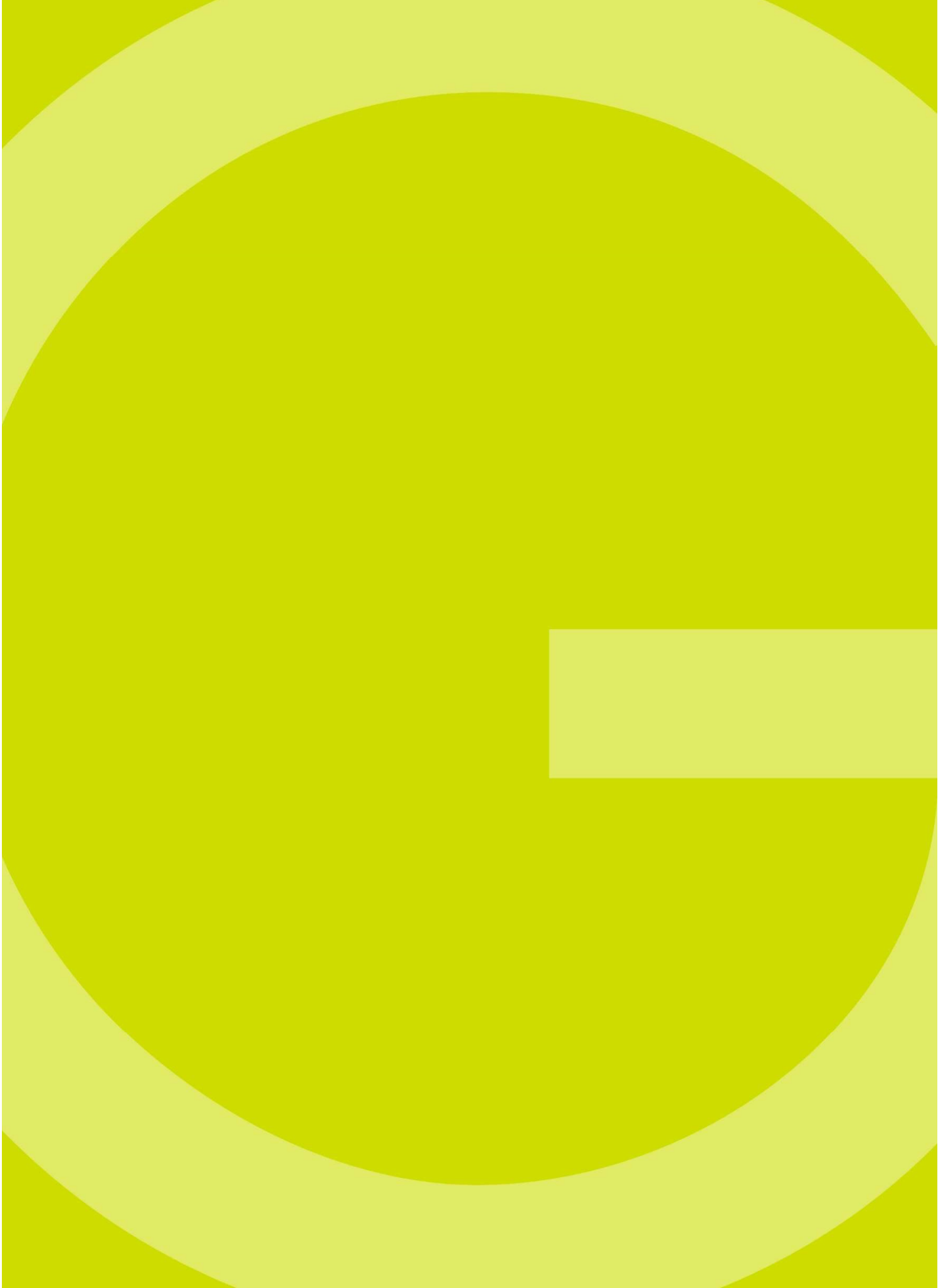

Kāpiti Coast District Council
Indicative Business Case

Kāpiti Gateway Project
June 2020



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Report prepared by Christine Ennis and Jess O'Brien

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1.0 EXECUTIVE SUMMARY

1.1 The Proposal and the Need

The proposal is to provide a facility (building) on the Kāpiti Coast beachfront at Paraparaumu Beach, which can address a number of identified needs and issues relating to visitation to Kāpiti Island and encourage opportunities relating to the enhancement of the visitor experience to the Kāpiti Coast district. As well as economic benefits, (including job creation) from tourism, the Gateway will deliver social and cultural benefits by providing a focal point for local history, stories and as a place to welcome people to the district. It will also enhance the environment of the significant site on which it will stand.

The idea of a “Gateway”, visitor centre for Kāpiti Island was first proposed in 1992 with the objective of leveraging the attraction of Kāpiti Island as a tourist destination to drive further economic benefit to the broader Kāpiti Coast community.

Currently, there is no physical presence to link Kāpiti Island with the mainland. There is no education/interpretation for visitors of the culture and history of the place, or the environmental significance of the Island and the conservation work undertaken in the nature reserve or marine reserve.

The site selected for the Gateway Centre is an original landing point of Te Ātiawa ancestors to the Kāpiti Coast. By recognising the site as an entry point, it can also be a place of welcome to visitors to the district and may be used as such by iwi for powhiri. In particular, the Gateway will give recognition to the site and encourage the sharing of stories from the significant history of the beach and wider area.

A functional role of the proposed facility is to improve the biosecurity for the Island for current threats and future-proof against any new threats that may appear. According to the Department of Conservation (DoC), the types of biosecurity risks to a predator free island have increased significantly, from rats and mice to now include “invisible” agents such as pathogens and fungi, and insects such as Argentine Ants. There is no building currently in which to perform the biosecurity processes in a clean, hygienic environment.

The Gateway Centre will also provide visitor information space about the Kāpiti Coast and its attractions and encourage visitors to explore what the district has to offer. There will also be interpretation and displays to tell local stories and history. Iwi see the project as a “canvas” through which to tell their stories and recall significant events which took place along the Kāpiti Coast and on Kāpiti Island and which shaped our nation’s story.

A central, sheltered, multi-purpose space will be available for community use and the Gateway will tie in with the nearby Maclean Park development making the facility a valuable community asset as well as a place for visitors to be introduced to the Kāpiti Coast and Kāpiti Island.

1.2 Strategic Fit

The proposed Gateway project aligns with and supports local and national strategy and planning documents in the areas of economic development, tourism, conservation, biodiversity and iwi's aspirations to share their culture and history.

It sits within the framework of Kāpiti Coast District Council's key planning document, the Long-Term Plan and supports the objectives of its draft Economic Development Strategy.

The project offers many benefits – cultural, economic, environmental and social to the Kāpiti Coast community. It is projected to be a catalyst for a variety of business ventures creating jobs and employment opportunities, cultural activities and a necessary piece of infrastructure for the domestic tourism surge, which is expected in the coming months of 2020/2021, following the COVID-19 pandemic and restrictions on overseas travel. It will also position the district well for when international tourism returns.

1.3 Objectives of the Project

Six objectives have been identified for the project:

- a. To provide interpretation and education about Kāpiti Island
- b. To protect the Island through improved biosecurity measures
- c. To encourage more people to visit Kāpiti Island
- d. To celebrate the rich history of the area and to tell the stories
- e. To increase the economic benefit of tourism to Kāpiti
- f. To provide the community with a dynamic, multi-purpose facility as part of the Maclean Park experience

The project has been developed according to the principles that came out of the public consultation process on the Maclean Park Management Plan. From that process, many submissions called for a Kāpiti Island Visitor Centre on the south side of the Tikotu Stream. As a result, the Maclean Park Development Plan was changed to reflect this.

A thorough consultation process has been conducted with the public, iwi partners and key stakeholders including intended users of the facility and the design brief was compiled in response to the views expressed through these processes.

1.4 The Preferred Option

The preferred option from the consultation was:

- A small new build on the south side of Tikotu Stream
- A building that is sympathetic to the natural environment
- A building that Includes:
 - Interpretive experience
 - Biosecurity facility for accessing Kāpiti Island
 - Space for current and future commercial operators to meet guests and promote sales for the tours
 - Visitor information space

Following a design competition process, Athfield Architects have been selected to work on developed designs for the Gateway Centre to be submitted with the resource consent application for the project.

An Economic Impact Report has found that the district will benefit from positive economic activity during the facility construction period, the initial facility operation and from current and future visitor numbers to Kāpiti Island. Assuming slightly less than the 2019 level of annual visitation to Kāpiti Island along with the first year of operation of the new Kāpiti Gateway facility, the combined total district economic impacts are: Revenue \$5.91 million, Net Household Income \$1.13 million, Employment 27 persons and Value Added/GRP \$2.24 million. These impacts assume the mid-point level of direct visitor spending associated with Kāpiti Island.

[Whilst COVID adjusted figures have not yet been sourced, the Economic Impact Report also considered low and high scenarios for visitor spending. If the low-point of visitor spending is used, the economic impacts in the first year of operation are: Employment 21 persons and Value Added/GRP \$1.75m.]

By year 2030, the combined economic impacts could be in the order of Revenue: approximately \$17 million, Net Household Income \$3.1 million, Employment 75 persons and Value Added/GRP \$6.4 million. These impacts assume a continuation of both the overall scale of the year 1 new facility operation and use of the mid-point level of direct visitor spending. They also assume a steady increase in visitor numbers based on visitor growth rates over the last five years to the Island only.

Other economic gains are also expected to result from increased visitor numbers to Kāpiti Island and Kāpiti Coast. The COVID-19 pandemic has forced tourism to readjust and focus for the foreseeable future on the domestic tourism market and this project responds directly to this focus for tourism. Currently, international tourism to the Kāpiti Coast makes up only 20% of total tourism.

1.5 Affordability

The project has a budget of \$4.46 million with a QS estimate putting the project cost at \$5,072,150. The difference between the two figures is an additional 'COVID-19 contingency' which has been calculated at 15 percent for the budget figure and 25 percent for the QS estimate. This is on top of the construction contingency of 20 percent, meaning that over \$1M of the project budget is contingency, due to the high uncertainty of costs in the post-COVID-19 environment.

A funding partnership model has been proposed in the financial case, between Central Government through the Provincial Growth Fund (PGF) and Local Government through Kāpiti Coast District Council (KCDC). The investment from PGF will allow the project to get underway and can be used to leverage other external funding opportunities.

Opportunities exist for Kāpiti Coast District Council to pursue further project funding opportunities in the medium to long term via philanthropic trusts, Lottery Grants and corporate partnerships. These could contribute to Council's 50 percent of the cost; however, these options have not been investigated at this time and there is no guarantee any applications to these sources would be successful.

The opportunity also exists for Council to significantly offset net operating costs of the Gateway Centre through onboarding longer term corporate partners, and seeking grants specific to educational, cultural and environmental programmes/events.

Kāpiti Coast District Council has a stable structure and sound processes for financial management of any grants that may be made to them, and this will give assurance to funders.

1.6 Project Delivery

Successful delivery of the project rests with Kāpiti Coast District Council, which will project manage the Kāpiti Gateway project through to completion and will support the initial operations of the Centre.

Appropriate management disciplines have been put in place. There is a governance and management structure, with people involved who have the skills and experience to manage and deliver a project such as is proposed. An independent chairman leads the governance group.

All key stakeholders have representation in the project management structure and communication with elected members, partners, stakeholders and the community is a key part of the project management processes.

Consultants have been used on the project where their skills and expertise have been able to deliver value to the project planning.

A project plan and timeline have been confirmed for the project with clear project deliverables.

Operational planning continues, with a proposed model of operation that involves paid employees in the Visitor Centre and volunteers to assist with the biosecurity checks. This is a model successfully used elsewhere to undertake similar services.

1.7 Next Steps

The Business Case seeks approval to proceed with an application to the Provincial Growth Fund for project funding. This source is identified as the principle funder (other than KCDC) for the project.

It is recommended that Kāpiti Coast District Council also pursues other opportunities for funding as described in this Business Case (*Appendix 10*). Establishing relationships with funders is the key to successful applications and approaches for funding.

Ongoing communication and engagement with elected members, key partners, identified stakeholders and the community is recommended to ensure a successful project.

In the post-COVID climate, capital projects will be necessary to aid the economic revival of New Zealand. The Kāpiti Gateway project will be ready to commence construction soon after funding is confirmed; site preparations could begin in August 2020, with construction of buildings beginning in December 2020. The Government is keen to give funding support to projects that have done their groundwork and planning and are ready for construction. These two circumstances could merge perfectly through this project to achieve a great economic outcome for Kāpiti Coast District.

Embargoed

2.0 INTRODUCTION TO PROJECT

The Kāpiti Gateway project proposes to build a facility on the beachfront at Paraparaumu Beach, which will have multiple functions of being a biosecurity processing space for visits to the Kāpiti Island Nature Reserve, a visitor information hub for the Kāpiti Coast generally and a setting for iwi to tell their stories in a place which is rich with historical events that form an important part of New Zealand's heritage and history.

The Gateway project is seen as a key driver and catalyst for change in Kāpiti Coast district, socially, culturally, economically and environmentally. Kāpiti Coast is the location of one of the most well-known landmarks in New Zealand, Kāpiti Island. A significant site in the country's environmental heritage and an example of successful conservation efforts, the Island is one of New Zealand's premier nature reserve experiences.

This Gateway project looks to establish a physical link between the mainland and Kāpiti Island. Despite 500 years of launching boats from the Kāpiti Coast foreshore to cross the water to the Island, there is nothing permanently located on the mainland to designate the significance of the coastal site or the historical and cultural importance of the location, which witnessed beach battles led by the great Māori rangatira (chieftain), Te Rauparaha, war leader of Ngāti Toa, and a leading protagonist in the Musket Wars (1807 - 1837).

The Gateway site was an original landing point of Te Ātiawa ancestors. By recognising the site as an entry point, it is also a place of welcome to visitors to the Kāpiti Coast and may be used as such by iwi for powhiri. In particular, the "Gateway" will give recognition to the site and encourage the sharing of stories from the significant history of the site and wider area.

Rangitahi (young people) have felt strongly that there was a need to provide a place that allows all visitors to feel appropriately welcomed to Kāpiti Coast District, and to offer their unique stories of Māori and European settlement in the area so that visitors leave being better informed about the people of the district.

The Gateway project will ensure that Kāpiti Island is kept safe from unwanted animal and plant pests through improved biosecurity processes for visitors to the Island in a fit-for-purpose facility. Real threats are posed to the Island's biodiversity by pests such as myrtle rust, kauri dieback and Argentinian ants. These diseases/pests must be kept off the Island at all costs and current biosecurity procedures are by no means failproof.

Kāpiti Gateway is primarily seen as being a catalyst for growth in domestic tourism to the district. In the current COVID-19 climate this is logically the best focus for New Zealand tourism with border closures and major international travel limitations and disruptions. Kāpiti Island is a place that is close to the hearts of many New Zealanders, who are keen to experience its ecological and natural beauty and in terms of visitor number limits, there is plenty of capacity for more visitors to travel to the Island.

Kāpiti Coast itself offers many attractions for visitors, is located close to the urban hubs of Wellington and the Hutt Valley and is ready to welcome visitors to its beaches and rugged coastal landscape which can be experienced by scenic cycleways, bridleways and walkways, along with many parks, scenic reserves and commercial attractions.

Kāpiti Gateway is a construction project ready to commence as soon as funding is available. Kāpiti Coast District Council, which is leading this project, has made a commitment of 50 percent of the project's cost and is seeking a similar commitment from the Provincial Growth Fund.

This project will be a stimulus for economic activity within the district, which is critical at this time. An economic impact analysis shows by year 2030, there could be considerable economic gains in employment, revenue and Value-Added/Gross Regional Product (GRP) from this project.

