



## COVER SHEET

1. Raukokore Irrigation Feasibility and Design Project	For: Approval
Background & context:	Recommendation:
<p><b>Applicant Organisation:</b></p> <ul style="list-style-type: none"> <li>Te Whanau a Maruhaeremuri Hapū Trust</li> </ul> <p><b>Location:</b></p> <ul style="list-style-type: none"> <li>Bay of Plenty</li> </ul> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>Funding is sought for a full feasibility and design study by <small>Commercial Information</small> to investigate irrigation for up to <small>Commercial Information</small> of land at Raukokore in the Eastern Bay of Plenty.</li> </ul> <p><b>Funding Sought:</b></p> <p>Total project value: \$<small>Commercial Information</small> PGF Funding: \$950,600</p> <p><b>Background:</b></p> <ul style="list-style-type: none"> <li>This application builds on a feasibility study conducted in 2012 for irrigation in Raukokore. An updated feasibility and design study is needed to assess the viability of irrigating a smaller land area, with a focus on horticulture as opposed to dairy.</li> <li>The proposed project is for the benefit of a high-needs community within a surge region. The primary intended land use is high value horticulture (kiwifruit), with expected benefits including increased employment opportunities, and sustainable development of Maori land.</li> <li>A draft document outlining guidelines for considering water storage proposals under the PGF is attached as an appendix. We consider that this proposal is aligned with these guidelines as it contributes to several PGF priorities, is small scale (<small>Commercial Information</small>) and predominantly intended for high value</li> </ul>	<p><b>We recommend that SRCs:</b></p> <p>a) <b>Discuss</b> the alignment of this proposal with the government's position on irrigation, <b>noting</b> that it is small scale and predominantly for horticulture development.</p> <p>b) <b>Note</b> that the proposal includes an existing land block that is currently used for dairy, and discuss whether or not this is acceptable, noting the early stage of feasibility investigations, and the proposal's overall alignment with government policy.</p> <p>c) <b>Note</b> <small>Commercial Information</small> <small>Commercial Information</small> proposal is for the benefit of a community within a surge region that has limited capacity for cash contributions, and significant potential for economic development if the identified barriers are addressed as per this proposal.</p> <p>d) <b>Note</b> that some alterations to the project's scope, timing and governance may be required, however in the opinion of MPI and the PDU, this can be addressed through the contracting process.</p> <p>e) <b>Approve</b> \$950,600 from the PGF fund towards Raukokore Irrigation Feasibility and Design Study.</p> <p>f) <b>Note</b> that the proposal has been assessed by both the PDU and MPI, who support PGF funding to the level proposed.</p> <p>g) <b>Approve</b> the head of the Investment Management unit of the PDU negotiating contractual terms, including amendments to scope timing and governance as appropriate, and undertaking of due diligence.</p>

horticulture. There is one land block, covering approximately <sup>Commercial Inform</sup> within the command area that is currently used for dairy, and intends to remain in dairy in the foreseeable future. The applicant is not proposing any additional dairy development.

**h) Note** that it is not clear at this stage if the Applicant will seek further PGF funding. This will become clear towards the end of this phase of the project.

### PGF criteria that this proposal supports:

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
<b>Link with fund and government outcomes</b>		
Creates permanent jobs	<p>Potentially strong economic impact – new investment into the region, generation of new jobs, improved profitability and income streams.</p> <p>If successful, development of land into high value horticulture will create jobs on farm, which will generate additional income in the community and create jobs in supporting industries such as retail.</p>	✓✓✓✓
Delivers benefit to the community	<p>Supports the economic viability of investment in horticulture development.</p> <p>This proposal is for the benefit of a high-needs community that currently has limited economic development opportunities. The community has land available that would be suitable for kiwifruit development, if it had a reliable supply of water.</p>	✓✓✓✓
Increased utilisation and returns of Maori asset base	<p>The applicant organisation is a hapū trust associated with 150 land blocks. They are submitting this application on behalf of a steering group that includes a range of land owning Māori trusts, Māori incorporations and the Raukokore Community Water Supply Group.</p> <p>This project provides an opportunity for Māori land owners to improve the productive capacity of their land and achieve significant community benefits.</p>	✓✓✓✓
Enhanced sustainability of natural assets	<p>The primary intended land use is high value horticulture (kiwifruit). There is one land block in the area that is currently in dairy, and intends to stay in dairy for the foreseeable future, but the application does not propose any additional dairy development.</p>	✓✓✓
Mitigation of climate change effects	<p>This proposal does not explicitly reference climate change mitigation or adaptation as an objective,</p>	✓✓✓

	however, a reliable supply of water is critical to food production and maintaining the sustainable development of land-based industries.	
<b>Additionality</b>		
Adding value by building on what is already there	This project would not be able to occur without support from the Provincial Growth Fund. At a conceptual level, the case for small scale irrigation within this community appears strong. This is subject to further validation through the work proposed in this application	✓✓✓✓
Acts as a catalyst for productivity potential in the region	This proposal aims to address a significant barrier to unlocking the productivity potential of land owned by the community of interest	✓✓✓✓
<b>Connected to regional stakeholders and frameworks</b>		
Alignment with regional priorities	This proposal aligns with the priorities of sustainable development, improved outcomes for Māori, and increased employment opportunities.  Water availability is recognised as the primary barrier to high value horticulture development in the community. This kind of development will generate significant economic opportunities, including employment, which is a priority for the region.	✓✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	The applicant organisation is a hapū trust associated with 150 land blocks. They are submitting this application on behalf of a steering group that includes a range of land owning Māori trusts, Māori incorporations and the Raukokore Community Water Supply Group.	✓✓✓✓
<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	The applicant has a track record of delivering projects within the community. Given the number of stakeholders and the complexity that irrigation scheme developments can present, some project management support from the PDU may be required.	✓✓✓
Risk management approach	Governance assistance or support from the PDU may be required to ensure appropriate risk management through the life of this project.	✓✓
Future ownership / operational management	Would be assessed if the project proceeds to the next phase	

## The purpose of this briefing is to recommend PGF funding approval to the Raukokore Irrigation Feasibility and Design Project

### Risks Issues:

#### Eligibility points of note:

- *Alignment with government policy:* A draft document outlining guidelines for considering water storage proposals under the PGF is attached as an appendix. We consider that this proposal is aligned with these guidelines as it contributes to several PGF priorities, is small scale (~<sup>Commercial Inform</sup>) and predominantly intended for high value horticulture. There is one land block, covering approximately <sup>Commercial Inform</sup> within the command area that is currently used for dairy and intends to remain in dairy in the foreseeable future. The applicant is not proposing any additional dairy development.
- *Due diligence:* Entity due diligence has not been completed as yet, but will be prior to contracting.
- *Conflict(s) of interest:* No conflict of interest has been identified, however full due diligence will inform this item further.
- *Illegal Activity:* Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans:* This proposal aligns with the priorities of sustainable development, improved outcomes for Māori, and increased employment opportunities.
- *Commercial funding availability:* Given the nature of the project, which is at 'proof of concept/feasibility stage, access to commercial funding is not a feasible option.

### Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	MPI
<b>Supporting proposal:</b>									
Yes									
<b>Appendices:</b>									
Yes - Applications and supporting letters are as annexes									
<b>Sponsor(s):</b>									
N/A									
<b>Manager/Author of paper:</b>									
Privacy of natural persons / Siobhan Ryan									