, in submitting an application, each applicant grants the Provincial Development Unit a non-exclusive, transferable, perpetual licence to use and disclose its application for the purpose of assessing and decision making related to the PGF application process. Any hard copy application or documentation supplied by you to the Provincial Development Unit may not be returned to you.

By submitting an application, each applicant warrants that the provision of that information to the Provincial Development Unit, and the use of it by the Provincial Development Unit for the evaluation of the application and for any resulting negotiation, will not breach any third-party intellectual property rights.

Confidentiality

The Provincial Development Unit is bound by the Official Information Act 1982 (“OIA”), the Privacy Act 1993, parliamentary and constitutional convention and any other obligations imposed by law. While the Provincial Development Unit intends to treat information in applications as confidential to ensure fairness for applicants during the assessment and decision making process, the information can be requested by third parties and the Provincial Development Unit must provide that information if required by law. If the Provincial Development Unit receives an OIA request that relates to information in this application, where possible, the Provincial Development Unit will consult with you and may ask you to confirm whether the information is considered by you to be confidential or still commercially sensitive, and if so, to explain why.

The Provincial Development Unit may disclose any application and any related documents or information provided by the applicant, to any person who is directly involved in the PGF application and assessment process on its behalf including the Independent Advisory Panel (“IAP”), officers, employees, consultants, contractors and professional advisors of the Provincial Development Unit or of any government agency. The disclosed information will only be used for the purpose of participating in the PGF application and assessment process, which will include carrying out due diligence. If an application is approved for funding, information provided in the application and any related documents may be used for the purpose of contracting.

In the interests of public transparency, if an application is approved for funding, the application (and any related documents) may be published by the Provincial Development Unit. Commercially sensitive and personal information will be redacted by reference to the provisions of the Official Information Act 1982.

Limitation of Advice

Any advice given by the Provincial Development Unit, any other government agency, their officers, employees, advisers, other representatives, or the IAP about the content of your application does not commit the decision maker (it may be Senior Regional Officials, Ministers or Cabinet depending on the level of funding requested and the nature of the project) to make a decision about your application.

This limitation includes individual members of the IAP. The IAP's recommendations and advice are made by the IAP in its formal sessions and any views expressed by individual members of the IAP outside of these do not commit the IAP to make any recommendation.

No contractual obligations created

No contract or other legal obligations arise between the Provincial Development Unit and any applicant out of, or in relation to, the application and assessment process, until a formal written contract (if any) is signed by both the Provincial Development Unit and a successful applicant.

No process contract

The PGF application and assessment process does not legally oblige or otherwise commit the Provincial Development Unit to proceed with that process or to assess any particular applicant's application or enter into any negotiations or contractual arrangements with any applicant. For the avoidance of doubt, this application and assessment process does not give rise to a process contract.

Costs and expenses

The Provincial Development Unit is not responsible for any costs or expenses incurred by you in the preparation of an application.

Exclusion of liability

Neither the Provincial Development Unit or any other government agency, nor their officers, employees, advisers or other representatives, nor the IAP or its members will be liable (in contract or tort, including negligence, or otherwise) for any direct or indirect damage, expense, loss or cost (including legal costs) incurred or suffered by any applicant, its affiliates or other person in connection with this application and assessment process, including without limitation:

- a) the assessment process
- b) the preparation of any application
- c) any investigations of or by any applicant
- d) concluding any contract
- e) the acceptance or rejection of any application, or
- f) any information given or not given to any applicant(s).

By participating in this application and assessment process, each applicant waives any rights that it may have to make any claim against the Provincial Development Unit. To the extent that legal relations between the Provincial Development Unit and any applicant cannot be excluded as a matter of law, the liability of the Provincial Development Unit is limited to \$1.

Nothing contained or implied in or arising out of the PGF documentation or any other communications to any applicant shall be construed as legal, financial, or other advice of any kind.

Inducements

You must not directly or indirectly provide any form of inducement or reward to any IAP member, officer, employee, advisor, or other representative of the Provincial Development Unit or any other government agency in connection with this application and assessment process.

Governing law and jurisdiction

The PGF application and assessment process will be construed according to, and governed by, New Zealand law and you agree to submit to the exclusive jurisdiction of New Zealand courts in any dispute concerning your application.

Public statements

The Provincial Development Unit and any other government agency, or any relevant Minister, may make public in whole or in part this application form including the following information:

- the name of the applicant(s)
- the application title
- a high-level description of the proposed project/activity
- the total amount of funding and the period of time for which funding has been approved
- the region and/or sector to which the project relates

The Provincial Development Unit asks applicants not to release any media statement or other information relating to the submission or approval of any application to any public medium without prior agreement of the Provincial Development Unit.

Appendix 2 - Operational criteria for all tiers of the Fund

Link to Fund and government outcomes

- Demonstrate the ways in which the project will contribute to lifting the productivity potential of the region
- Demonstrate how the project contributes to the Fund's objectives of:
 - more permanent jobs
 - benefits to the community and different groups in the community
 - increased utilisation and returns for Māori from their asset base (where applicable)
 - sustainability of natural assets (e.g. water, soil integrity, the health and ecological functioning of natural habitats)
 - mitigating or adapting to climate change effects, including transitioning to a low emissions economy
- Clear evidence of public benefits (i.e. benefits other than increased profitability for the applicant)
- Are in a Government priority region or sector

Additionality

- Project is not already underway, does not involve maintenance of core infrastructure or assets (except for rail and transport resilience initiatives), and does not cover activities the applicant is already funded for (funding could be considered to increase the scale of existing projects or re-start stalled projects)
- Demonstrated benefit of central Government investment or support
- Detail of any supporting third party funding (and any funding sought unsuccessfully)
- Acts as a catalyst to unlock a region's productivity potential
- Demonstrated links to other tiers of the Fund and related projects, to maximise value of Government investment

Connected to regional stakeholders and frameworks

- Evidence of relevant regional and local support, either through existing regional development mechanisms, or through another relevant body such as a council, iwi or other representative group (or reasons for any lack of local support)
- Has been raised and discussed with the region's economic development governance group
- Alignment with, or support for the outcomes of, any relevant regional development plan, Māori development strategy or similar document (whether regional or national)
- Demonstrated improvement in regional connectedness (within and between regions)
- Leverage credible local and community input, funding, commercial and non-commercial partners
- Utilise existing local, regional or iwi/Māori governance mechanisms

Governance, risk management and project execution

- Evidence of robust project governance, risk identification/management and decision-making systems and an implementation plan appropriate to the size, scale and nature of the project
- Future ownership options for capital projects, including responsibility for maintenance, further development, and other relevant matters
- Benefits and risks clearly identified and quantified, depending on the scale of the initiative
- Evidence of potential exit gates and stop/go points, and a clear exit strategy
- Clearly identifies whole of life costs (capital and operating)
- Dependencies with other related projects are identified
- Evidence of sustainability after conclusion of PGF funding
- Adequacy of asset management capability (for capital projects)
- Compliance with international obligations (where relevant)