3.0 THE STRATEGIC CASE – MAKING THE CASE FOR CHANGE

The purpose of the Strategic Case is to confirm the strategic context for the proposal and to demonstrate how it fits within the existing business strategies of the key stakeholders as well as regional and national strategies relevant to the project. The Strategic Case:

- Demonstrates the strategic alignment for the proposed project;
- Establishes the investment objectives, existing arrangements and business needs;
- Considers the scope of the proposal and the key service requirements; and
- Identifies the potential benefits, risks, constraints and dependencies.

3.1 Strategic Context - Overview of Key Partners in the Project

3.1.1 Kāpiti Coast District Council

(KCDC, 2020c)

Kāpiti Coast District Council (KCDC) is leading the Kāpiti Gateway project. It is the territorial authority for the local government district encompassing a chain of coastal settlements along State Highway One in the lower North Island. The district includes the nationally significant nature reserve, Kāpiti Island, and is named after the landmark.

KCDC's vision for the district is "Toitū Kāpiti", which sums up how Council will work with the challenges and environment in which it finds itself to set a path for the future. "Toitū Kāpiti" reflects the drive for a vibrant and thriving Kāpiti Coast, while also incorporating the aspiration for strong, safe communities and a deep connection to the natural environment.

"Toitū" means to be sustainable, and to protect and improve the wellbeing of the land and waters to create an environment that is able to sustain, support and nourish its communities.

KCDC has set out eleven 10-year outcomes in its Long-Term Plan 2018-38, with five of these being the focus of the first three years of the Plan, 2018-2021:

- Improved financial position against financial restraints
- Infrastructure investment that supports resilience and agreed growth projections
- Improved accessibility of Council services
- A positive response to our distinct district identity
- An effective response to climate change in Kāpiti

The Kāpiti Gateway project was scheduled to be investigated within the first three years of the Plan and relates very strongly to the distinct district identity outcome.

Financial Statements

The strength of the Council's financial stewardship was recognised by independent financial rating agency Standard and Poor's in 2019, when it revised the Kāpiti Coast District Council's credit rating outlook upwards by two grades, from A+ to AA. The report acknowledges the impact of the Council's strong financial management and its focus on paying down debt. The Council's prefunding strategy and access to funds from the Local Government Funding Agency also means that it has strong liquidity.

Kāpiti Coast District Council had total revenue of \$82m for the 2018/2019 year. Expenses for that year were \$72m and total interest expense of \$7.4m resulting in a net operating surplus of \$2.6m.

KCDC has total assets of \$1,746,886,000, total liabilities of \$257,937,000, with total equity of \$1,488,949,000. Full financial statements can be seen in the 2018/2019 Annual Report (KCDC, 2019) in *Appendix 1*.

Ernst & Young on behalf of the Auditor General of New Zealand has provided an audit opinion stating the following:

In our opinion:

- *the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and*
- *the summary statements comply with PBE FRS-43: Summary Financial Statements.*

Analysis of the current and expected operating environment of Council has identified a number of key considerations for the organisation as it moves through the current COVID-19 environment. Conditions are extremely challenging for all territorial authorities in the current climate, however KCDC has a particular challenge of having a low average income within the district, some of the most deprived areas in the country, as well as significant areas of vulnerability in its population, notably the high percentage of over 65s (23 percent compared to 12 percent for NZ) and NEETS (Youth not in employment, education or training) - 13 percent compared to 12 percent NZ-wide. This means that more than 30 percent of the district population is on fixed incomes including the over-65s.

Rates per household is already more than 5 percent of income for many Kāpiti Coast residents plus household income is significantly lower than Kāpiti Coast's Wellington neighbours – with Kāpiti at \$53,000 while Porirua is at \$90,000 (median).

In terms of rates, average rates per rateable property is now slightly above the national average. Prior to the Level 4 lockdown, KCDC had foreshadowed a 5.7 percent rates increase. This has now been revised down to 2.6 percent, and forms the basis for the Annual Plan for which community feedback is being sought. This will be confirmed at the end of June 2020. KCDC remains acutely aware of the vulnerabilities that exist within the Kāpiti Coast population and has wanted to ensure that it does not add financial stress to the many other stresses that already exist in the community as a result of COVID-19 impacts.

Following several years of modest economic growth, Kāpiti Coast District was poised for growth around existing infrastructure focused on sustainable development and development contributions to ensure that growth-related cost, approximately 10 percent of KCDC's annual budgets, are appropriately financed. COVID-19 has slowed or stalled some of Council's infrastructure planning and preparation.

KCDC is among the four top councils across New Zealand for debt per capita and its net debt to revenue ratio peaked at 214 percent, before coming down to 185 percent following a sustained programme of financial prudence. The Council has set itself a prudent limit of keeping net debt to revenue under 200 percent. The impacts of the Covid-19 pandemic have increased the demands on its funding - operating revenues are taking a hit; a proportion of Kāpiti Coast ratepayers are likely to

need a rates holiday; and there is a need to increase Council's capital spend – and all of this will have to be debt funded.

In addition to the Gateway project, KCDC has also responded to the Crown Infrastructure Partners (CIP) request for proposals, presenting a suite of capital projects that will provide a significant economic stimulus to the district, across a diverse range of sectors, hence providing construction-based and ongoing employment opportunities for a range of disciplines within the community, and beyond.

Although the current situation is throwing up major issues and challenges for Kāpiti Coast District Council, the Council has shown with its prudent management of its finances, the widely-acknowledged strength of its water infrastructure investment and its focus on long-term infrastructure planning and resilience that it is a responsible and forward-thinking organisation, and a safe pair of hands in the current context.

3.1.2 Kāpiti Coast Iwi

(KCDC, 2020b) (IDNZ, 2020)

The tāngata whenua of the district are Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga, Ngāti Toa Rangatira, including whānau and hapū. In the 1820-1830s, they were firmly established in the district and were signatories to the Treaty of Waitangi at the following locations: on board the ship "The Ariel" at Port Nicholson in Wellington (29 April 1840), Queen Charlotte Sounds (4 May 1840), Rangitoto (d'Urville Island) (11 May 1840), Kāpiti Island (14 May 1840), Waikanae (16 May 1840), Ōtaki (19 May 1840), Manawatū (26 May 1840), Motungarara Island (4 June 1840), Guards Bay and Cloudy Bay (Te Koko-a-Kupe) in Te Tau Ihu (17 June 1840), Mana Island (19 June 1840), and again on Kāpiti Island (19 June 1840).

The tāngata whenua base their vision on four main principles. Specific actions, which support the Gateway project, are highlighted under Principle 4:

Principle one

Whakawhanaungatanga/Manaakitanga – the marae is our principal home which ties us to our whenua and is the physical embodiment of our ancestors. The wellbeing and health of the iwi and their marae can often determine the emotional, spiritual, and physical wellbeing of the people who belong to the iwi. Marae are important sites for the practical expression of kaupapa Māori. It is the place where distinguished manuhiri (visitors) are to be extended a welcome and hospitality, and where families meet for significant events. For Māori, the marae is 'Te tūrangawaewae o te iwi – the standing place of the people'. The marae is held in high esteem by many and considered to be a place of special significance. Land, language and kinship along with marae, provide a sense of cultural identity and the continuity of a Māori identity throughout political, cultural, social and economic change. In addition, they are store houses of taonga (treasures).

Principle two

Te Reo – it is the language of the tāngata whenua through which tikanga is conveyed; kawa and wairua is expressed. Te Reo Māori is an official language of New Zealand. It is fundamental that the language,

as a deeply treasured taonga left by our Māori ancestors, is nurtured throughout all levels of the community and that the language continues to prosper and future generations are encouraged to use it.

Principle three

Kotahitanga – through unity, tāngata whenua and communities have strength. Working together we can ensure that our district’s heritage, cultural development, health, education and economy flourish.

Principle four

Tino Rangatiratanga – to exercise self-determination and self-governance with regard to all tribal matters.

The vision includes:

- **That the tāngata whenua role of kaitiaki/kaitiakitanga within the district is strong and effective and encompasses both the environmental and general wellbeing of the community;**
- That people feel comfortable in use of Te Reo Māori and English – supporting the notion of a bilingual community;
- All waterways are healthy and able to be used as traditional food resources taking into account tāngata whenua environmental indicators;
- **That the tāngata whenua represent and engage effectively, where appropriate, with agencies and communities;**
- **That whānau and hapū have the capacity to engage effectively where appropriate with agencies and communities;**
- That Māori representation in local government is improved;
- **That tāngata whenua creative talents are fostered and encouraged;**
- **That the district builds a world class economic development plan to attract international investment;**
- That tāngata whenua are fostered to build Māori interest in food, culture, lifestyle and tourism sectors;
- That the community have good access to health services;
- Young people of Kāpiti are supported to reach their full potential;
- People know about the Māori names for the original landscape, heritage, waahi tapu and that Māori names for streets and future settlements are adopted;
- That tāngata whenua play a strong/central role in district planning, particularly around capacity of resources, water use, and the quality and nature of settlements;
- That there is a strong and effective partnership between tāngata whenua, the Kāpiti Coast District Council and Greater Wellington Regional Council;
- That tāngata whenua are involved in citizenship processes with new immigrants;
- That the council assists tāngata whenua in the development of iwi plans;
- **That tāngata whenua tangible and spiritual connection/association to the land, waahi tapu and natural and physical resources is represented, understood and respected;**
- That in accordance with Māori tikanga and lore, mātā waka are embraced and protected by the mana and rangatiratanga of the tāngata whenua;

- That within the Memorandum between Te Āti Awa, Ngāti Raukawa, Ngāti Toa Rangatira and Council, provisions are made for any mandated māta waka to participate further, should they choose to;
- **That the district appreciates tikanga Māori.**

Mana whenua of the Kāpiti Coast District enjoy an ongoing and productive relationship with the Kāpiti Coast District Council.

Iwi are fully supportive of the Gateway project and see an opportunity to share their stories and culture with both the local community and visitors to Kāpiti.

3.1.3 Department of Conservation (DOC) (DOC, 2019)

The Department of Conservation runs programmes to protect and restore native species, places and heritage and provide opportunities for people to engage with these treasures.

DoC's role includes:

- Managing the largest heritage portfolio in the country
- Managing threats to nature
- Monitoring and reporting of conservation programme efforts
- Freshwater restoration
- Restoring biodiversity on conservation land
- Species-specific protection programmes
- Research and development
- Maps and data
- Recreation projects.

DoC's vision is for New Zealand to be the greatest living space on Earth | Kāore he wāhi i tua atu i a Aotearoa, hei wahi noho i te ao.

This means ensuring that New Zealanders gain a wide range of benefits from healthy functioning ecosystems, recreation opportunities, and through living the country's history.

To do this, DoC's work is organised around five outcomes:

- The diversity of natural heritage is maintained and restored
- History is protected and brought to life
- More people participate in recreation
- More people engage with conservation and value its benefits
- Conservation gains from more business partnerships.

DoC has management responsibility for Kāpiti Island in partnership with iwi under the terms of the Ngāti Toa Rangatira Treaty of Waitangi settlement.

The Kāpiti Island Strategic Advisory Committee was established in 2015 comprising Ngāti Toa Rangatira and DoC representatives to guide future management of the Island.

Kāpiti Island has played a significant role in the conservation culture of New Zealand. The Island's conservation potential was seen as early as the 1870s and much of the Island was reserved as a bird sanctuary in 1897, making it one of the country's oldest nature reserves.

DoC is supportive of the Kāpiti Gateway project and are eager to see more people visit and appreciate the Island.

3.2 District Profile (IDNZ, 2020)

The Kāpiti Coast District includes the towns of Ōtaki, Te Horo, Waikanae, Paraparaumu, Paraparaumu Beach, Raumati Beach, Raumati South, Paekakariki and smaller localities such as Emerald Glen, Lindale, Maungakotukutuku, Otaihanga, and Pekapeka. Paraparaumu is the most populous of these towns and the commercial and administrative centre. Much of the rural land is given over to horticulture and market gardens, which are common along the highway between the settlements.

The Kāpiti Coast District has developed into several townships and localities – a coastal haven and retreat for visitors and holidaymakers, but also a home for retirees and those seeking a change of lifestyle. It is an expanding and growing part of Greater Wellington and is within easy travel distance of the capital city. The urban areas comprise a series of small beach and inland settlements which have, over time, expanded and become interlinked, particularly on an east-west road network.

The population of the Kāpiti District has been growing steadily in the past 30 years. In 1981, the population of the district was just over 26,000 and increased to almost 35,000 a decade later. In 2001, the population of the district was 43,600 and, the 2013 census recorded 50,700, and the 2018 census recorded 53,673 usually resident population (Statistics NZ, 2020).

Our population is growing, 2,500 people joined our community in 2019 alone, an increase of 1.3% on our 2018 population. At least 56,000 people will call the Kāpiti Coast District home in 2020, and this number is projected to continue growing as people continue to move into the district. Forecasts from 2015 estimate that our population will reach 68,548 by 2043.

Population Age:

Kāpiti Coast had a lower proportion of pre-schoolers and a higher proportion of people at post retirement age than New Zealand as a whole in 2018. Overall, 21.0 percent of the population was aged between 0 and 17, and 32.6 percent were aged 60 years and over, compared with 32.6 percent and 20.7 percent respectively for Wellington Region.

The major differences between the age structure of Kāpiti Coast District and New Zealand were:

- A *larger* percentage of 'Seniors (70 to 84)' (15.6 percent compared to 8.5 percent)
- A *larger* percentage of 'Empty nesters and retirees (60 to 69)' (13.2 percent compared to 10.4 percent)
- A *smaller* percentage of 'Young workforce (25 to 34)' (8.5 percent compared to 14.1 percent)
- A *smaller* percentage of 'Tertiary education and independence (18 to 24)' (5.8 percent compared to 9.3 percent)

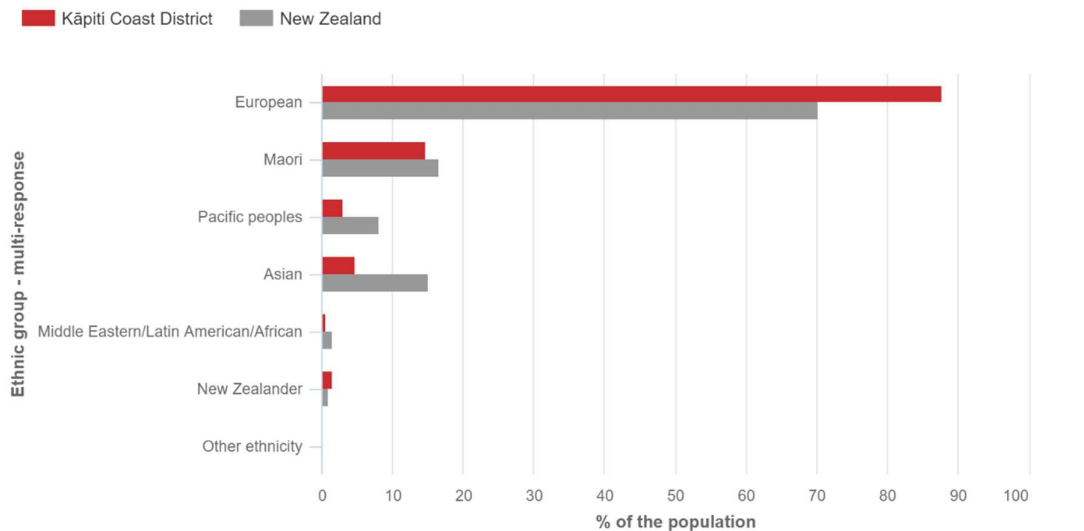
The largest changes in the age structure in this area between 2013 and 2018 were in the age groups:

- Seniors (70 to 84) (+1,155 persons)
- Young workforce (25 to 34) (+1,089 persons)
- Older workers and pre-retirees (50 to 59) (+909 persons)
- Empty nesters and retirees (60 to 69) (+546 persons)

Population Ethnicity:

In 2018, 87.7 percent of the population in Kāpiti Coast District identified their ethnicity as European, 14.7 percent as Māori, 3.0 percent as Pacific Peoples, 4.6 percent as Asian.

