

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:

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]

The Wakamoekau water storage project aims to provide resilience of freshwater supply to the Wairarapa through the construction of a water storage facility at Wakamoekau (being 18.8 MCM in size). This facility will support the water resilience needs of our local communities, Iwi, industry, urban, food production, environmental and all other Wairarapa stakeholders.

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

Legal Name:	Wairarapa Water Limited (WWL)
Entity Type:	Company
Registered Offices / Place of Business:	c/o Southey Sayer, 110 Dixon St., Masterton
Identifying Number:	6386713
Organisation's Website:	NA

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

Contact Name and Role:	Tim Lusk - Chair WWL		
Email Address:	Privacy of natural persons	Telephone:	Privacy of natural persons

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

[Note for completion: we wish to know what your organisation's primary function is].

The primary function of WWL is to promote and source private sector funding for community scale water storage and distribution infrastructure for public and private use in the Wairarapa.

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

7. What type of funding is this application for:

[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:	1/01/2019	Completion Date:	Commercial Information
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9. Has this project / activity been previously discussed with any part of Government? Yes: No:

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

[The PDU will consult with other parts of Government as part of the assessment]

Prior to the establishment of WWL, Crown Irrigation Investment Limited (CIIL) co-funded with Greater Wellington Regional Council (GWRC) – through the Water Wairarapa project – Pre-Feasibility activities to investigate how water in the Wairarapa could be stored and distributed in a way that contributed to both economic growth and overall environmental sustainability.

Work in this Pre-Feasibility Phase included an initial Scoping Study, an Options Identification and Analysis Phase, an Options Refinement Phase, a Prefeasibility Phase, and early Feasibility investigations involving a geotechnical drilling programme, on-farm case studies and financial modelling work. The investigations started with 243 potential water storage sites and progressively and logically were refined to the Wakamoekau site – the preferred site for a community water storage project in the Wairarapa. This investigation work was wound up in the year ended 30 June 2018.

Following this, WWL was established and the organisation has been working with the Provincial Development Unit to develop this application for PGF funding.

WWL continues to actively engage and work in collaboration with GWRC and the three Wairarapa Councils as key Local Government stakeholders in the project.

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

- If Yes, please list which part of the Government, when the funding was received, and how much under Q11.

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>	\$ (excluding GST)	Status / Commentary <i>[i.e. received / confirmed / in principle]</i>
Commercial Inf funding of Investigation/Pre-Feasibility Phase – work completed 2011-2018	\$ Commercial Information	Received by Commercial Inf
Commercial Inf funding of Investigation/Pre-Feasibility Phase – work completed 2011-2018	\$ Commercial Information	Received by Commercial Inf
Commercial Information	\$ Commercial Info	Received
Commercial Information	\$ Commercial Inform	Proposed
EOI – Commercial Information	\$ Commercial Inform	Proposed
Other	\$ Commercial Inform	Proposed
Provincial Growth Fund Funding (through this application)	\$ Commercial Inform	Being \$ Commercial Informa in Tranche 1 and \$ Commercial Informa in Tranche 2
Co-funding from Commercial Inf and the Commercial information by way of the complementary Commercial Information around integrated water management	\$ Commercial Inform	Confirmed
Total:	\$ Commercial Information	

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? Yes: No:

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

[Insert your commentary here]

This application seeks funding to complete a review of the 2015 Pre-Feasibility study and to complete the key activities in the Commercial Information of the Wakamoekau project (see Wakamoekau Water Storage Project Phases – Appendix 1, and Project Plan – Wakamoekau – Appendix 6, plus descriptions of Tranche 1 and 2 in Question 15 below). Following this, the remaining phases to be funded include Feasibility, Resource Consenting, Design & Contracting, and Construction.

The intention is for the Feasibility, Resource Consenting, and Design & Contracting Phases to be carried out from Commercial Information with an estimated total cost of \$Commercial Information. It is anticipated that the Construction Phase will occur from Commercial Information with an estimated total cost of \$Commercial Information (see Commercial Information Prefeasibility Report 2015 – Appendix 2). Please note that these estimated costs and programming will be updated as part of the prefeasibility review for which this application seeks funding.

