

14 October 2020

[REDACTED]
[REDACTED]

[REDACTED]

Request for Official Information responded to under the Local Government and Official Information and Meetings Act 1987 (LGOIMA) – reference: 7533152 (2021-082)

I refer to your two emails of 16 September 2020 requesting certain information. Please find our response below:

Re Gateway - the Consultation over, the new evaluation

The KCDC web site now states the following:

The application made a solid case for government funding and we are now working through a process, having listened to community and elected member concerns, to test some of the assumptions made in the indicative business case. This includes looking at a range of options for how the centre might operate, should Council decide to proceed with the establishment of the Gateway at this time. This statement raises a number of concerns.

First, it states that KCDC has listened to the community. The listening has, according to the statement, now concluded. I am unaware of any “Listening”. With regard to my own submissions all my correspondence to yourself and the mayor has been ignored and not responded to. Only information requests have been answered.

1. Please indicate how this further consultation has taken place?

- ***enumerate upon all the “Community concerns” listened to***
- ***how was the evidence obtained at these “Listening events”***
- ***who attended***
- ***who listened***
- ***how was the evidence obtained recorded***
- ***what was the method used to carry out a fair and genuine evaluation of these concerns. In other words the community needs to know that a genuine re-evaluation has taken place and not a public relations exercise enabling the council to say it consulted.***

Councillors and staff have listened to (and continue to listen to) and taken consideration of, community concerns in the following manner:

- Direct engagement with groups and individuals;

- Official information request responses;
- Social media and other communication channels;

- 2. Second, it says KCDC is now going," to test some of the assumptions made in the indicative business case". What is the test and how is the test being carried out. It is our understanding, after reading the information available on the KCDC web site, that the business case is based on the Bevin report and unsubstantiated assumptions contained in the application form to the PGF.**

A small group of Councillors have met with staff to further investigate the assumptions used in the business case, including a range of scenarios. They have also considered the broader social, cultural, environmental and economic benefits of the project, along with future community engagement options.

As you are aware, the working group includes Councillors Janet Holborow, Angela Buswell, Sophie Hanford, Martin Halliday and Rob McCann.

All formal correspondence has been replied to in an appropriate manner and within required timeframes. Council has proactively made a significant amount of information available on its website concerning the project.

- 3. There is only one expert report on the table at the moment. We would suggest that this Bevin report needs to be peer reviewed and KCDC has already been asked to pay for NZIER to carry out that review. (Three requests have been made not a single one has been replied to).**

Thank you for your suggestion.

- 4. Please explain how KCDC can test the Bevin Report and its assumption of visitor numbers exploding to 58,000, without having that report peer reviewed. As we understand it none of the councillors or council staff doing your "test" have any expertise in economic forecasting.**

Please see the following FAQ published on our website regarding the base for the projected growth in visitor numbers:

<https://www.kapiticoast.govt.nz/your-council/projects/kapiti-gateway-centre/#collapseFiveF>

Council staff are currently preparing a paper for Council as per the 28 May 2020 decision, which will include a review of all assumptions.

- 5. At page 14 of the application it states:**

The total annual visitor limit to the Island is 58,000 and currently only 15,000 people are visiting, which means visitation is only at 25 percent. This is not only unsubstantiated, it is factually incorrect. It is has been arrived at by multiplying the maximum number of visitors allowed per day -160 x 365 days a year = 58,400. No bad weather, sailings every day, visitors flocking throughout the winter months. So can you please indicate how the special committee is testing such fictional figures, and more importantly, whether, having concluded the business case is based on fictional numbers there is no viable business case supporting the project.

Please see our response to question 4 in the letter we sent you dated 6 October 2020.

6. **Another example of what appears to be unsubstantiated assertions made in the application to the PGF appear at [14]: No additional funding for this project will be required in the future.**

No additional funding from PGF or central government is sought beyond the initial Capital investment.

7. **The proposed model of operation (which is still currently under development) will involve paid employees and volunteers. This is a model successfully used elsewhere to undertake similar services.**

Kāpiti Coast District Council will financially support the operations of the Centre in the initial years; however, the ultimate objective is for the Centre to be largely self-sufficient. Opportunities have been identified for how this could be achieved through commercial activities, corporate partnerships, community giving initiatives, and specific grants to support educational, cultural and environmental programmes/events on a case-by- case basis. An operating budget (attached) with projections out to 2027/28 is attached.

The unsubstantiated material is highlighted in yellow.