Ethnic groups, 2018



Source: Statistics New Zealand, Census of Population and Dwellings, 2018. Compiled and presented by .id, the population experts.

.id
the population experts

Figure 1: Ethnic Groups, Kāpiti Coast 2018

Analysis of the ethnic population in Kāpiti Coast District in 2018 compared to New Zealand shows that there was a larger proportion of people who identified themselves as European (87.7 percent compared to 70.2 percent), a smaller percentage of responses to Māori ethnic group (14.7 percent compared to 16.5 percent), a smaller percentage of responses to Asian ethnic group (4.6 percent compared to 15.1 percent) and a smaller proportion of people who identified themselves as Pacific Peoples (3 percent compare to 8.1 percent). Percentages (percent) are based on total population.

The *mana whenua* – the people with ‘authority and guardianship’ over the land’ – on the Kāpiti Coast are Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toarangatira. The Kāpiti Coast District Council works in partnership with the iwi under a longstanding Memorandum of Partnership known as Te Whakaminenga o Kāpiti Coast. The Council recognises that a number of Māori on this land identify with iwi outside the rohe of the Kāpiti Coast (KCDC, 2020b).

While the total district population identifies mostly as NZ European, a third of Ōtaki residents identify as Māori.

Almost 30 percent of the population live alone, while around 65 percent live in one family households. The average household size is smaller than the Wellington Region and for the rest of New Zealand.

Population Forecast (IDNZ, 2020):

The Kāpiti Coast District population forecast for 2020 is 55,503 and is forecast to grow to 68,548 by 2043, an increase of 13,042 persons (23.5 percent increase).

The number of dwellings in Kāpiti Coast District is forecast to grow from 23,680 in 2013 to 26,815 in 2031, with the average household size falling from 2.33 to 2.28 by 2031. If the population is increasing but the average household size is falling, then there will need to be growth in the number of households (and dwellings for them to live in) to maintain or grow the population.

Deprivation Index (IDNZ, 2020):

In 2018, Ōtaki had the highest deprivation score of 1,087.0 and Peka Peka the lowest with 907.0.

The Social Deprivation Index is a measure of socio-economic status calculated for small geographic areas. The calculation uses a range of variables from the 2018 Census of Population and Dwellings which represent nine dimensions of socio-economic disadvantage to create a summary deprivation score. The nine variables (proportions in small areas) in decreasing weight in the index are:

- 1 Communication - People with no access to the Internet at home
- 2 Income - People aged 18 - 64 receiving a means tested benefit
- 3 Income - People living in equivalised* households with income below an income threshold
- 4 Employment - People aged 18 - 64 unemployed
- 5 Qualifications - People aged 18 - 64 without any qualifications
- 6 Owned home - People not living in own home
- 7 Support - People aged < 65 living in a single parent family
- 8 Living Space - People living in equivalised* households below a bedroom occupancy threshold
- 9 Housing quality - People living in dwellings that are always damp and/or always have mould greater than A4 size

*Equivalisation: methods used to control for household composition

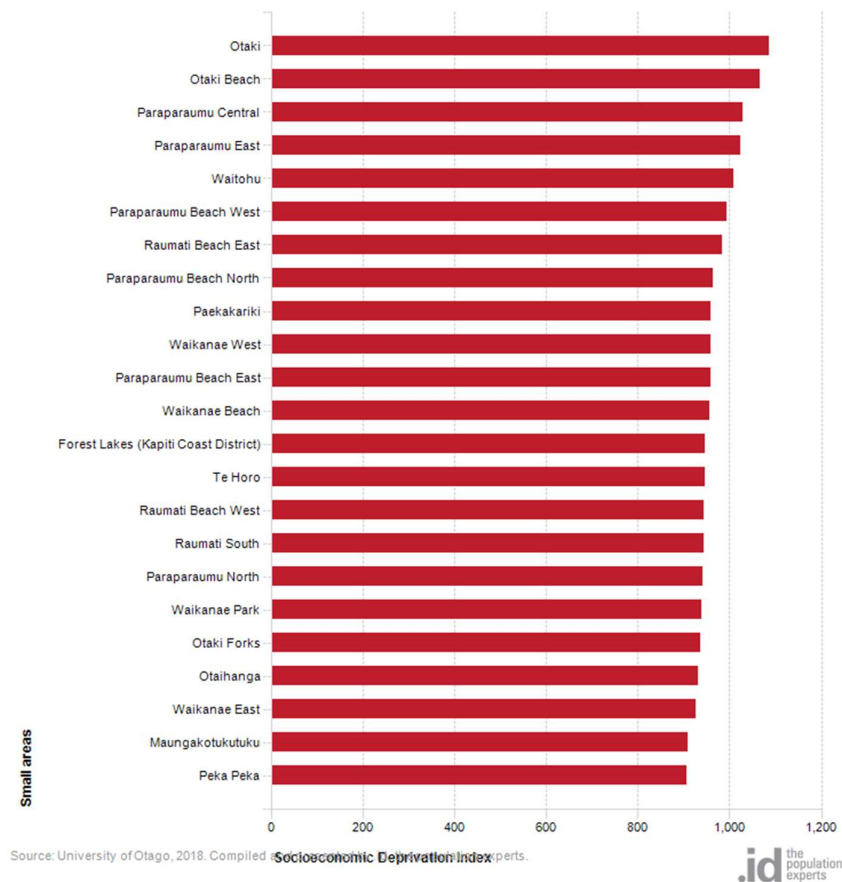
For the purpose of comparison, the Social Deprivation Index is presented as a scale, ranking small areas from the least deprived to the most deprived. The mean is 1000 index points and the higher the number the greater the deprivation.

The Social Deprivation Index is used in the measurement and interpretation of socioeconomic status of communities for a wide variety of contexts such as needs assessment, resource allocation, research and advocacy. Note that the deprivation index applies to areas rather than individuals who live in those areas.

Figure 2: Kapiti Coast Deprivation Index 2018

Social Deprivation Index, 2018

Kāpiti Coast District



Economy: (KCDC, 2020) (KCDC, 2020a)

The Kāpiti Coast District has a vibrant, diverse and thriving local economy.

Economic Growth in Kāpiti Coast District averaged 2.4 percent p.a. over the last 10 years compared with an average of 2.5 percent p.a. in the national economy.

The latest economic update (March 2019) on KCDC's website painted a picture of moderate economic growth. The effect of COVID-19 will no doubt change this dramatically, especially in the areas of employment (Kāpiti has a higher rate than nationally of self-employed workers) and in the construction sector (which was already weaker than nationally).

Kāpiti's economy is tracking well across most indicators, however weak building consents present a weaker outlook for the construction sector. The Kāpiti Coast economy grew by 1.7 percent in the year to March 2019, compared to 2.5 percent nationally, based on Infometrics' provisional estimates.

GDP (provisional) in Kāpiti Coast District was up 1.9 percent for the year to June 2019 compared to a year earlier. Growth was lower than in New Zealand (2.5 percent) and lower than in Wellington Region (2.1 percent).

Employment in Kāpiti Coast to March 2019, 17,963 in work, up 1.7 percent on the previous year. Employment in New Zealand increased by 1.9 percent over the same period.

The unemployment rate sits at 3.4 percent (2019) compared to the national rate 4.3 percent indicating a tight labour market. Along with trends nationwide, this is expected to increase in the post-COVID-19 environment.

Health enrolments in Kāpiti, a proxy for population, grew by 1.0 percent in the year to March 2019, having slowed over the last year. This modest population growth, in conjunction with a modest increase in household confidence, underpin a 4.2 percent increase in consumer spending. This is ahead of the national consumer spend increase of 3.3 percent.

House sales in the district reached 1,149 over the year to March 2019, a touch above the 10-year average of 1,114. House prices in the district grew by 6.8 percent, with growth rates closely following the broader Wellington Region. The average house value in 2019 was \$620,275 in Kāpiti Coast District, which was around \$120,000 below the regional average. This compares to the average house price across New Zealand at \$699,954.

Demand for the district's houses has not translated into construction, with new dwelling consents down 14.3 percent year on year, and sitting below the 10-year average. Likewise, non-residential consents are weak, with consent values down 45.2 percent year on year, and below the 10-year average.

It will take some time for the impact of this to flow through to the construction sector, particularly non-residential, due to the lag between consent issuance and project completion.

However, going forward, it is increasingly likely that Kāpiti contractors will have to travel outside the district for work, adding to traffic on key highway corridors. This is probably even more so following the COVID-19 crisis.

Kāpiti Coast's rating base is not changing much in number of rateable properties. However, families are replacing single elderly people in existing dwellings but are using many more services than what the single person would have used.

Also, many families are moving out of Wellington city to the coast now that the road connections have improved (and are continuing to be upgraded), reducing time required to travel into the city for work.

Tourism (Primary source (KCDC, 2020a) – Draft Economic Development Strategy)

GDP and employment

In 2019 Kāpiti Coast's GDP attributable to the tourism industry was \$98.2 million. This equates to 4.9% of total GDP for the district, compared to a 5.4% nationally.

Both international tourist arrivals and domestic tourism has increased in New Zealand over the past decade and this increase has also been captured by the Kāpiti District. Growth in tourism GDP for the

Kāpiti Coast has averaged 6.5% over the last decade compared to 8.1% in New Zealand. In absolute terms, tourism GDP in 2019 for the district was 1.9 times what it was 10 years prior (\$52m to \$98m).

In 2019, the tourism industry employed an average of 1,199 people, which equates to 6.8% of the Kāpiti Coasts total employment in 2019. Employment growth has averaged 0.2% per year over the last decade.

Tourism in 2020 has experienced significant reductions in activity due to Covid-19. Accommodation and food, and retail services relying on tourism will experience job losses and reduced spending in the district. Employment in accommodation and food alone is expected to fall by 30% by March 2021 (the equivalent of 388 jobs).

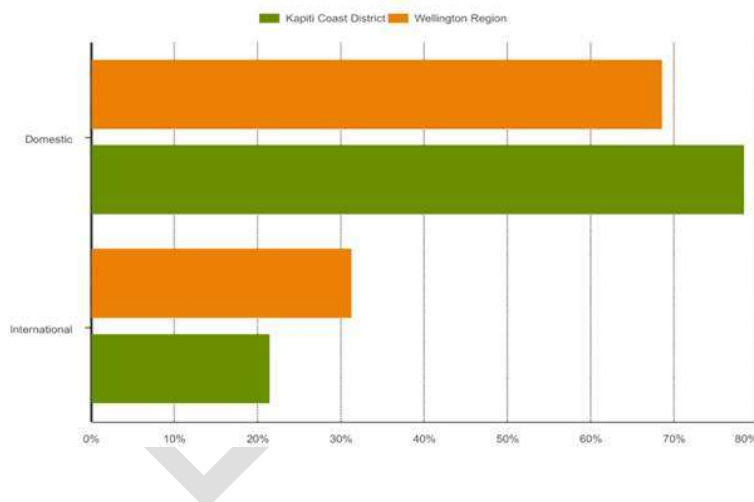
Tourism expenditure

Tourism expenditure captures the amount of money visitors to the district spend while in the area (it is not the same as tourism GDP).

In 2019 both domestic and international visitors spent \$177 million in the Kāpiti Coast District, an increase of 1.3% on 2018 spend.

Domestic visitors make up a larger portion of spending in Kāpiti (78.5%) than the Wellington Region (68.6%). Conversely, international expenditure for Kāpiti (21.5%) as a portion of total visitor spend is lower than the Wellington Region 31.4%. The following figure illustrates this breakdown.

Figure 3: Domestic and International tourism expenditure 2019



Growth in tourism expenditure has fluctuated over the past decade and has recently plateaued. Covid-19 is likely to further cement this trend. Infometrics projects that foreign tourism will fall by 91% on pre-Covid levels, over the next coming year with border restrictions remaining in place. However domestic spending may only drop by 21%.

Kāpiti's relatively high portion of domestic visitor spend (even compared to New Zealand figures) signals that the area is an attractive area for New Zealanders to visit and so despite poor economic conditions, there are opportunities to capture domestic traveller spending over the coming year.

Figure 4 shows how total tourism spending growth in the Kāpiti Coast District has changed between 2010 and 2019, relative to the rest of the country.

Figure 4: Tourism spending growth 2010-2019

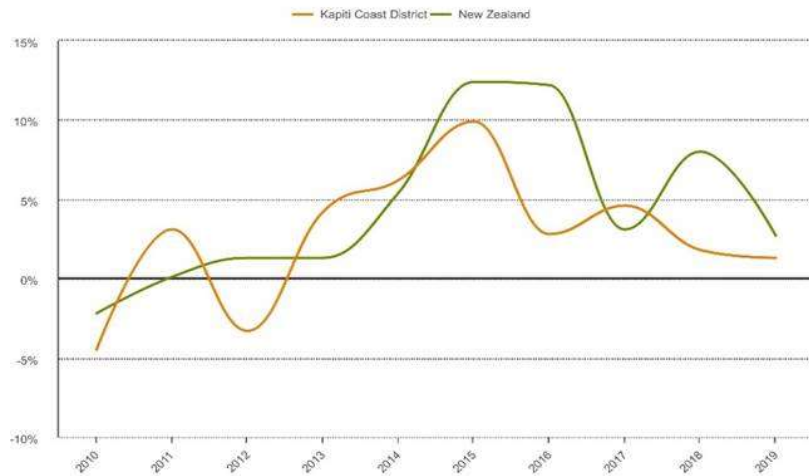


Figure 3: Domestic and International visitor expenditure Kāpiti Coast and Wellington Region 2019

The following image shows from where Kāpiti Coast's domestic tourists are coming from across New Zealand. Wellington and Manawatū-Whanganui are the largest domestic markets for Kāpiti Coast. This is probably not surprising as they are also near neighbours.

It is believed there is considerably more potential for attracting visitors from these regions as there is an increase in local travel. There is also more potential to welcome visitors to Kāpiti Island. The total annual visitor limit to the Island is 58,000 and currently only 15,000 people are visiting. This leaves a great deal of opportunity for growth without needing to increase the overall envelope.

Domestic tourist expenditure, 2019

Year: 2019 ▾ Compare area: New Zealand ▾ Update				
↓ Category	Kapiti Coast District		New Zealand	
	Expenditure ↓	% of total ↓	Expenditure ↓	% of total ↓
NZ: Auckland	\$15.0m	10.8%	\$3,446m	19.9%
NZ: Bay of Plenty	\$4.53m	3.3%	\$1,264m	7.4%
NZ: Canterbury	\$6.06m	4.4%	\$2,347m	13.5%
NZ: Gisborne	\$0.91m	0.7%	\$200m	1.2%
NZ: Hawke's Bay	\$4.82m	3.5%	\$613m	3.5%
NZ: Manawatu-Wanganui	\$29.0m	20.9%	\$1,067m	6.2%
NZ: Marlborough	\$1.05m	0.8%	\$234m	1.4%
NZ: Nelson	\$1.01m	0.7%	\$190m	1.1%
NZ: Northland	\$1.67m	1.2%	\$1,016m	5.9%
NZ: Otago	\$3.16m	2.3%	\$1,090m	6.3%
NZ: Southland	\$0.86m	0.6%	\$524m	3.0%
NZ: Taranaki	\$2.75m	2.0%	\$488m	2.8%
NZ: Tasman	\$1.29m	0.9%	\$241m	1.4%
NZ: Undefined	\$3.95m	2.8%	\$617m	3.6%
NZ: Waikato	\$5.78m	4.2%	\$2,031m	11.7%
NZ: Wellington	\$56.7m	40.8%	\$1,719m	9.9%
NZ: West Coast	\$0.28m	0.2%	\$233m	1.3%
Total	\$139m	100%	\$17,342m	100%
Download table data				

Figure 4: Domestic Tourism expenditure in Kāpiti Coast District and regions visitors came from compared to New Zealand as a whole

Land Use:

The Kāpiti Coast District is a predominantly rural and conservation area, with the population concentrated in a chain of coastal settlements along State Highway 1. The main township is Paraparaumu, with smaller urban areas in the townships of Ōtaki, Paekākāriki, Raumati and Waikanae and several smaller settlements. Rural land is used largely for horticulture and market gardening. The

Kāpiti Coast District encompasses a total land area of over 700 square kilometres, including coastline, beaches, wetlands, rivers, forests and mountains.