WWL would seek Central Government funding for up to Comm% of the Commercial Information, with the intention that the remainder of these phases, and the Construction Phase, will be funded substantially from other sources.

14. What type of activity is this application for?

- | | |
|--|-------------------------------------|
| Feasibility study | <input checked="" type="checkbox"/> |
| Business case | <input type="checkbox"/> |
| Report | <input type="checkbox"/> |
| Creation of an action plan | <input checked="" type="checkbox"/> |
| Research or surveys | <input type="checkbox"/> |
| Workshops or consultation | <input checked="" type="checkbox"/> |
| Capability building (Education / training) | <input type="checkbox"/> |
| Other (please specify) | <input type="checkbox"/> |

[If other, please describe here]

Completion of activities required in the Commercial Information of the Wakamoekau project, as detailed in the attached Wakamoekau Water Storage Project Phases – Appendix 1.

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.]

Our Challenge

The name Wairarapa means “glistening waters”, and our region is a place of natural abundance. But our natural supply of water is increasingly unpredictable and not available when it is needed most. In the recently completed Wairarapa Economic Development Strategy and Action Plan (see Wairarapa Economic Development Strategy and Action Plan – Appendix 3), stakeholders identified water shortages as a major cause for concern. They stated that “shortage of water in the summer season is a whole-of-community issue” and that “greater water reliability is needed if the region’s economy is to diversify, never mind grow”.

Water supply concerns are supported in recent research contained in the attached GWRC Reframing Investigations Report (GWRC Water Wairarapa Reframing Investigations Summary Report – 2018 - Appendix 4). It finds that water supplies are being degraded by the increasing demand of urban and rural users, and decreasing rainfall and river flows. Increased demand is being caused by a growing population and economy in the region, as well as rising irrigation needs due to increasing air temperatures. Declining rainfall, river flows, and groundwater supplies are projected to occur due to the imminent effects of climate change.

In addition to these challenges, the Ruamāhanga Whaitua Committee recently adopted a programme that will manage contaminants, water allocation and river management, and sets freshwater objectives and limits for each freshwater management unit in the catchment area. The programme sets water resource limits to increase minimum river flows and place greater restrictions on water users of groundwater that is directly connected to rivers.

The limits will considerably reduce both the available volume of water and its reliability of supply, particularly over a period of several months in the mid to late summer in sub-catchments where it is proposed that minimum river flows will be increased. This in turn will have a significant impact on local businesses who rely on water for their operations, limiting their ability to operate in the region. Without resiliency of water supply this would have significant flow on effects to the economy and wellbeing of our communities, given these are some of the region’s largest employers. It will also be a handbrake to new business and industry and the Wairarapa’s ability to transition land use and the economy to higher value, less resource intensive and more sustainable uses.

Our Vision

“To provide one or more multi-purpose water schemes for the Wairarapa to collect and store water then distribute it for a variety of economic and community uses. This will be done in a way that promotes sustainable management of land and water and creates regional prosperity” (Wairarapa Water Use Project vision from 2012). A greater more reliable supply of freshwater, especially in the hot and dry summer months is required to support our communities and their future needs. As described in the Wairarapa Economic Development Strategy and Action Plan, the region is moving towards an economy focused on value, not simply volume, and will be more reliant on water at critical times. The demand for water will not just come from value-added agriculture, but also tourism, gradual population increases, and other domestic purposes.

To meet these needs, the region came together in 2010 to form Water Wairarapa to secure a sustainable future for our region’s people, land, and water. Since then, in-depth studies have identified the optimal locations for water storage and distribution infrastructure. The potential financial, social, environmental and cultural implications of establishing a scheme have been assessed. These activities have included working with a range of stakeholder groups throughout the region to gain their input and understand their interests and aspirations for what a water scheme could provide. In 2015 a detailed prefeasibility study was completed to investigate ^{Comm} potential schemes (Commercial Information Prefeasibility Report 2015 - Appendix 2) and the Wakamoekau water storage option was found to be the most favourable. Wakamoekau would be located northwest of Masterton and have a capacity of 18.8 MCM of water.