How will the “test” ensure there is substantiation-i.e. there is hard evidence to back up these assertions? In your reply please

- a. **List the commercial partnerships naming the companies involved,**
- b. **the specific grants relied upon stating who is grantor, who is grantee,**
- c. **a copy of “This is a model successfully used elsewhere to undertake similar services”.**

No commercial partnerships or grants have yet been progressed. Council has yet to decide whether to proceed with this project so it would be inappropriate to do so.

The successful models we refer are described on page 75 of the Indicative Business Case. <https://www.kapiticoast.govt.nz/media/38156/kapiti-gateway-indicative-business-case.pdf>

Another matter

7. **In preparing this letter I came across 3 further documents that you have not put on the KCDC website, though they were part of the application to the PGF. These are:**
- a. **Feasibility Report p[15]**
 - b. **Design statement p[8]**
 - c. **Business Case p[15] -this appears to be different to the Bevin report.**

I emailed your last evening noting the absence of the Gnett Report at [27] and the Budget Spreadsheet at p [28], and seeking their immediate release. Please release these latest “finds”. This letter is in itself a litmus test. If there is no response, answering the questions raised, it will be hard evidence of the vacuity of KCDC’s press release assertions that actual consultation has taken place and the red flags raised have been given the consideration any reasonable person would give them.

Here are the links to the three documents you reference above:

- a. <https://www.kapiticoast.govt.nz/media/37181/kapiti-coast-gateway-feasibility-report-final-report-030320.pdf>
- b. <https://www.kapiticoast.govt.nz/media/38278/kapiti-gateway-centre-design-statement.pdf>

- c. <https://www.kapiticoast.govt.nz/media/38156/kapiti-gateway-indicative-business-case.pdf>

Re Gateway- Application-Business case

I write further to my earlier letter requesting a copy of the operations and projections budget referred to at p5/34 in the PGF application, which has still not been received.

We refer you to section 5.2 of the Indicative Business Case – Operating Budget Projections, which includes this table summarising projections and commentary:

Kapiti Gateway	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
Revenue	0	237,300	323,272	343,606	367,526	394,290	\$424,427	\$458,251
Total Revenue	0	237,300	323,272	343,606	367,526	394,290	\$424,427	\$458,251
Personnel Costs	0	90,000	120,000	120,000	120,000	120,000	\$120,000	\$120,000
Other Operating Expenses	0	61,500	82,000	82,000	82,000	82,000	\$82,000	\$82,000
Depreciation	0	76,032	101,376	101,376	101,376	101,376	\$101,376	\$101,376
Finance Expense	23,569	70,793	107,053	107,053	107,053	107,053	\$107,053	\$107,053
Total Expenses	23,569	298,325	410,428	410,428	410,428	410,428	\$410,428	\$410,428
Net Operating Profit/(Loss)	(23,569)	(61,025)	(87,156)	(66,822)	(42,902)	(16,138)	\$13,999	\$47,822

8. Could you please supply me with the business models you refer to also at p5/34.

The proposed model of operation will involve paid employees and volunteers. This is a model successfully used elsewhere to undertake similar services. Kāpiti Coast District Council will financially support the operations of the Centre in the initial years;

To make it abundantly clear please supply:

- a. The names of these models***
- b. All instances where these model has been used***
- c. The annual returns of these enterprise, for the last financial year of their operation incomes***
- d. Evidence proving how they have been “Successfully used”.***

The successful models we refer to are described on page 75 of the Indicative Business Case. <https://www.kapiticoast.govt.nz/media/38156/kapiti-gateway-indicative-business-case.pdf>

Council is aware that there is public interest in the Gateway project. For this reason a considerable amount of information has been proactively released as it becomes available. Council intends to continue to release information into the public domain as and when it is appropriate to do so.

Council notes that you, and related parties, have made a considerable number of requests for information. Many of these requests are repetitive and/or are seeking to question or debate matters that are either contained in the business case or in material that has been released by Council.

Clearly you are free to oppose the Gateway project. However, your continued requests for information are impacting on the ability of Council staff to carry out their substantive roles. In our view some of your requests could be regarded as frivolous or vexatious.

For any existing and future requests regarding the Gateway, Council will consider charging for responses to requests (in accordance with the Ministry of Justice guidelines), extending time frames for responding to requests, or declining the request.

You have the right to request the Ombudsman to review this decision. Complaints can be sent by email to info@ombudsman.parliament.nz, by fax to (04) 471 2254, or by post to The Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'James Jefferson', with a long horizontal flourish extending to the right.

James Jefferson
Group Manager Place and Space
Te Kaihautū Takiwā, Waahi hoki