Demographics Summary:

Kāpiti Coast has a distinct and unique demographic makeup. It has the second oldest population (Thames/Coromandel has the oldest population) in New Zealand, which has contributed to an increase in healthcare and social assistance growth. Kāpiti Coast has for many years attracted the retirement age group because of its semi-rural and beach environment and convenience in location near to Wellington. This age group, however, is generally on a fixed income.

Kāpiti Coast is within easy reach of the capital city, meaning a higher proportion (46 percent) of residents travel daily for work outside the district, which is higher than some other districts in the country.

Kāpiti Coast has a high level of self-employed workers accounting for 27.9 percent of the workforce in, which was a higher rate than in the national economy (16.2 percent).

There are pockets of wealth and pockets of deprivation. On the New Zealand Deprivation Index (NZ DEP), Ōtaki ranks as significantly deprived while most of the semi-rural and rural areas in Kāpiti Coast are some of the least deprived in New Zealand.

Kāpiti Coast economy has been modestly growing over the last decade and tourism has been a contributor to this. The local tourism industry has attracted primarily domestic visitation and Kāpiti Island is a key part of this. It is considered this is a strength for Kāpiti Coast in the future with the altered tourism landscape created by COVID-19. There is scope to significantly develop the domestic tourism market and Kāpiti Island itself has the capacity to welcome many more visitors if the appropriate infrastructure is put in place.

3.3 Alignment to Existing Strategies – Local, Regional and National

3.3.1 Local

Kāpiti Coast District Council Draft Economic Development Strategy (Appendix 2)

The Draft Economic Development Strategy (EDS) and Implementation Plan 2020-2023 was developed with iwi, stakeholders and community, and will be delivered through partnership/kotahitanga. This is fundamental to the success of the strategy, building strong foundations with partners to better enable holistic planning and investment across the four well-beings – Social, Environment, Economy, Culture - over the next three years.

Strategic Vision / Ngā Moemoea:

“Through partnership; support the growth of a vibrant Kāpiti Coast economy that provides increased opportunity, resilience and well-being for all.”

Five strategic Pillars / Ngā Pou set the direction and form the foundations for our strategy over the next 3-years:

1. Positioning Kāpiti Coast / Whakapapa
2. Open for opportunity / Kaitiakitanga

-
3. Growing Skills & Capability / Whānau
 4. Strengthening Partnerships and Leadership / Kotahitanga
 5. Supporting key sectors / Manaakitanga

The Gateway project is referred to in the draft EDS as key infrastructure for the destination plan under Pillar 5, Supporting key sectors:

“Develop a district wide Destination Plan to support the growth of the visitor economy, including strengthened air linkages and supporting infrastructure such as the Kāpiti Gateway.”

Long Term Plan 2018-2038 (KDCD, 2018) (Appendix 3)

The Kāpiti Gateway project is included in the Council’s overarching planning document, the Long-Term Plan, as “Work Planned or in Progress”:

“Kāpiti Island gateway – we’ll investigate the viability of a gateway in the next three years.” (Page 22). It is further expanded under the section “Economic Development – whakawhanake umanga”:

“In the next three years we will investigate the viability of a ‘Kāpiti Island gateway’ and identify concepts that could feature in our next long-term plan. A Kāpiti Island gateway has the potential to be an important component of our visitor economy. If a viable concept is agreed, we will work with our partners and stakeholders to develop an innovative and detailed proposal that can attract inward investment. This early investigative work will happen alongside our visitor attraction programme and tourism industry development and training. We will strongly advocate for Kāpiti at a regional and national level, leveraging our network and investments, to ensure Kāpiti receives the investment it deserves” (Page 89).

Iwi Treaty Settlements

Ngāti Toa: (Ngatitoa, 2020)

The iwi actively pursued resolution of its claims for over 20 years and reached settlement on 7 December 2012.

The settlement for Ngāti Toa Rangatira included several very high-profile commercial assets and, what some might deem, a New Zealand icon – Kāpiti Island. The rights to Kāpiti Island have been mostly given back to the Crown. A small area at the north of the island will remain vested to Ngāti Toa but under the management of the Conservation Department. A 1-hectare block will remain under Ngāti Toa ownership¹.

Ngāti Toa conquered Kāpiti in the early nineteenth century and the island became the iwi’s stronghold and base for its maritime empire. Over time, the iwi came under pressure from the Crown to acquire its lands there for a reserve. The iwi resisted and in the end the Crown legislated to force the island’s

¹ Stuff April 21, 2014: “Ngati Toa battle ends with \$70M settlement”

acquisition. Tā Matiu Rei, Executive Director of the Ngāti Toa iwi organisation and chief negotiator commented in respect of the settlement negotiations:

“The return of Kāpiti to the iwi is an appropriate recognition of the fight we carried on for nearly eighty years to try to keep these lands. Ngāti Toa still retains a small piece of private land on Kāpiti and the iwi are very concerned to ensure that the very special ecological and conservation values of Kāpiti are not affected in any way”.

3.3.2 Regional

WellingtonNZ – Regional Economic Development Agency (Wellington NZ, 2019)

Vision for Wellington: *We want the Wellington region to be wildly famous as the best place in New Zealand to visit, host an event, start a business, make a film, study, move to or invest in.*

WellingtonNZ’s primary role is to be Wellington’s marketing and destination storytelling engine. They have three priority areas:

1. Shaping and amplifying the regional destination story.
2. Being an advocate and catalyst for major economic development projects.
3. Supporting businesses to upskill and grow.

These three areas align with the Wellington Regional Strategy 2012 which seeks to build a resilient, diverse economy which retains and creates jobs, supports the growth of high-value companies and improves the region’s overall economic position. The Wellington Regional Strategy (WRS) is a sustainable economic growth strategy, which was set up to enhance the region by building the economy and helping develop Wellington region into an internationally competitive region. It was developed by nine local authorities in the region.

WellingtonNZ is supporting the Kāpiti Gateway project as an opportunity to contribute to the Kāpiti Coast and Wellington region economic growth.

3.3.3 National

Aotearoa NZ Tourism Strategy (MBIE, 2020)

The four-year strategy sets out strategic priorities for the organisation that have been developed in consultation with Government, industry partners, and staff. The priorities directly support the mission and set out a framework for annual initiatives and activities. This strategy also outlines the measures that will be used to track delivery and success.

Vision:

Enrich New Zealand – Aotearoa through sustainable tourism growth.

Government has developed a work programme and actions across five outcomes:

- The Economy – Tourism sector productivity improves
- Regions – Tourism supports thriving and sustainable regions
- New Zealanders and our communities – New Zealanders’ lives are improved by tourism
- The Environment – Tourism protects, restores and champions New Zealand – Aotearoa’s natural environment, culture and historic heritage

- International and domestic visitors – Aotearoa New Zealand delivers exceptional visitor experiences

The Kāpiti Gateway project aligns with all five outcomes identified for the national tourism strategy.

New Zealand Māori Tourism (Maori Tourism, 2019)

New Zealand Māori Tourism (NZMT) is an industry advocacy and support organisation. Its vision is *“Māori leading Aotearoa New Zealand visitor experiences - Mā te pūkenga Māori te wheako Māori i Aotearoa nei, e ārahi.”*

NZMT is committed to working with the Māori tourism sector to contribute to New Zealand’s economy, to provide compelling visitor experiences, and to build a strong commercial and cultural leadership.

The organisation supports leaders and partnerships that generate value in the Māori and wider tourism sector. This creates opportunity and ensures the growth and quality of Māori tourism experiences. Positioning Māori tourism in this way allows Māori to take a leadership role in how visitors experience our country.

An important part of the Kāpiti Gateway project is the telling of the iwi stories. Kāpiti has a rich Māori history, having been home to some very famous individuals. The importance of the Māori lens on this project aligns with the NZ Māori Tourism’s objectives.

New Zealand Arts, Cultural and Heritage Tourism Strategy to 2015 (Quality Tourism, 2008)

In this strategy prepared for the Ministry of Culture and Heritage, the vision is:

“To enrich the New Zealand visitor experience through greater, and more highly valued, engagement with our arts, culture and heritage.”

The importance of arts, cultural and heritage tourism was illustrated in this research. It showed that visitor satisfaction is significantly higher than average for those visitors who participated in an arts, cultural or heritage experience. There appears to be an opportunity for visitors, arts, cultural and heritage sector stakeholders, and tourism operators all to benefit from a greater depth of engagement and participation with each other.

Five key outcomes identified for arts, cultural and heritage tourism development between the writing of the report and 2015:

1. Build tourism capability in arts, cultural and heritage organisations.
2. Enhance cultural sector engagement with tourism.
3. Enrich visitor experiences of New Zealand.
4. Build advocacy (i.e. referral) in the domestic market.
5. Protect our authenticity and regional differentiation.

Although the research was undertaken in 2008, the Ministry still has it available on its website with the following comment: *“Cultural activities, experiences and products contribute significantly to the overall satisfaction of both international and domestic tourists in New Zealand. The Ministry believes that cultural organisations and businesses could benefit greatly from a more strategic engagement*

with the tourism market and is interested in actively encouraging the development of strong and enduring relationships with the tourism sector” (Ministry of Culture and Heritage, 2016a).

National - Department of Conservation/Te Papa Atawhai (DOC, 2019)

The Department of Conservation (DoC) is the public service department of New Zealand charged with the conservation of New Zealand's natural and historical heritage.

The project aligns to DoC's mission:

- New Zealand's unique environment and heritage is a foundation for our economic, social and cultural success.
- The diversity of New Zealand's natural heritage is maintained and restored across New Zealand.
- New Zealanders and international visitors are enriched by their connection to New Zealand's nature and heritage.

The proposal aligns with many of the priorities and goals set out by DoC in its Statement of Intent 2016-2020, for example:

- 90 percent of New Zealanders' lives are enriched through connection to our nature.
- Whānau, hapū and iwi are able to practise their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters.
- 50 percent of international holiday visitors come to New Zealand to connect with our natural places.

As a key stakeholder, DoC is an important partner in this proposal and would benefit from the increased exposure and access by visitors to Kāpiti as well as supporting iwi kaitiaki of this resource. The project will provide an opportunity for DoC to convey its conservation, biodiversity and biosecurity messages for the protection of New Zealand native species.

DoC Heritage and Visitor Strategy is to be released in 2020. The three goals of the strategy are:

- **Protect:** New Zealand's natural, cultural and historic resources are preserved and protected to maintain cultural and historic values, biodiversity, ecosystem health, landscapes and natural quiet
- **Connect:** Visitors are enriched and better connected to New Zealand's natural, cultural and historic heritage
- **Thrive:** Tangata whenua, regions and communities benefit from protecting, and connecting visitors with their natural, cultural and historic heritage.

These goals have a hierarchy. The natural, cultural and historic heritage of places managed by DoC needs to be protected first. Visitors can then experience and connect with this unique heritage. This protection and enhanced visitor connection will help support the improved wellbeing of thriving and sustainable communities.

The strategy will be supported by an implementation plan which will provide an outline of the actions needed and operational policies and tools required to help deliver the strategy. It will inform a range

of operational tools that will help run the system such as spatial plans, designing the visitor experience, standard settings, and visitor segmentation.

The DoC strategy has been approved by Ministers as a draft. It will be finalised following further engagement with iwi and stakeholders and approval by the Minister of Conservation. Once finalised, it will be a 'living document' that DoC will review and update as required.

DoC also manages the **New Zealand Biodiversity Strategy and Action Plan (2000-2020)**, which has a vision of all New Zealanders valuing and better understanding biodiversity, working together to protect, sustain and restore the country's biodiversity and enjoy and share in its benefits, as a foundation of a sustainable economy and society.

The Kāpiti Island Strategic Advisory Committee was established in 2015 comprising Ngāti Toa Rangātira and DoC representatives to guide future management of Kāpiti Island. As provided for in the Ngāti Toa Settlement of 2014, the Committee has a focus on ensuring:

- taonga species on Kāpiti Island, flora and fauna, are protected and enhanced;
- improved accessibility to parts of the island which have cultural and spiritual significance;
- integrated approach to knowledge and learning, combining Mātauranga Māori and western science;
- increased participation for Ngāti Toa iwi members in kaitiakitanga of Kāpiti Island.

It will also have oversight for the preparation and approval of a conservation management plan for the Kāpiti Island reserve sites.

The structure of the Committee also provides for other iwi to be included in the future, depending on the outcome of their Treaty Settlement negotiations.

“While the island is managed as a Nature Reserve under the Reserves Act 1977, it is important that Ngāti Toa is able to exercise their kaitiakitanga over the island” – DoC Partnerships Manager Paul McArthur.

The formation of the Kāpiti Island Strategic Advisory Committee has strengthened the relationship between Ngāti Toa Rangātira and DoC and will enable a common vision to be developed for Kāpiti Island.

DoC also administers the **Regional Conservation Management Strategy** for Wellington Region (DOC, 2019a). This was developed through a lengthy public process and is the “community’s document”. The Strategy is concerned with maintain the ecological integrity of the Island, protecting and enhancing historic heritage sites and translocating threatened species to the Island to establish viable populations.

The Minister of Conservation, Hon Eugenie Sage, has written a letter of support for the Gateway project.

3.3.4 Summary of Strategy Alignment

Section 3.3 covers a significant number of strategies and plans with which the Kāpiti Gateway project has alignment giving it a very strong strategic case in terms of positioning as a tourism and economic

development project for the Kāpiti Coast District and Wellington Region. Beyond this, it will also contribute to the cultural and historical storytelling of the Kāpiti Coast.

In a national context, it sits within the strategic framework of central government conservation and tourism strategies, particularly eco-tourism and cultural tourism opportunities and a shift in focus to the regions to increase their tourism offering.

Specifically, the Kāpiti Gateway project supports preservation of heritage and culture and local business development. It supports the aspirations of iwi, business and the wider community and responds to the new COVID-19 environment of offering domestic tourism product, direct and indirect job creation (see Economic Case) and a construction project that can take place within the next 6 months to a year.

3.4 The Project - Vision, Investment Objectives, Existing Arrangements and Business Needs

The proposal is to provide a facility (building) on the Kāpiti Coast beachfront at Paraparaumu Beach, which can address a number of identified needs and issues relating to visitation to Kāpiti Island and encourage opportunities relating to the enhancement of the visitor experience to the Kāpiti Coast district.

The idea of a visitor centre for Kāpiti Island was first proposed in 1992 with the objective of leveraging the attraction of Kāpiti Island as a tourist destination to drive further economic benefit to the broader Kāpiti Coast community.

The project was considered again in 2013 when TRC was commissioned by KCDC and DoC to once again investigate the viability of a visitor centre for Kāpiti Island, to:

- Look at opportunities to enhance the visitor experience of those accessing the Island;
- Drive growth in visitor numbers to the Island whilst ensuring the ongoing protection of the environment; and
- Increase the profile of the island nationally to stimulate domestic tourism growth (TRC, 2020).