Making it Happen

The Wakamoekau project is being progressed as a collaboration between WWL, GWRC and the three Wairarapa Councils. The Councils and WWL have separate but complementary work programs that are being coordinated to provide the answers necessary to confirm whether or not the Wakamoekau site can be part of an integrated solution to building resilience into the Ruamāhanga River basin water resource and achieving reliable freshwater supply for the Wairarapa.

This work programme includes consulting work being carried out by ^{Commercial Information} around urban water supply plans for the Councils taking into account climate change and the Waitua recommendations, plus some work with ^{Commercial} on the economic impact of water storage in the Wairarapa. This work is being co-funded by ^{Commercial Information}

On behalf of the Wairarapa region, WWL is seeking Provincial Growth Fund support to review and reframe the 2015 prefeasibility study to include the effects of the Waitua recommendations, recent climate changes projections, and assess the project against the requirements of the PGF. This commission also includes an independent review by experts of key aspects of the Wakamoekau project. This has been discussed with Council staff and the WWL Board has agreed to proceed subject to the success of this funding application. The proposed scoping of this review is included at Appendix 5.

Following the completion of this reframing review of the prefeasibility study, WWL expects to have a project concept that: aligns with the Waitua recommendations, is commercially robust, and aligns with the current Government's policies regarding the use of small-scale water storage schemes for community water resilience.

Contingent on achieving the results listed above in the updated prefeasibility study, WWL is further seeking funding to carry out key activities in the ^{Commercial Information} of the Wakamoekau project. The outcome of this funding will be that the Wakamoekau project is ready to progress to the Feasibility Phase and beyond.

Tranche 1 – to review the 2015 Pre-Feasibility study, initiate Community Engagement Strategy and staff recruitment, and complete consultation regarding GWRC plan change (being initial activities in the ^{Commercial Information}

Tranche 1 requests \$^{Commercial Inform} of PGF funding in order to complete the following activities:

- Review of 2015 prefeasibility study by ^{Commercial Information} (^{Commercial Information} Prefeasibility Review Scope DRAFT – 6 November 2018 - Appendix 5)
- Consultation with GWRC on the plan change required as a result of the Waitua recommendations
- Development of a community engagement strategy
- Employment of a Community Engagement Manager
- Recruitment of a Project Manager and Technical Officer

Tranche 2 – being remaining ^{Commercial Information} activities

Tranche 2 requests \$^{Commercial Inform} of PGF funding in contribution to the cost of completing the following activities (total cost of Tranche 2 activities is \$^{Commercial Inform} with the remainder to be co-funded ^{Commercial Information}

- Prepare and run an EOI process to obtain additional funding from private water users required for the ^{Commercial Information}
- Staff expenses for the staff detailed above (Project Manager, Technical Officer and Community Engagement Manager)
- Preparing a confirmed budget and work plan for the remaining ^{Commercial Information} activities (informed by the Tranche 1 result)
- Implementation of the community engagement strategy and work programme
- Establishing the ^{Commercial Information} entity for the Feasibility, Resource Consenting and Design & Contracting Phases
- Final prefeasibility check
- ^{Commercial Information}
- Preparing a budget and work plan for the Feasibility and Resource Consenting Phases
- Developing a water offtake pricing model
- Preparing funding applications for the Feasibility, Resource Consenting and Design & Contracting Phases

A more detailed outline of the work programme for the Tranche 1 and Tranche 2 activities is included in the Project Plan – Wakamoekau – Appendix 6.

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

[Please cover:

- Why the project is not already underway.
- How the project provides a new asset and is not seeking maintenance funding.
- The benefit of Central Government funding (i.e. over alternative sources).
- Why this project will unlock the potential within the region.]