In 2020, TRC was asked to update the Feasibility Report to reflect the updated site options and updated community and stakeholder engagement. The Feasibility Report is attached as *Appendix 4*.

A functional role of the proposed facility is to improve the biosecurity for the Island for current and future threats.

The facility will have space for current and future commercial operators to meet guests, a visitor information space and interpretive space for cultural displays and activities.

Multiple locations for the gateway building have been explored with the key site requirements being:

- Close to the beach, with access from the building to an organised and clearly defined area for commercial operators to load their guests;
- Parking for people accessing the beach, utilising the facility and moving boats down to the beach;
- Separation between the commercial boats and leisure boats and allows for improved pedestrian safety through the area;

- Seamless connection with the broader Paraparaumu businesses located along marine parade.

Facility requirements include:

- A place for visitors to learn more about what there is to do in the district. It needs to tell a broader and more rounded story about the history and cultural connections of the district;
- Biosecurity compliance activities housed within the space would need to be able to process 160 people in 90 minutes to coincide with the current peak commercial operator departures to the island;
- A booking space or kiosk with visitor information;
- A place to build awareness of conservation work and educate people to travel sustainably; offer education on the Marine reserve and other ecological areas in the district, advertise local events and opportunities;
- Iwi have expressed an interest in being able to have artists in residence in the space and be able to connect visitors to Whakarongotai Marae.

Concept designs of the proposed facility have been developed by Athfield Architects (see *Appendix 5*). The building incorporates a bio-security area pod to the east and a ticketing/ retail/ information pod to the west. Between these pods is a central sheltered multi-purpose community space incorporating interpretation and education about Kāpiti Island. This can be shaped and sheltered in varying ways to support various activities. A new bridge links this space to the boat boarding area north of the river.

To the south, modified containers will extend along the linking pathway back into the park and shopping district, to provide new space for tourism activities.

Building spaces are integrated with existing and remediated landscape providing a framework for extended 'Gateway' amenity, connection, and identity into the park and along the river back towards Te Uruhi Pa site.

Alongside the building will stand a 9-metre-tall pou whenua, carved onsite by local iwi master carver, Chris Gerretzen. Mr Gerretzen would like to use the carving not only to showcase the craft as a visitor experience but also as hands-on training for rangitahi/young people to learn the traditional skills of carving.

The pou will be visible from Kāpiti Island and be a direct calling point/connection with the mainland. This aspect is highly significant to iwi.

3.4.1 Vision and Objectives

Project Vision (draft)

"A facility which is a catalyst for more people to experience the wonder of Kāpiti Island and brings meaning to the Coast which bears its name."

Objectives

1. To provide interpretation and education about Kāpiti Island
2. To protect the Island through improved biosecurity measures
3. To encourage more people to visit Kāpiti Island
4. To celebrate the rich history of the area and to tell the stories

-
5. To increase the economic benefit of tourism to Kāpiti
 6. To provide the community with a dynamic, multi-purpose facility as part of the Maclean Park experience

3.4.2 Community Engagement

Maclean Park Consultation

Extensive public consultation has been undertaken as part of the Maclean Park Management Plan refresh in 2017. The Kāpiti Gateway's proposed location is on the edge of Maclean Park and the project itself has been developed according to the principles that came out of the public consultation process.

From that process, many submissions called for a Kāpiti Island Visitor Centre on the south side of the Tikotu Stream. As a result, the Maclean Park plan was changed to reflect this.

The Maclean Park Management Plan was prepared in partnership with Te Āti Awa as mana whenua and the site is also recognised as a site of significance by Ngāti Toa. Through a series of information sessions, hui and onsite workshops a plan was developed that expresses the values of both iwi partners as well as the wider community.

Maclean Park is located in an area of great historical significance to the people of Te Ātiawa and Ngāti Toa Rangatira. The wider area was originally occupied by the settlement know as Te Uruhi Pā, which was located in the vicinity of Te Uruhi Lake and the Tikotu Stream which flowed from the lake out to sea.

Iwi Values, which have informed concepts for the development of Maclean Park are:

Mauri	Healthy energy flow and life cycle force of catchment systems
Te Aoturoa	Natural rhythms and patterns of the environment
Maramatanga	Quality knowledge and technology used to manage the system
Mana	The social security of the community and authority of the Iwi
Wairua	The spiritual and emotional well-being of the people
Whakapapa	The identity of the people and their connection to the water (Lumin, 2017)

The idea of a Gateway development to Kāpiti Island featured largely in the consultation feedback with many respondents seeing the facility as necessary for the Kāpiti community.

Feedback on the gateway proposal during this process can be summarised as:

- Make any development a Kāpiti Coast visitor centre (not just Kāpiti Island)
- Small biosecurity centre
- No aspiration for a strong commercial presence at the gateway facility
- Standalone building with own identity
- Will bring a strong focus on the beach area

Feedback indicated there was no appetite for a large, expensive visitor centre building, but rather something small and functional, which would showcase the Kāpiti Coast.

Stakeholder Engagement for Feasibility Report

Further consultation took place during 2019, when TRC was commissioned to update the Kāpiti Gateway Feasibility Report. Extensive engagement was undertaken with partners and stakeholders. TRC presented the report findings to partners and stakeholders and received positive feedback on the Gateway proposal.

Partners: Te Atiawa ki Kāpiti, Ngāti Toa Rangatira, DoC /Te Papa Atawhai

Stakeholders: Kāpiti Boating Club, Kāpiti Island Eco Tours, Kāpiti Island Nature Tours, Kāpiti Coast Chamber of Commerce, Guardians of the Kāpiti Marine Reserve, WellingtonNZ, Kāpiti Economic Development Agency (KEDA), Paraparaumu Beach Business Association, Victoria University of Wellington.

Customer Survey

A customer survey has recently been conducted through Survey Monkey. The Survey brief and content of the Survey are attached as *Appendix 6*. A total of 2,076 responses were received from people, who had booked to go to Kāpiti Island in the last year.

Some key points that came through the responses were:

- There is a strong interest for a variety of new and interesting tours to be developed.
- Most people visit Kāpiti Island because its recommended by friends and family, word of mouth or websites.
- The reason for many who visit is because of their interest in nature and the outdoors.
- Many were not influenced by other activities when choosing their trip to Kāpiti Island, i.e. they specifically came to visit Kāpiti Island.
- Many were likely to visit again which suggests a high opportunity to entice them back.
- Overwhelmingly (91.68 percent) of respondents had loved their trip to Kāpiti Island.

A specific question was asked about the concept of a new Visitor Centre and biosecurity facility for Kāpiti Island and which features are the most important to be included in such a facility. The highest ratings (Very Important or Somewhat Important) were for:

- Information about walking options on the Island including degree of difficulty and duration (97.76 percent);
- Information about conservation stories of Kāpiti Island (95.10 percent);
- Visual displays of endangered birds, animals and plants on Kāpiti Island (94.97 percent);
- Toilets for those travelling to the Island (94.56 percent);
- Information about human history of the Island and the departure point (92.96 percent);
- Well signed place to check-in, meet your guide and be briefed on the trip ahead (91.63percent);
- Visual displays of rare fish and creatures in Kāpiti Marine Reserve (90.72 percent);
- Place to wash shoes, boots and gear, before going through biosecurity check (90.29 percent).

The Visitor Survey responses have shown Kāpiti Island to be an important attraction for visitors to the district, many having visited specifically to go to the Island. The feedback will be of great help to the

current operators, new business ventures related to the Island and KCDC in forming the operation and content of the Kāpiti Gateway building.

3.4.3 Existing Arrangements and Community Needs

Currently there are two active tourism operators taking visitors to Kāpiti Island – Kāpiti Island Nature Tours, which offers an overnight stay and Kāpiti Island Eco Experience day trips. These two are the only DoC approved commercial operators. Private vessels are not allowed to land at the Island. No one can land without a permit.

Trips to Kāpiti Island are weather dependent. Visitors must bring their own lunch and drinking water on the day trips. All bags are inspected and unpacked before boarding the boat to ensure there are no pests, or plant material (seeds or foliage) being taken across to the Island.

There are real threats to the Island's biosecurity such as myrtle rust, kauri dieback and Argentinian ants. These diseases/pests must be kept off the Island at all costs. Of the two concessionaires currently offering tours to the Island, one conducts the biosecurity process in a local café and the other on a table in the boat club carpark prior to boarding their guests. Neither place is ideal for effective biosecurity. There is no building currently in which to perform the biosecurity processes, so trips are limited to the hours when daylight is available to do checks.

All rubbish must be taken from the Island by departing visitors. Nothing from the Island may be removed/taken back. This includes plant material, insects, lizards, birds, feathers and shells.

Kāpiti Coast District does not have an i-Site or Visitor Information Centre where visitors to the district can go to find information about things to do and see.

There is no physical presence to link Kāpiti Island with the mainland. There is no education/interpretation for visitors of the culture and history of the place, or the environmental significance of the Island and the conservation work undertaken in the nature reserve or marine reserve.



Figure 5: Departing from Kāpiti Island.

Kāpiti Island gives a strong sense of identity to the people of the Kāpiti Coast. Its presence is a constant for residents and influences everyday elements such as the weather and the sea. Its distinctive shape forms the view from many people's homes.

The power of the Island's form and function in the lives of Kāpiti Coasters cannot be overstated. It is a social focal point that provides community identity through an understanding of a shared and collective heritage, creating pride in the district's unique identity and its rich and diverse natural and cultural heritage.

3.4.4 Case Study – Biosecurity at other Island Reserves

It is possible to visit nature reserves on other islands off the coast of New Zealand, but visits are strictly regulated. A good example is Te Hauturu-o-A-Toi/Little Barrier Island, which requires a permit to visit and only part of the island is open to the public and only open on weekdays.

To protect the island, the maximum number of visitors permitted to land is 20 per day, although this may vary dependent on the management activities scheduled at any time. Travel to the island is only permitted in an authorised vessel.

Every group of visitors to the island must nominate one person as their group leader. They will be the permit holder and will be responsible for ensuring that the biosecurity and other permit conditions have been read and understood by all members of their party and complied with before departing for the island. The group leader is also responsible for the group's safety.

A biosecurity checklist is given to all visitors to action and sign that they have complied with the actions. This must be presented at DoC's Warkworth Quarantine room immediately prior to departure where they may be turned away if the ranger is not satisfied that they have complied with the permit conditions.

It is considered that Kāpiti Island has had some fortune in not having had animal or plant pests introduced from visitors, due to a lack of a quarantine facility such as those that exist in other parts of the country.

3.5 Investment Scope and Drivers of Proposal

The scope of the investment is a building with estimated capital cost of \$4.46M to be built on a preferred site at the south side of the Tikotu stream. The site has been selected as the preferred option following community consultation and stakeholder engagement (see Economic Case, Section 4.3).

The influences and circumstances in the following table are identified as drivers of the proposal.

Table 1: What factors are driving the need for this project?

External (outside influences)	Internal (inside (Kāpiti) influences)
Economic opportunity for the district/region	Need and desire to tell the stories of the iwi and bring the past to life.
Provincial Growth Fund opportunity.	Need to make physical connection between the

	Island and mainland.
Growing awareness of the need to preserve past history and tell the stories – not only locally but nationally.	Desire to provide a catalyst for community change.
Increasing tourism interest in cultural heritage and opportunity to leverage this – nationally and internationally.	Desire to enable local pride in the district through its distinct identity.
Increasing interest in nature/conservation.	Desire to stimulate economic growth in Kāpiti Coast District and generate employment.
Domestic tourism now more important than ever with COVID-19 border restrictions.	
Capacity for more visitors to visit Kāpiti Island and potential visitor demand for this.	

3.6 Expected Benefits Identified

The Gateway project has the potential to deliver numerous benefits to the Kāpiti Coast community. These include social, cultural, environmental and economic benefits.

Social Benefits

The creation of a new focal point for the community will increase opportunities for organised events and provide a venue that is capable of hosting meetings and functions.

Buildings and places that reflect local identity, link the past with the present and have an outlook to the future are important in public spaces. A clear sense of identity leads to better use of a space and invokes a sense of ownership and pride. *"Positive images of places are created by local government agencies ... which are designed to encourage the locals to feel good about their home towns and the quality of life that can be had there"*² (Ministry for the Environment, 2000).

The building design contributes to the identity of the area reflecting the uniqueness of its culture and heritage.

Key social benefits that could be expected include:

- Engagement with the community on a project that benefits all;
- Enhancement of community pride;
- Space that can be used for a range of activities - recreation, arts, culture and education;

² Thorns, 2002, p 145. Referenced from Ministry for the Environment "3 Findings" Document, MFE website <http://www.mfe.govt.nz/publications/urban/value-urban-design-full-report-jun05/html/page6.html>

- Increased connectivity within the area;
- Clean and safe pedestrian links strengthened by art, interpretation and lighting;
- A sense of identity and an increase in users' sense of ownership;
- Opportunities for social engagement.

Cultural Benefits

An objective of the Kāpiti Gateway development project is *"To tell the stories and history of the Te Uhiri area, Kāpiti Island and the Kāpiti Marine Reserve"*.

Dr Mahina-a-rangi Baker representing Ātiawa ki Whakarongotai³ has stated that the site of the facility is in fact the original entry point to the rohe and to the District. It was an original landing point of Te Ātiawa ancestors. By recognising the site as an entry point, it triggers visitors and residents alike to reconsider how they may have thought about the area, and the wider district. In particular, to give recognition to and share stories from the significant history of the site and wider area.

Dr Baker said their rangatahi (young people) were acutely aware that there seems to be a lack of awareness of the important Māori stories of the District and few examples they can point to where the public celebrate them. The rangatahi felt strongly that there was a need to provide a place that allows all visitors to feel appropriately welcomed, and to offer their unique stories of Māori and European settlement in the area so that visitors leave being better informed about who we are as a District.

Connecting the community with its identity and particularly giving youth a sense of belonging through links to personal history and the history of the place where they live is both culturally and socially empowering. The value in owning that heritage, exploring it and telling the stories, many of which are still untold, will provide benefits to the communities of Kāpiti Coast District by having a greater understanding of the past, leading to an appreciation of who they are today, while also preserving this heritage for future generations.

Key cultural benefits that could be expected include:

- Provide a central place to tell Kāpiti's "story" and showcase history and heritage;
- A greater connection to the Island by Kāpiti Coast residents and New Zealanders – this place is a New Zealand treasure;
- Recognition of the significance of the site as a place of arrival, a strategic site where blood has been shed. For mana whenua, the land is a living entity and an integral part of the people who occupy it. The location of the Gateway facility at the site of the first entry to the Kāpiti Coast would seem to be more than a happy coincidence.

Environmental Benefits

The obvious environmental benefit from this project is the protection of a significant conservation asset for New Zealand in instituting robust biosecurity processes for Kāpiti Island.

³ From presentation to Kāpiti Coast District Council Operations Committee meeting on 28 May 2020.

The Gateway project also offers the opportunity to conduct long overdue improvement works on the Tikotu Stream mouth, which is in seriously poor health. This aspect of the project is also very important to iwi. The stream will be improved as much as possible through placement of rocks and natural plantings, rather than retaining the very non-natural wooden palings which are currently visible. This will be done in a coordinated way with the relevant Council teams, i.e., stormwater, infrastructure, and with due processes followed in order to protect the ecology.

Other positive environmental outcomes that can be achieved through the project are:

- An appreciation of the wildlife that live on the Island in their natural habitat;
- An understanding of the conservation story and what DOC is hoping to achieve with nature reserves such as Kāpiti Island;
- New infrastructure (biosecurity pod) to support visitor requirements;
- Low impact of building – application of eco principles such as rainwater capture for use, diversion of stormwater into swales (reed gardens) and sympathetic landscaping.

Economic Benefits

An aspiration of this project proposal is to improve economic development for the Kāpiti Coast District through tourism, and associated job creation. It is hoped that the Gateway will serve as a catalyst for new business opportunities in tourism and recreation. For those people who have booked to visit Kāpiti Island but have their trip cancelled due to bad weather, the Gateway facility will offer a 'Plan B' and direct them to other attractions in the district such as Ngā Manu Nature Reserve or Southward Car Museum, thereby keeping them in the district a little longer and encouraging an extra day's stay.

Several other potential economic gains have been identified in the Economic Impact Assessment. Refer to Section 4.6.5 of the Economic Case.

The project offers the opportunity to deliver both tangible and intangible benefits to the local community, from contributing to the economy of the district as a tourist destination, and enhancing the physical environment of the urban landscape, to the building of social capital through activities, events and a shared sense of belonging to a place.

3.7 Opportunities Identified

- Volunteering opportunities in biosecurity and conservation work;
- Tourism products and services, both on the Island and the mainland;
- Collaboration between organisations towards a common goal;
- Links with the national cycleway and walkway.

Further commentary on the above opportunities is included in Section 6.5 of the Management Case.

3.8 Risks Identified and Factors Limiting the Project

3.8.1 Key Risk areas

Historical site	Highly important site to iwi; there is the potential to uncover archaeological artefacts in earthworks, however the site is already previously highly modified.	Correct protocols in place during earthworks
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Downturn in tourism	Risk to meeting projected visitor numbers, people stop travelling;	Leverage regional tourism promotions, Buy Local campaign, work with Wellington NZ
KCDC Resource consent	Commercial operation in a reserve, land coverage of building, height of pou, parking	District plan followed in planning phase, effects minor and/or mitigated/positive
Greater Wellington Regional Council consent	Required for earthworks in the stream corridor and bridge	Regional plan followed in planning phase, effects minor and/or mitigated/positive
Funding	COVID-19 environment will impact many funding sources due to lack of income;	If funding is impacted, project may have to be put on hold
Community support	Some concerns that this may not be the right time to build this; priorities elsewhere;	Communications and engagement plan, demonstrate the benefits of job creation during construction and on-going, and investment in tourism long-term investment
Tour operators	Decide not to use the facility or lease the space.	Build understanding of benefits; keep costs to operators low; build their needs and requirements into the project.

3.8.2 Major Constraints and Assumptions

Constraints

- Building next to a busy road, must have minimal impact on traffic;
- Building will be in a public area, accessible 24/7, so must be secure and as vandal-proof as possible;
- Building must demonstrate best practice for building in a coastal site, i.e. be relocatable or otherwise demonstrate resilience;
- Building next to a coastal stream which requires rehabilitation before bridge can be built over it;
- Building must deliver biosecurity, visitor functions and interpretation for the required budget;
- Provision of sufficient parking for visitors to the Gateway Centre, Kāpiti Island tourists, and Maclean Park users.

Assumptions

- Due to severe time constraints in Part 1 of the project, basic developed design will be used for resource consent and funding applications, and detailed design (for Building Consent and builders) will be quicker and easy to coordinate with all other parties.
- Build will be deferred until funding is secured.
- Current biosecurity activities are unlikely to be sufficient to fully protect the island from future biosecurity risks, e.g. ants, myrtle rust, kauri dieback disease, etc.

- Biosecurity can be successfully incorporated in the Visitor Centre.
- Visitor Centre must be located close to the beach so as to deliver biosecurity activities without compromise.
- Replacement of the bridge over Tikotu Stream is ideal/required to link passengers from biosecurity screening area to boats for loading. The current bridge is due for replacement.
- Council is interested in pursuing and potentially part-funding a Gateway to be built if a business-case recommends that benefits for the community out-weigh costs; and
- That Council is not interested in pursuing a business-case which requires significant on-going investment (i.e. operating costs).

3.9 Summary of the Strategic Case

The case for change may be summarised as follows:

Kāpiti Coast is the location of one of the most iconic landmarks in New Zealand, Kāpiti Island. Rich in Māori history and a significant site in the country's national heritage, the Island is also New Zealand's No 1 rated scenic reserve according to the Department of Conservation.

This Gateway project looks to establish a physical link between the mainland and Kāpiti Island. In doing so, it will also provide a practical space for the necessary biosecurity processes that visitors to the Island are required to go through when visiting a nature reserve.

The building will also allow commercial tour operators to have a place to welcome their guests and create a place that is visible as the departure point for the tours to the Island. At present there is nothing to welcome visitors or denote the departure point.

The Gateway will also serve the purpose of a visitor information centre, providing information on other places to visit and activities to undertake on the Kāpiti Coast. It is expected that this aspect of the centre's function will be interactive and mobile, allowing the space in the building to be utilised for functions, e.g. product launches and events, with the information kiosks able to be moved to create room for this.

Outside will be a space large enough for powhiri and community gatherings of up to 25 people. Māori artwork, carvings and weaving will provide the design elements of the space and establish an environment for the storytelling of Kāpiti Coast's heritage.

The proposed Gateway project aligns with and supports local and national strategy and planning documents in the areas of economic development, tourism, conservation, biodiversity and iwi's aspirations to share their culture and history. The Gateway Centre provides them with a canvas to tell their stories.

A Gateway to Kāpiti Island is long overdue and has been a high priority in the community feedback received on the development of Maclean Park, the public reserve area, which stretches along the beachfront at Paraparaumu Beach, opposite Kāpiti Island.

The project offers many benefits - social, cultural, economic and environmental. It is projected to be a catalyst for a variety of business ventures, cultural activities and a necessary piece of infrastructure for the domestic tourism surge, which is expected in the coming months of 2020/2021, following the pandemic response and restrictions on overseas travel.

Embargoed

4.0 ECONOMIC CASE - EXPLORING THE PREFERRED WAY FORWARD

The purpose of the Economic Case is to identify the investment option that optimises value for money. Having determined the strategic context for the investment proposal and established a robust case for change, this part of the Business Case:

- Examines the options considered;
- Defines a preferred option – a preferred way forward;
- Assesses the economic impacts of the proposal for the local area;
- Looks at the other tourism offerings available to support the proposal.

4.1 Options

As the options have already been investigated and a preferred option settled on through the Feasibility Report process, a separate options analysis process was not engaged in for this Business Case.

4.2 Investment Objectives

The objectives of the proposed project are as follows:

- a. To provide interpretation and education about Kāpiti Island (on the mainland)
- b. To improve biosecurity measures to protect Kāpiti Island
- c. To encourage visitation to Kāpiti island (increase numbers of visitors)
- d. To tell the stories and history of the Te Uhiri area, Kāpiti Island and the Kāpiti Marine Reserve
- e. To encourage increased visitor duration and spend in the Kāpiti district
- f. To create a multi-purpose, dynamic facility for the community

4.3 Options Assessment

(TRC, 2020)

In the Feasibility Report, TRC reports that in 2013, the company was commissioned by KCDC and DoC to investigate the viability of a visitor centre for Kāpiti Island. This was the second time TRC had been asked to investigate the proposal having originally prepared a Feasibility Report in 1992.

Both reports considered a number of site options, with the 1992 report recommending the Kāpiti Boating Club as the best option to locate a visitor centre. The 2013 report explored multiple sites and presented four options for achieving the objectives of the proposal, which at that time were to enhance the visitor experience for those accessing Kāpiti Island, drive growth in visitor numbers to the Island whilst ensuring the ongoing protection of the environment, and increase the profile of the Island nationally to stimulate domestic tourism growth. The preferred option at that point in time was a Gateway Centre on the Boating Club site but, as finance was limited, the recommendation was for biosecurity briefing and searches to be accommodated within the existing Boating Club building.

In 2019-20, the scope of the project shifted because the location footprint available increased in size to include the south side of the Titoku stream, and the roundabout located at the entrance to the Boating Club car park. This increase in scope was the direct result of the public consultation process undertaken for the Maclean Park Management Plan. Allowing space for a “gateway” on the south side of the stream was a key submission topic arising during this process.

The feasibility assessment also revealed that the community and stakeholders did not want a large visitor centre at a high cost, but rather a small, functional building sympathetic to the local setting.

TRC's feasibility investigation involved two further rounds of consultation with key stakeholders identified by KCDC including DoC, Kāpiti Island Concessionaires, KCDC senior leaders and Council officers, WellingtonNZ, Ngāti Toa, Te Ātiawa, Kāpiti Boat Club building lessees (Kāpiti Boating Club, Kāpiti Underwater Club, Kāpiti Coastguard), Kāpiti Economic Development Agency (KEDA), Kāpiti Chamber of Commerce, Paraparaumu Beach Business Association, Guardians of the Kāpiti Marine Reserve, and a Senior Lecturer at Victoria University School of Architecture⁴.

4.4.1 Site and Facility Requirements

The following site requirements and facility requirements were compiled as a result of the consultation process and are addressed in the Gateway Centre development design. A full design brief is attached (*Appendix 7*).

Site Requirements:

- Must not impact the needs and access for a regional Coastguard response
- Does not limit or constrain growth for the Boat Club, or current/new operators
- Separation between commercial and leisure activities
- Improve safety and mitigate risk in the Boat Club car park and surrounding area
- Connection with the broader Paraparaumu Beach businesses
- Fit within the key principles for development in the Maclean Park Management Plan

Facility Requirements:

- Current and future operators could use the facility as a booking office
- Provide biosecurity function for Kāpiti Island
- Build awareness of conservancy programmes
- Interpretive space to tell the area's rich and diverse history
- Designed sympathetically to the natural environment
- Provide visitor information on the entire Kāpiti Coast
- Sustainable governance and operational model
- Fit with the offer of, and not to compete with, the Paraparaumu Beach township

All stakeholders believe that the facility needs to be more than just for those accessing Kāpiti Island. It needs to tell the broader story of the Kāpiti Coast itself, positioning Kāpiti as a visitor destination in its own right. It should be unique and tell the story of the area, with iwi providing the interpretation and storytelling from a Māori perspective. (TRC, 2020)

⁴ In 2017, a group of post-graduate students from Victoria University undertook a project around the idea of a "gateway" to Kāpiti Island. A Watchtower concept was recommended and costed at \$2M at that time.

4.4.2 Options Analysis

TRC's report states that all groups spoken to throughout the consultation and engagement process were supportive of a visitor and community facility. While some were unsure of how it would look, they believed that the concept would be beneficial to the Kāpiti Coast community.

The Maclean Park consultation process identified three potential sites for a visitor and community facility at Paraparaumu Beach. These include:

1. The car park area adjacent to the Kāpiti Boat Club.
2. The roundabout located at the junction of Marine Parade, Kāpiti Road and Manly Street.
3. The space located on the south side of Tikotu stream.

1. Kāpiti Boat Club Car Park Site

This option was dismissed by stakeholders for a variety of reasons:

- Emergency response functions of the Coastguard are run from there and take precedence and this would disrupt the Centre's operation;
- The three current lessees in the building want to stay there. They would prefer the status quo;
- If a separate building was constructed in the car park itself, this would exacerbate access and parking issues that have been identified previously;
- Separate beach access north of the Boat Club would require using an existing paper road, which would impact dune stabilisation;
- Other issues relating to tides, deposits of debris and driftwood, prevailing shore winds and dune function and ecological value would all impact the paper road access to the beach.

2. The Roundabout

While this site has good visibility for visitors approaching Paraparaumu Beach, the building footprint would extend over a larger area and impact on access and parking in the Boat Club precinct north of the Tikotu Stream.

Other concerns raised with this site include:

- The roundabout is located quite a distance from the beach and has the potential to compromise biosecurity requirements while visitors walk to the commercial vessels;
- Placing the Gateway at the start of Marine Parade might reduce foot traffic to the main commercial district;
- There would be a separation between the facility and Maclean Park, which would detract from creating a hub of positive activity in the area.

Because of the above reasons, this option was not recommended as the Gateway site.

3. South Side of the Tikotu Stream

This was the preferred site option for the community groups consulted and is the recommended site for the Gateway facility. It is close to the departure point of the commercial boats accessing Kāpiti Island and has potential to be well integrated into the Maclean Park development.

There is room to build a small facility that will meet many of the aspirations voiced during the consultation. A small building responds to the desire of the community to minimise impact of the building and responds to the constraints of the site and the community's wish to see it linked with Maclean Park.

This site would displace some car parking; however, a parking solution is currently being worked on by KCDC officers, who are brokering an agreement between the commercial boat operators and the neighbouring golf club, which has parking space available.

4.4 Preferred Option

The preferred option from the consultation was:

- A small new build on the south side of Tikotu Stream
- A building that is sympathetic to the natural environment
- A building that Includes:
 - Interpretive experience
 - Biosecurity facility for accessing Kāpiti Island
 - Space for current and future commercial operators to meet guests
 - Visitor information space

4.5 Other Option Dimensions considered

Having decided on a preferred option for the scope of the proposal, i.e. **What** the building will look like and include and **where** it will be sited, other decisions for the proposal reside around its management (**who** will deliver the project), **how** the physical aspects of the project can be delivered, the **funding model** of the project (both capital funding and ongoing operations) and its implementation (**when** can the project be delivered).

Table 2: Summary of Preferred Options for Proposed Gateway Project

Option	Description
<i>Scope Options (What)</i>	
New small building located on the south side of the Tikotu Stream.	Space for departure services including biosecurity to Kāpiti Island; Information and cultural and community space for Kāpiti Coast visitors and community.
<i>Service Solution (How)</i>	
Design competition held to select architect. Tender on GETS for construction.	Athfield Architects of Wellington have been selected to undertake the building design and landscaping by Wraight and Associates.

	A tender will be issued for construction works once funding for the project is confirmed.
<i>Service Delivery Option (Who)</i>	
<p>KCDC to manage project delivery in conjunction with partners.</p> <p>Project Governance Group with representatives from key stakeholders</p>	<p>KCDC will manage design and construction process.</p> <p>Local iwi artists/artisans to create artwork for the Gateway.</p> <p>Concessionaires to be responsible for and conduct biosecurity checks.</p> <p>DoC to train volunteers to assist with biosecurity processes.</p> <p>Advisory Group to be established comprising stakeholder reps.</p>
<i>Implementation Option (When)</i>	
Construction start date aimed for October 2020	<p>Developed design underway.</p> <p>Planning and fundraising currently underway.</p> <p>Application for resource consent underway.</p>
<i>Funding Option (How to make it work)</i>	
Funding partnership	<p>50 percent of the funding for the project is being sourced from the Provincial Growth Fund. KCDC has committed to fund the other 50 percent.</p> <p>Other options for funding are yet to be investigated and, if successful, will reduce the cost to Kāpiti Coast ratepayers: Options include Central Government funds, Lottery Grants businesses, private trusts, public fundraising. See <i>Appendix 10</i> for detail.</p>

4.6 Economic Impact Assessment

An Economic Impact Assessment (EIA) has been undertaken by Sean Bevin, Economic Solutions Ltd (ESL) (Bevin, 2020) (see *Appendix 8* for full report). The specific aspects of the proposed development covered in the analysis are:

- The local/district economic impacts for the new facility construction period.
- The local economic impacts for the annual operation of the new facility.
- The local economic impacts associated with the current level of annual visitation to Kāpiti Island and forecast increased levels of visitation in the future.
- Aside from the economic impact gains, other local economic benefits expected to be generated by the new facility.

The Economic Impact Assessment (EIA) quantifies the total multiplied economic impacts for a specific geographical area (local/regional/national) of a significant existing or new revenue/expenditure operation, development or activity in the area. The total economic impacts comprise the initiating direct expenditure or revenue/turnover impact associated with the activity and the flow-on or “multiplied” economic impacts.