The Wairarapa Community Water Storage project has been under investigation since 2010 and significant progress has been made over that time. Due to the complexity and long-range nature of planning, funding, and constructing a public reservoir, the region is seeking support and resources from a variety of sources. Commercial Information

Ultimately, we don't have a product to sell to the users, being Councils, industry, or farmers, until financial closure when consents are held, contracts are in place and the price of water can be fixed. Until that time the natural parties with long term objectives and substantial balance sheets to enable, invest in and de-risk the project are local, regional and Central Government.

The Provincial Growth Fund is positioned to make a strategic investment to move this project forward and improve the Wairarapa economy and quality of life for generations to come. It is particularly important that we maintain momentum in a situation where funding is going through a challenging transition – from GWRC/CIL site investigation leadership (detailed in Question 9) to progressing the Commercial Information of the Wakamoekau development under WWL and Council leadership – and where a considerable amount of work still has to be done to provide the confidence to attract investors.

Community water storage projects, such as Wakamoekau, have had a tremendous impact on the quality of life and economic fortunes of many communities. In the Wairarapa it could unlock the region's potential in the following ways:

- Increased farming productivity and a more diverse, higher values range of agricultural and horticultural outputs.
- Supplemental domestic, potable water to help during dry seasons and expand to meet the needs of a growing population.
- Water to meet the growing needs of existing industry and supply to attract new industries to the region.
- Small-scale hydroelectric power production and distribution.
- A new site for water recreation that would improve the area's quality of life and attract new tourists to the region
- Mitigate the impact of droughts and reduction in flood damages.

Estimated economic impacts of the project are detailed in Question 18 of the application.

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

[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]

The recently released Wairarapa Economic Development Strategy and Action Plan provides a framework for economic development in the Wairarapa region going forward. The Wairarapa Economic Development Strategy and Action Plan identifies water as a key focus area for the Wairarapa, being a key infrastructural enabler which also underpins many of the other key activities and sector focus areas identified in the Wairarapa Economic Development Strategy and Action Plan, including Added Value Food and Beverage, Tourism and the development of Knowledge-Intensive Industries. A resilient supply of fresh water for the Wairarapa will also have significant positive impact on Iwi and the Maori economy and will serve as an enabler for the development of activities in the Maori Tourism Strategy and Maori Economic Development Strategy for the region. As such, ensuring reliable access to freshwater is central to the implementation of the Wairarapa's strategic frameworks and priorities.

There is a far and wide-reaching range of stakeholders in the area of water, including all individual members of the Wairarapa community, the three Wairarapa Councils, GWRC, Iwi, local businesses and industries, and Central Government.

Reliable access to freshwater is acknowledged by stakeholders across the region as a vital requirement for the Wairarapa to ensure ongoing growth, prosperity and sustainable development, across the whole community.

Significant work is being completed to ensure that any water storage project initiated aligns with the needs of all stakeholders in the Wairarapa. This work has been initiated already and is ongoing:

- The Stakeholder Advisory Group for WWL was formed under the Water Wairarapa Project and continues to engage and advise WWL as representation of 19 stakeholder groups including Councils, Iwi, Outdoor Recreation, DOC, Forest and Bird, Public Health, Fed Farmers, Biodiversity, and the Wairarapa Chamber of Commerce.
- Engagement with Iwi has been ongoing with Iwi involvement in the Governance Group for the Wairarapa Water Prefeasibility Phase and this relationship is ongoing into the current Commercial Information

The Wairarapa Economic Development Strategy and Action Plan also identifies the need for a Water Resilience Strategy for the Wairarapa and the completion of the Commercial Information and Commercial Information work contained in this application will also form a valuable foundation to this Water Resilience Strategy, further connecting the water project to this regional framework.

Strong regional support for the project is evidenced by the endorsement of this project by both Wairarapa Iwi – Rangitāne Tū Mai Rā Trust and Ngāti Kahungunu Ki Wairarapa-Tāmaki Nui ā Rua Settlement Trust. In addition this application has support from the Governance Group for the Wairarapa Economic Development Strategy and Action Plan. This group comprises the Chair of GWRC and the Mayors of Masterton, Carterton and South Wairarapa, and is Chaired by Dame Margaret Bazley. These expressions of support are attached at Appendices 7-9.

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

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[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 Wakamoekau project will lift the productivity of the region by providing a more reliable water supply for existing and future needs. Towns and farms will be able to operate with greater confidence that their needs can be met. The agricultural sector will also have the certainty needed to expand operations or shift to more specialised crops, such as apples, seeds, and vegetables. In terms of sustainability, the change in land use through availability of water will likely result in less dairy and a likely trend towards horticultural uses where a greater level of precision and technology is typically utilised around nutrient management. As a result, productivity growth will be seen through adding further value to horticultural products, which will in turn drive job creation and incomes for the Wairarapa.

Local industries will also be given the ability to more predictably run their operations and potential expand them. There will also be the water storage capacity to attract new industry to the Wairarapa that is dependent on water for their manufacturing processes. Over a dozen local businesses attended a recent water users’ forum in Wairarapa and stated how concerned they are regarding potential water shortages, the importance of reliable water is to their operations, and how they could expand processes if given access to a greater supply (see Wairarapa Water Users Inc. Forum Minutes – Appendix 10).

Stored water could be put back into the river and lakes during the summer months to maintain river flows and lake water-levels and support recreational use of these resources for our communities. This would in turn boost the productivity and profitability of the region’s tourism sector through increased visitor numbers.

Other outcomes that could be realised based upon the completion of the Wakamoekau project include:

- Environmental improvements and sustainability, including climate change adaptability;
- Economic development through agri-sector growth and development of alternative land uses which will lead to new business and job creation and provide the opportunity for skills development in those working in these areas, and increased population growth that will bring new industry and businesses;
- Benefits for Maori through increased productivity of Maori land and assets, job creation and potential water/ infrastructure ownership; and
- Social benefits through more consistent municipal and industrial supply.

More specific details of expected outcomes for the project are included in the table below. This information has been extracted from the attached GWRC Reframing Investigations Summary Report (see Appendix 4) which determined how the combination of the Ruamāhanga Waitua Committee’s proposals and the newly acquired climate change information would affect water users. GWRC Councillors saw it was important that water users understood these affects prior to being asked to assist with funding scheme development. The investigations were also intended to assist and inform the Water Wairarapa project’s technical direction and project viability as earlier investigations had not accounted for climate change. This assessment adopted the total combined Black Creek/Wakamoekau project (being a larger sized storage area than the current Wakamoekau project for which this funding is being applied in relation to). The results of the review of the 2015 prefeasibility study, in combination with the results from the Councils’ complementary Commercial Information work, will help to refine the expected outcomes of the Wakamoekau project.

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"> • “Every \$<small>Commercial Information</small> increase in GDP attributable to irrigated land production would mean a <small>Comme</small>% increase in the primary sector compared to the current trend of <small>Commercial</small>%” • Increased water security would bring new investment in higher margin crops and their associated processing facilities and confidence to expand our towns • Allows more water to be left in the river without destroying the economic viability of existing businesses (farming and industry) provides resilience around current activities while