Economic impacts are traditionally measured using four different variables:

- Total Revenue/Gross Output (i.e. the total value of the economic impact including the value of imported items);
- Net or disposable household income (i.e. after taxation, savings, superannuation, etc.);
- Total Employment (measured in terms of persons/jobs); and
- Total Value Added/Gross Domestic Product (GDP) (or Gross Regional Product (GRP) for sub-national areas).

The GRP impact is considered to best measure the true multiplied gain in total economic activity in an area as a result of an initial expenditure or revenue project/change, as it excludes the value of imported items required for the project (payments for which flow out of the region to externally based suppliers of goods and services).

Base Information

The key base information sources used for the EIA report have included a range of project description, business feasibility, operational financials and other relevant information provided to ESL by Giblin Group Consultants (Hastings) working on behalf of Kāpiti Coast District Council.

The base economic impact modelling work for the project was undertaken by Dr Warren Hughes of Hughes Economics, Auckland, a specialist economic impact modelling consultancy. Copies of Dr Hughes’ modelling results and his CV details are attached in appendices to the EIA report.

The economic impact results presented in the EIA are based on the latest available (year ended December 2019) Kāpiti Coast district multiplier results for relevant sectors within a 106-sector economic impact model of the district. The underlying national input-output table for these results relates to the 2013 year and was released by Statistics New Zealand in 2016. The national table has subsequently been modified by Butcher Partners, Christchurch for regional and local application. Dr

Hughes has updated the national and Kāpiti Coast district impact models using employment data for the year ended December 2019.

It is noted that the various multiplier results presented in the report include both production and consumption flow-on economic impacts.

It is also noted that the various economic impact results presented in the three principal sections of the report represent the total or gross impacts/gains before any possible downside economic impacts associated with the development and operation of the Kāpiti Gateway facility are taken into account. General examples of potential downside impacts include 'trade' divergence from competing entities, comparative economic benefits of alternative district locations for a new development and other options for use of a proposed development site.

4.6.1 Key Results in Economic Impact Report

Economic impact results are provided for:

- The new facility construction period;
- The initial annual expenditure operation of the facility;
- Current and projected visitation to Kāpiti Island; and
- Combined facility operational spending and visitor spending (ongoing annual expenditures).

In terms of visitor spending, a range of economic impact results are provided for, reflecting both potential variation in some of the underlying visitor spending influences and different projections for future visitor growth to Kāpiti Island. Key results to note are as follows:

- The current annual level of visitation to Kāpiti Island is in the order of 15,000 people whose spending is estimated to have a total economic activity/GRP impact within the Kāpiti Coast district of \$1.59-\$2.56 million and a total associated employment impact of 18-30 persons.
- The short-term local GRP and Employment economic impacts of the construction period for the new amenity have been assessed at approximately \$2 million and 14 persons respectively.
- The local GRP and Employment impacts of the initial annual operation of the new amenity have been assessed at approximately \$0.2 million and 3 persons respectively. These could increase with a larger facility operation resulting from significantly increased visitation to Kāpiti Island in the future.
- Increased visitation to the Kāpiti Coast district in association with projected increased visitation to Kāpiti Island will generate increased local economic impact in the range Economic Activity/GRP \$3.18-\$5.12 million to \$6.15-\$9.90 million and Employment 36-60 to 70-116.
- **In the analysis in the main body of the report, the economic impact assessment focused on the mid-point situation particularly for visitor spending.**

Table 3 : Assessed Kāpiti Coast District Economic Impacts for proposed Kāpiti Gateway facility

Project Activity	Total Local Economic Impacts Economic Activity/GRP \$M			Total Employment (Persons)		
	Lower Bound	Midpoint	Upper Bound	Lower Bound	Midpoint	Upper Bound
Facility Construction		1.97			14	
Initial Annual Facility Operation		0.16			3	
Visitor Spending:						
Current Situation	1.59	2.08	2.56	18	24	30
Year 2025	3.18	4.16	5.12	36	48	60
Year 2030	4.77	6.24	7.68	54	72	90
At Capacity	6.15	8.05	9.90	70	93	116
Year 1 Annual Facility Operation Plus Visitor Spending:						
Current Situation	1.75	2.24	2.72	21	27	33
Year 2025	3.34	4.32	5.28	39	51	63
Year 2030	4.93	6.40	7.84	57	75	93
At Capacity	6.31	8.21	10.06	73	96	119

4.6.2 Economic Impacts for Construction Period

The construction cost estimate used for the calculations in the Economic Impact Assessment was \$4 million. The district-level flow-on economic impacts of this are indicated in **Table 5**. The key results are:

- A total district GRP impact of approximately \$1.97 million, comprising a direct GRP impact of \$0.84 million and a flow-on/multiplied GRP impact of \$1.13 million. The total GRP economic impact result indicates the true level of the contribution of the facility development expenditure to overall economic activity in the district.
- A total district Employment impact of 14 persons/jobs, comprising a direct impact of 6 persons and a flow-on/multiplied impact of 8 persons.

It should be noted that these impacts are of a short-term nature and relate only to the construction phase of the project.

Table 4: Kāpiti Coast District Economic Impacts for Kāpiti Gateway Construction period

Economic Impact Components	Economic Impact Measures			
	Revenue (\$M)	Net Household Income (\$M)	Employment (Persons)	Value Added/ GRP (\$M)
Initiating Expenditure	4.00			
Total Direct Economic Impacts	4.00	0.53	6	0.84
Total Flow-on Production and Consumption Economic Impacts	3.70	0.52	8	1.13
TOTAL KĀPITI COAST DISTRICT ECONOMIC IMPACTS	7.70	1.05	14	1.97

4.6.3 Economic Impacts for Initial Facility Operation

The base gross operating expenditure figure used for the modelling analysis was a \$0.3 million (\$300,000) estimate, following exclusion from the draft facility operating budget of the depreciation (non-cash) item, and rounding up of the result for the purposes of the economic impact assessment. The above expenditure figure also allows for potential increases in some of the budget levels once the facility becomes operational in the second half of 2021.

The total Value Added/GRP economic impact for the district generated by the initial operation of the new facility is \$0.16 million. The total annual direct and flow-on employment impact is 3 persons, comprising a direct employment of 2 people and a flow-on impact of 1 people. The total additional Net Household Income generated in the Kāpiti Coast District is \$0.15 million.

Table 5: Kāpiti Coast District Economic Impacts of Initial Kāpiti Gateway Visitor Operation

Economic Impact Components	Economic Impact Measures			
	Revenue (\$M)	Net Household Income (\$M)	Employment (Persons)	Value Added/ GRP (\$M)
Initiating Total Expenditure	0.30			
Total Direct Economic Impacts	0.30	0.11	2	0.10
Total Flow-on Production and Consumption Economic Impacts	0.19	0.04	1	0.06
TOTAL KĀPITI COAST DISTRICT ECONOMIC IMPACTS	0.49	0.15	3	0.16

4.6.4 Economic Impacts for Current and Future Visitor Numbers

Current annual visitor numbers for Kāpiti Island have been advised as being 15,000. After taking into account estimated proportions of this number for Kāpiti Coast district resident visitors (20 percent), overnight and day visitors, domestic and international overnight visitors and Kāpiti Island as a prime visitation factor, the total number of qualifying visitors calculated for economic impact assessment purposes is in the range 9,340-12,000 (80-100 percent of total non-local resident visitor numbers for the Island).

After further taking into account the average length of stay of overnight visitors to Kāpiti Island, total night-stays have been calculated at in the range 5,320-10,640. The total number of day visitors has been calculated at 6,680.

ESL has quantified the total annual direct visitor spending impacts of the above results as overnight visitor spending as approximately \$1.33 million-\$2.66 million and day visitor spending \$0.85 million, hence a total of \$2.18 million-\$3.51 million. The mid-point of this range (\$2.85 million) has been used for the purposes of the visitor spending economic impact calculation.

In terms of visitor spending, a range of economic impact results are provided for, reflecting both potential variation in some of the underlying visitor spending influences and also different projections for future visitor growth to Kāpiti Island.

Table 7 indicates the economic impacts within the Kāpiti Coast district of initial visitor spending.

Table 6: Kāpiti Coast District Economic Impacts of Initial Kāpiti Gateway Visitor Spending

Economic Impact Components	Economic Impact Measures			
	Revenue (\$M)	Net Household Income (\$M)	Employment (Persons)	Value Added/ GRP (\$M)
Initiating Total Expenditure	2.85			
Total Direct Economic Impacts	2.85	0.69	18	1.29
Total Flow-on Production and Consumption Economic Impacts	2.57	0.29	6	0.79
TOTAL KĀPITI COAST DISTRICT ECONOMIC IMPACTS	5.42	0.98	24	2.08

Table 8 below summarises the total district economic impacts for the current and projected future levels of visitation to Kāpiti Island, again based on the mid-point total annual visitor spending figure used for the Table 3 analysis above.

Table 7: Current and Forecast Kāpiti Coast District Visitor Spending Economic Impact Scenarios

Visitor Scenarios (# of Visitors)	Total Annual Revenue \$M	Economic Impacts Net Household Income \$M	Employment (Persons)	Value Added/GRP \$M
Current 15,000	5.42	0.98	24	2.08
30,000 (Yr 2025)	10.84	1.96	48	4.16
45,000 (Yr 2030)	16.26	2.94	72	6.24
58,000 (Maximum)	20.98	3.79	93	8.05

Assuming the current level of annual visitation to Kāpiti Island along with the first year of operation of the new Kāpiti Gateway facility, the combined total district economic impacts are:

- Revenue \$5.91 million (Total of \$5.42 million Initial Visitor Spending plus \$0.49 million Initial Gateway Operation);
- Net Household Income \$1.13 million (Total of \$0.98 million Initial Visitor Spending plus \$0.15 million Initial Gateway Operation);
- Employment 27 persons and Value Added/GRP \$2.24 million (total of 24 persons Initial Visitor Spending and 3 Initial Gateway operation and Value-Added/GRP total of \$2.08 Initial Visitor Spending plus \$0.16 Initial gateway operation).

These impacts assume the mid-point level of direct visitor spending associated with Kāpiti Island.

The projected visitor numbers have been calculated on the basis of the current growth rate in visitors to Kāpiti Island over the last 5 years which is on average 2,000 people per year or on a percentage basis 12.5 percent per year growth rate ($2,000/16,000 = 12.5$ percent). A base rate of 15,000 visitors⁵ has been used and zero growth rate assumed in 2020 due to COVID-19.

See Section 4.7 for further detail on visitor number projections.

By year 2030, the combined economic impacts could be in the order of Revenue: approximately \$17 million, Net Household Income \$3.1 million, Employment 75 persons and Value Added/GRP \$6.4 million. These impacts assume a continuation of both the overall scale of the year 1 new facility operation and use of the mid-point level of direct visitor spending.

4.6.5 Employment

The Economic Impact Assessment does not include job numbers for the preliminary planning stage of the project. This has involved the engagement of 22 professional consultancy firms for various aspects of the project. This continued through the COVID-19 lockdown period ensuring many businesses were able to keep staff in employment.

4.6.6 Other Economic Gains

Other economic/tourism benefits for the Kāpiti Coast district potentially arising from the proposed new Kāpiti Gateway and increased tourism to Kāpiti Island include:

- The proposed facility will provide an important platform for significantly increasing the overall quality of the Kāpiti Island visitor experience and the level of visitation to the area (as reflected in the projections for increased visitor numbers to the Island over the next 20 years or so).
- The proposed development and associated increased tourism to Kāpiti Island will strengthen the 'iconic' tourism status of the area from both a local district and wider Wellington region perspective. This is important for attracting further domestic tourism to the area (particularly in the short to medium term given the adverse impact of COVID-19 on international tourism to New Zealand). However, in the longer-term, the proposed development will be important for attracting increased international tourism to the district and region.
- Strengthening of both the Kāpiti Coast and wider Wellington region visitor 'product' including both Māori/cultural and other tourism attractions and activities.

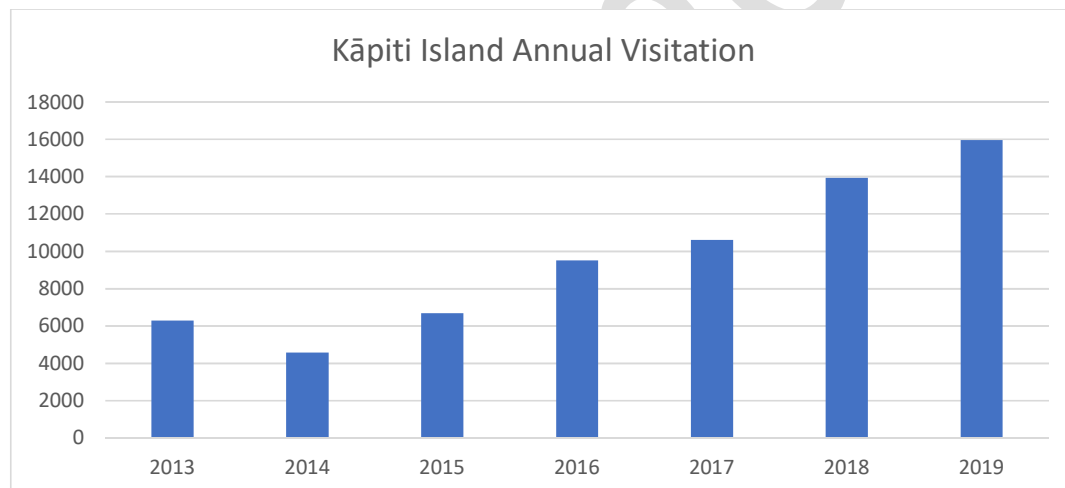
⁵NOTE: The actual numbers in 2019 at 15,959 were closer to 16,000 rather than 15,000.

- An important opportunity to inform, promote and showcase the tourism profile of the Kāpiti Coast district, particularly given the absence in the district now of a specialised dedicated 'visitor i-Site/information centre.
- Increased business opportunity for existing Kāpiti Island related commercial tourism operators and for new operators over the longer-term as visitor numbers to the area increase.
- Potential development of other new tourism operations in the district, taking advantage of the increased numbers of visitors coming into the area.
- Increased visitation to the district and associated spending will have positive flow-ons to local servicing sectors such as accommodation, retailing, transport, food and beverage outlets, etc.
- Encouragement of further skill development within the overall Kāpiti Coast visitor sector.

4.7 Kāpiti Location, Visitor Numbers and Offerings

Visitor numbers to Kāpiti Island have increased steadily over the past 5 years from just over 4,000 in 2014 to almost 16,000 in 2019. This is an increase of 300 percent over the period. Visitation to the Island is currently at only 25 percent of the annual capacity of 58,000, and with an improved visitor experience there is significant opportunity to grow this. A dedicated Gateway Centre would allow for more locals and tourists to connect to the Island.

Figure 6: Kāpiti Island Annual Visitation



4.7.1 Visitor Projections

Starting from a base number of 15,000 visitors to the Island (nearly 1000 pax less than 2019) and applying the lowest year-on-year growth rate of 12.5 percent (from visitor growth to Kapiti Island over the last 5 years), visitor number projections have been calculated out to 2030 in **Table 9** below. Based on the growth rate experienced for this trip over the past 5 years, this growth rate is believed to be likely. However, a lower rate of 6.5 percent has also been shown as a conservative estimate, which is the overall Kapiti Coast growth rate of tourism over the past decade.

Due to a lack of reliable data, no account of any business **other than Island Tours** was used in the economic impact assessment.