		improving environmental outcomes
2. Enhance utilisation of and/or returns for Māori assets	✓	<ul style="list-style-type: none"> “Any change that modifies and simplifies aquatic communities through drought or flood events for instance will affect Iwi, irrespective of mahinga kai opportunities lost or gained. <p>If sufficient storage can be built and replenished annually, without ongoing damage to the wider streams and rivers, this may be the only feasible solution for the Wairarapa”</p>
3. Increase productivity and growth	✓	<ul style="list-style-type: none"> “Irrigated farmland, on average, generates three times the production of an equivalent area farmed under dry land systems. <p>One third of the wealth and employment created from irrigation occurs on farm with the other two thirds spread through the rural and city communities”</p>
4. Increase local employment and wages (in general and for Maori)	✓	<ul style="list-style-type: none"> “Over the next <small>Commercial In</small>, an additional : <ul style="list-style-type: none"> 1000 ha in apples generates <small>Commercial</small> more jobs and \$<small>Commercial Informatio</small> p.a GDP 2400 ha in outdoor vegetables generates <small>Commercial</small> more jobs and \$<small>Commercial Informatio</small> p.a GDP” Local Iwi are expected to be significant investors in primary industry
5. Increase local employment, education and/or training opportunities for youth (in general and for Māori)	✓	<ul style="list-style-type: none"> See above – many of these newly created jobs would be suitable for young people and in turn provide training opportunities for youth in these key industries The change in land use forecast and the incentives to innovate in catchment management will create business innovation, education and training opportunities
6. Improve digital communications, within and/or between regions	<input type="checkbox"/>	<i>[Insert your relevant commentary here]</i>
7. Improve resilience and sustainability of transport infrastructure, within and/or between regions	<input type="checkbox"/>	<i>[Insert your relevant commentary here]</i>
8. Contribute to mitigating or adapting to climate change	✓	<ul style="list-style-type: none"> 18.8 MCM of stored water becomes available at times of low river flows to enhance the health of our rivers and provide greater water security to the community and businesses Existing recreational facilities such as Henley Lake and Queen Elizabeth Park and sports grounds can be protected from drought conditions It is intended that the <small>Commercial Information</small> to incentivise innovation including the development of nature based solutions
9. Increase the sustainable use of and benefit from natural assets	✓	<ul style="list-style-type: none"> Relieves pressure on rivers for water supply at times of drought Provides flushing and environmental flows Supports integrated catchment management

		<ul style="list-style-type: none"> • Could see some inefficient water races made redundant
10. Enhance wellbeing, within and/or between regions	✓	<ul style="list-style-type: none"> • Increased reliability of water supply to urban, environmental, industrial and farming needs contributes significantly to this outcome
Total number of outcomes project contributes to	8/10	

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Part C: Project Delivery

[Please note – this section refers to the actual activity associated with this application.]

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?
- What involvement is required by the Provincial Development Unit?
- What other partners are required for successful delivery?
- What project management practices will be in place?
- Who are the key personnel within the organisation relating to this project?
- Please include bio's and provide an organisational/project structure where possible.
- Please attach a copy of your health and safety policy that will apply for this project.]

Initially all activities in the **Commercial Information** will be managed directly by the Chair of WWL with the support of the Board. Accepted project management practices will be used in this management. **Privacy of natural persons**

In February-April 2019, as detailed in the Tranche 1 funding request, WWL will work to recruit a Project Manager, Technical Officer and Community Engagement Manager to assist with activities in the **Commercial Information** and ongoing. These staff will implement appropriate project management and health and safety practices as part of their role.

As further detailed below in Question 24, WWL will pursue a partnership with GWRC and the **Commercial Information**, in addition to utilising the skills and expertise of **Commercial Information** in this area.

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]

#	Project Activity	Responsible:	Date / Period:
1	[e.g. delivery of a detailed plan]		Click here to enter a date.
2	[e.g. engage a contractor]		Click here to enter a date.
3	[e.g. consultation]		Click here to enter a date.
4	[e.g. delivery of final report to the Ministry]		Click here to enter a date.
5	Other		

See Project Plan – Wakamoekau – Appendix 6

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:	\$ (excluding GST)
[e.g. consultancy services, covering xyz]	\$
[e.g. report drafting]	\$
[e.g. commissioning]	\$
Total	

See Wakamoekau Project Budget – **Commercial Information** – Appendix 11

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)]

It is very difficult to secure investment from local water users without compelling evidence indicating that the project will proceed and that it will provide resilient, sustainable and practical access to reliable fresh water for the Wairarapa region (i.e. to secure funding in the **Commercial Information** where the Wakamoekau project sits currently).

As such, Government funding is required at this stage of the project in order to reach the next stage of the project, where wider funding can reasonably be obtained.

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]

#	Description	Payment criteria:	Invoice Value \$ (Exc. GST)	%	Invoice Date:
1	Tranche 1: Commercial Information – review of prefeasibility report	Upon completion of the review (payment may be required in stages as the review progresses)	\$ Commercial Information	[Commercial %]	Click here to enter a date.
2	Tranche 1: Additional activities to begin Commercial Information	Upon signing the funding agreement. Payment may be required in stages	\$ Commercial Information	[Commercial %]	Click here to enter a date.
3	Tranche 2: Commercial Information activities	Upon receiving a positive outcome in the deliverable 1 above. Payment may be required in stages	\$ Commercial Information	[Commercial %]	Click here to enter a date.

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.]

The WWL Board includes directors that were previously involved in the GWRC led Water Wairarapa project and have been augmented by two new directors with considerable knowledge to ensure that all key areas of the Commercial Information are covered at a governance level (see WWL Board Member Information – Appendix 12).

WWL is working in collaboration with GWRC and the three Wairarapa Councils, who have knowledge of the project and considerable experience in: infrastructure development, natural resource management, project management of capital works, and community engagement.

Subject to funding and the positive outcome of the prefeasibility review and the Commercial Information work being completed by GWRC and the three Wairarapa Councils (due to be completed in early 2019), WWL will appoint a Project Manager (as detailed in Tranche 1 funding detail) with relevant experience to complete the Commercial Information activities.

Through the Commercial Information it is planned that the current collaboration relationship will evolve into a formal partnering with even more effective access and utilisation of our collective experience.

WWL has identified a critical relationship with Commercial Information that will provide technical specialist expertise directly to the project.

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 WWL Board will lead and govern the project (see WWL Board Member Information – Appendix 12). The WWL Board will work closely with the three Wairarapa Councils and GWRC, Iwi and the PDU to ensure that governance for the project is integrated, comprehensive and efficient.

Further governance support and oversight will be provided by the Governance Group for the Wairarapa Economic Development Strategy and Action Plan.

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]

Commercial Information was recommended to Water Wairarapa by Commercial Information and has been used in the project on an ongoing basis since then.

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

#	Risk	Mitigation approach	Rating
1	That new factors may mean the project is not feasible	<ul style="list-style-type: none"> - Commercial Information Review of previous assessment - Councils Commercial Information review of urban water needs and an integrated storage solution 	Commercial Informa
2	Opposition causes key stakeholders to withdraw their support	<ul style="list-style-type: none"> - Comprehensive community engagement programme 	Commercial
3	Funding is not available	<ul style="list-style-type: none"> - Finish the Commercial Information and Commercial Information reviews so that a more convincing and complete case can be made - Achieve PGF core funding 	Commercial
4	Lack of Political and Commercial leadership	<ul style="list-style-type: none"> - Develop WWL partnership with Councils - Strongly support and align with Economic Development Strategy Governance Group 	Commercial Informa

		- Recruit experienced staff	
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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 application seeks funding for the purpose of ascertaining the future intent and viability of the Wakamoekau project, through the updating of the 2015 prefeasibility study (discussed in detail in Question 15 above).

The results of the updated prefeasibility study will enable V/WL and its stakeholders to answer this question with certainty.

Further information in relation to previously completed activities is included at Appendix 1 – Wakamoekau Water Storage Project Phases.

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:

Two of the five WWL directors are farmers who may directly benefit from the development. The Board reviews its director's interest register at the commencement of each meeting and intends being rigorous in the management of those conflicts as they arise.

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:

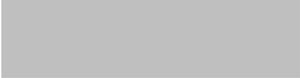
Timothy Alan Lusk

Title / position:

Chair – Wairarapa Water Limited

Signature:

Commercial Information



Date: 24 December 2018

PROACTIVELY RELEASED

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)