The following points should be taken into account:

1. Actual visitor numbers to the Island in 2019 were closer to 16,000 than 15,000, however a conservative contraction has been used as the baseline considering the effects of COVID-19 on tourism.
2. There are numerous opportunities to grow visitation, as outlined in Section 4.7.2 below.
3. Both current operators are currently considering expansion of their capacity.
4. Due to lack of reliable tourism data, absolutely no economic impact has been factored in for benefits from other (non-Kāpiti Island) increased tourism as a result of the Gateway Visitor Centre, and a predicted boom in domestic tourism. While the Kāpiti Island numbers may appear ambitious, they are actually conservative as no account has been taken for other tourism activities increasing (see Section 4.6.5) as a result of the Gateway.
5. There is limited data to work with. This is not a Kāpiti problem, but a New Zealand wide one. There are no domestic tourism surveys undertaken any more. The benefits calculated for Kāpiti Island in the Economic Impact Assessment are based on the information collected from the visitor survey, along with concession numbers from DOC.

Table 8: Projected Visitor Numbers to Kāpiti Island over the next 10 years

Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Likely 12.5%	15000	16875	18984	21357	24027	27030	30409	34210	38486	43297	48709
Conservative 6.5%	15000	15975	17013	18119	19297	20551	21887	23309	24824	26438	28157

4.7.2 Visitor Growth Potential

Tourism growth across the Kāpiti Coast district has averaged 6.5 percent annually over the last decade compared to 8.1 percent across the whole of New Zealand. The tourism industry employed an average of 1,199 people, or 6.8 percent of the Kāpiti Coast's total employment in 2019. Employment growth in the tourism sector has averaged 2.1 percent per annum since 2000.

Currently Kāpiti Coast attracts the majority of its visitors from nearby Wellington. It's an easy day trip and offers many attractions to those who wish to get out of the city into a more rural and relaxed environment. Wellington City has a population of 212,700 (2020) and the Hutt Valley a population of 149,680 (2019). Both are very built-up urban areas, and both are very close to Kāpiti Coast. With a focus on domestic travel in the foreseeable future, there is significant potential to attract greater numbers of tourists/visitors from these areas alone to visit Kāpiti.

The potential to increase visitation to Kāpiti Island is significant. By working with iwi partners, DoC and tour operators, it may be possible to implement changes which would enable and/or stimulate growth such as:

- Converting the daily limit to an island limit (which would enable Dawn Chorus and Twilight Chorus tours, for which there is strong demand);

- Introducing different types of tours which do not require landing on the island (such as glass-bottomed boat, snorkel with seahorses, and seal-pup nursery boat trips);
- Improving tracks on the island;
- Improved marketing, for example, if the Wilkinson Track (summit track) was upgraded, both physically and in marketing categories with DOC, the awareness of Kāpiti Island could grow significantly – on par with the Tongariro Alpine Crossing;
- The Gateway building is likely to be the catalyst for shore-based tourism also, for example bike, kayak or waka hire.

The Domestic Growth in Tourism Tool (DGIT)⁶ shows there are eight different types of domestic leisure traveller in New Zealand. These are referred to as domestic traveller segments. Five percent of New Zealand’s population have a “Learn and Understand” travel preference. They want to discover and learn about their and others’ history and heritage. They are primarily interested in museums, art galleries, exhibitions and places of significance to Māori. However, they also have some interest in natural attractions (including wildlife) and attending special events.

DGIT shows that 51 percent of travellers, who choose to visit Wellington region as their target destination and can easily get there, want to visit a significant landmark to Māori, 24 percent want to see Māori arts and crafts being created and 29 percent want to experience Māori traditions such as storytelling. These are all relevant to the Kāpiti Gateway experience. Prior to COVID-19, cultural tourism was proving to be a growth industry globally. UNESCO promotes cultural tourism as a means of preserving world heritage, it is a major industry in Europe and emerging nation-states of Africa and Central Europe see it as a support for national identity. It is for many countries a vital means of economic support for traditional activities and local creativity (Richards, 2007).

There is a global trend for heritage and cultural visitors to expect personal or interactive experiences that bring a place, its people and stories to life rather than be presented solely through static displays.

A further 14 percent of New Zealand’s population have an “Explore Nature” travel preference. They want to get outdoors to explore the natural environment and love discovering new places and use this as a way to relax. Of travellers who visit Wellington region as their target destination and can easily get there, 91 percent want to see wildlife in its natural environment and 15 percent want to experience an environmental or conservation activity.

These statistics shows that the interest is already there to take up the offerings that the Kāpiti Gateway project has the potential to activate and new offerings in these areas will be eagerly taken up and explored by domestic travellers.

Trip Advisor (Trip Advisor, 2020) lists the top 10 attractions on the Kāpiti Coast below. Interestingly Kāpiti Island is not mentioned in the Top 10 attractions, which suggests it may be a hidden treasure that people have not yet discovered. Having said that, the day and overnight trips to the Island are both rated very highly (4.5/5 and 5/5 respectively) on this website.

⁶ Tourism Industry Aotearoa November 2016 <https://dgit.nz/>

Top 10 Attractions according to Trip Advisor are:

1. Southward Car Museum
2. Paekakariki Escarpment Walk
3. Whareroa Farm
4. Ōtaki River Walks
5. Peka Peka Beach
6. Ngā Manu Nature Reserve
7. Mangaone Walkway
8. Paraparaumu Beach
9. Deer Story Museum
10. Ōtaki Heritage Bank Museum

The key “take-out” of this is that there are many attractions that could be promoted to draw visitors to the Kāpiti Coast starting with the neighbouring districts/regions and moving further across New Zealand, which will mean more overnight stays if people come from further afield.

A further consideration is that Kāpiti Coast has a direct link with Auckland with its airport and at a future date, with co-ordination and co-operation between tourism businesses, “package deals” to Kāpiti Island and the Kāpiti Coast may be able to be compiled including flights direct to Paraparaumu.

4.8 Summary of the Preferred Way Forward

The preferred option is:

- A small new build on the south side of Tikotu Stream
- A building that is sympathetic to the natural environment
- A building that Includes:
 - Interpretive experience
 - Biosecurity facility for accessing Kāpiti Island
 - Space for current and future commercial operators to meet guests
 - Visitor information space

This option has been selected following a rigorous consultation process and engagement with key stakeholders and will achieve the objectives of the project.

The preferred option was used as the basis of the Economic Impact Assessment which finds that there will be economic returns to Kāpiti from the proposed project both through direct economic impacts and flow-on impacts in production and consumption. This is particularly so in the longer term as visitor numbers to Kāpiti Coast and Kāpiti Island increase.

It should also be noted that Kāpiti Coast has a number of visitor attractions in addition to Kāpiti Island and if well promoted and marketed, has the potential to attract many more visitors to the district and encourage their spending within it.

There is also potential for Kāpiti Island itself to offer more tourism product for visitors with additional tours such as a tour to hear the Dawn Chorus, and upgrade and marketing of the major tracks on the Island as a significant walking experience.

The COVID-19 pandemic has forced tourism to readjust and focus for the foreseeable future on the domestic tourism market. Currently there is a wave of enthusiasm for New Zealanders to buy local and support local businesses and there is no reason to think that this will not extend to the tourism industry, particularly with border closures, quarantine restrictions and depletion of international travel options in the short-term and possibly longer.

Kāpiti Coast has an opportunity to promote itself in the current environment as an accessible “get-away” destination for New Zealanders.

5.0 THE FINANCIAL CASE- AFFORDABILITY AND FUNDING REQUIREMENTS

The purpose of the financial case is to determine the funding requirements of the project and to demonstrate whether the proposal is affordable. The Financial Case also assesses the impact of the proposed investment on the organisation’s financial accounts and what funding opportunities are available

5.1 Projected Costs

The estimated capital cost for the Gateway Centre project is \$4,460,527, which incorporates sufficient contingencies on the QS estimate report (*Appendix 9*). Until detailed designs are finalised, this will remain an indicative cost only.

Table 9: Estimated Project Costs

Project Budget		
Buildings, finishes, FFE, containers	1,660,961	
External works, decks, bridge, landscaping, site services, carvings	1,254,416	
		2,915,377
Construction Contingency @ 20%	583,075	
		3,498,452
COVID19 contingency @ 15%	437,307	
		3,935,759
Other fees, consents, design, project management @15%	524,768	
GRAND TOTAL		4,460,527

5.2 Operating Budget Projections

The Gateway Centre will be an asset managed by Kāpiti Coast District Council. Council is willing to fund the operation of the Gateway Centre where the economic, social, cultural and environmental benefits for the community out-weigh the costs. However, Council wishes to see the operation become self-

sustaining over time. Although there is more work to be done in the next phases of this project to fully determine the operating model and confirm the budget, projected costs and revenues have been estimated.

Using the 'likely' visitor growth rate of 12.5% to the island, the Centre's preliminary operating budget projections indicate the initial (Year 2021/22) annual operating expenses would equate to \$298,325 with corresponding revenue per annum totalling \$237,300, leaving a net operating deficit of \$61,025 for Council to service. Under this scenario, the Centre is predicted to break-even in the Year 2026/27.

Using the 'conservative' visitor growth rate of 6.5% to the island, the Centre is predicted to break-even in the Year 2030/31.

Figure 7: Gateway Centre Proposed 'Likely' OPEX Budget

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

There are funding avenues available for Council to significantly offset the Centre's net operating costs. Corporate partnerships present additional long term (and potentially significant) revenue opportunities. Additional grants (e.g. for biosecurity initiatives, educational programmes, volunteer programmes) may provide operational funding options as initiatives are identified/implemented. Funds that could be considered here include Lottery Community Fund, Community Organisation Grants Scheme (COGS), and Support for Volunteering Fund. Opportunities to source programme funding from the Wellington Community Trust should also be explored.

Although the Centre's operating model is still currently under development, design elements which will complement sustainable and cost-effective operations, along with future-proofing additional revenue opportunities are being incorporated into the detailed design. For example, low maintenance construction and configuration of internal spaces to provide scope for additional tenants/operators in future.

5.3 Funding Impact Statement

A funding impact statement has been prepared on the Gateway project. This indicates projected costs and revenue until 2027/28. Please note, no inflation has been calculated.

Table 10: Project Funding Impact Statement

Gateway funding impact statement									
for the years 2019/20 to 2027/28									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Sources of operating funding									
General rate, uniform annual general charge, rates penalties	-	23,569	61,025	87,156	66,822	42,902	16,138	(13,999)	(47,822)
Targeted rates	-	-	-	-	-	-	-	-	-
Grants and subsidies for operating purposes	-	-	30,000	40,000	40,000	40,000	40,000	40,000	40,000
Fees and charges	-	-	171,000	244,872	265,206	288,276	313,290	343,427	377,251
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	-	-	36,300	38,400	38,400	39,250	41,000	41,000	41,000
Total operating funding	-	23,569	298,325	410,428	410,428	410,428	410,428	410,428	410,428

Applications of operating funding									
Payment to staff and suppliers		-	151,500	202,000	202,000	202,000	202,000	202,000	202,000
Finance costs	-	23,569	70,793	107,053	107,053	107,053	107,053	107,053	107,053
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-
Total applications of operating funding	-	23,569	222,293	309,053	309,053	309,053	309,053	309,053	309,053
SURPLUS/DEFICIT OF OPERATING FUNDING	-	-	76,032	101,376	101,376	101,376	101,376	101,376	101,376
Sources of capital funding									
Grants and subsidies for capital expenditure	-	2,230,263	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	262,600	456,862	1,510,802	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-
Total sources of capital funding	262,600	2,687,125	1,510,802	-	-	-	-	-	-
Applications of capital funding									
Capital expenditure									
> to meet additional demand	-	-	-	-	-	-	-	-	-
> to improve the level of service	262,600	2,687,125	1,510,802	-	-	-	-	-	-
> to replace existing assets	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	76,032	101,376	101,376	101,376	101,376	101,376	101,376
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-
Total applications of capital funding	262,600	2,687,125	1,586,834	101,376	101,376	101,376	101,376	101,376	101,376
SURPLUS/DEFICIT OF CAPITAL FUNDING	-	-	(76,032)	(101,376)	(101,376)	(101,376)	(101,376)	(101,376)	(101,376)
FUNDING BALANCE	-	-	-	-	-	-	-	-	-

5.4 Funding Summary

Kāpiti Coast District Council has committed to 50 percent of the project funding over a two-year period as approved in its Long-Term Plan 2018-2038.

At a Full Council meeting held on 28th May 2020, Council approved an application to the Provincial Growth Fund for the remaining 50 percent (\$2.23 million) of the total development costs for the project.

The resolution of the Full Council reads:

Moved: Cr Angela Buswell

Seconder: Cr Jackie Elliott

71. That the Council approves an application being made to the Provincial Growth Fund for fifty percent (\$2.23m) of the total development costs for the Kāpiti Gateway Project and delegates to the Chief Executive the authority to sign off the final application and support material in general accordance with this report.
72. That the Council notes that officers will provide reprioritised capex budgets for the council share of development costs, once the PGF application is approved and detailed design is confirmed – including construction timelines.
73. The Council notes that a business case for the project is in process, and the results of that will be taken into account by council in progressing the project, and moves that further clarification to ascertain operation of the facility and analysis of future sustainability of the project will be undertaken before it proceeds.
74. The council notes that further engagement with stakeholders and advisors will be carried out if the project progresses to inform the operation and final design.

The motion was carried **8/3**.

Several other funding options have been identified, which could contribute to Council's 50 percent of the cost, however these have not been investigated at this time and there is no guarantee any applications to these sources would be successful.

A high-level funding plan is outlined in *Appendix 10*, which identifies the various funding sources that could align to the goals of the project.

The proposed funding recommendations have been based on the high-level funding plan:

- It is recommended that Kāpiti Coast District Council form a partnership of funders, which will allow funding to be secured from a diverse range of sources in the private and public sector and reduce the cost to Kāpiti Coast ratepayers.
- It is recommended that Kāpiti Coast District Council adopts a staged approach to any additional capital raising. An initial priority would be approaches and applications to Central Government funds and Lottery Grants Board. Other funding can be systematically achieved over the course of the project through Philanthropic Trusts, Corporate Partnerships (which may include in-kind contributions), and when appropriate, Community Fundraising.
- Further analysis is recommended, particularly in the context of the impact on funding from the Covid-19 epidemic. Where possible, direct conversations should be undertaken with fund officials/administrators.

5.5 Summary of Financial Implications and Affordability

This financial case relies heavily on Central Government funding (the Provincial Growth Fund) and KCDC funding. The PGF investment will allow the project to get underway and can be used to leverage other external funding opportunities.

Opportunities exist for Kāpiti Coast District Council to pursue further project funding opportunities in the medium-long term via Lottery Grants, philanthropic trusts and corporate partnerships.

The opportunity also exists for Council to significantly offset net operating costs through onboarding longer term corporate partners, continuing community fundraising initiatives and seeking grants specific to educational, cultural and environmental programmes/events.

Kāpiti Coast District Council has a stable structure and sound processes for financial management of any grants that may be made to them, and this will give assurance to funders.

6.0 THE MANAGEMENT CASE - PLANNING FOR SUCCESSFUL DELIVERY

The management case confirms that the proposal is achievable and details the arrangements needed to ensure successful delivery of the project.

6.1 Project Planning

A project structure and Terms of Reference (TOR) have been established and are attached as *Appendix 11*.

The detailed Project Plan is attached as *Appendix 12* and a Gantt Chart timeline in *Appendix 13*.

6.2 Project Team

KCDC is facilitating the project. An independent Governance Group has been established with representatives from the principal partners in the project and a project team has been formed to work with a significant number of stakeholders and partners, some of whom have very limited capacity to assist.

The Project will have its own project structure, governance and resources and authority, but will work within existing Council systems, resources and structures. The Project Team will undertake the works required including giving recommendations to the Governance group.

An Advisory Group has been established consisting of stakeholders engaged through the Feasibility Report process.

1. ROLES

Governance Group:

James Jefferson - Kāpiti Coast District Council (Senior Leadership Team (SLT) Sponsor)

Jack Mace - Department of Conservation

Naomi Solomon and Pania Solomon - Ngāti Toa

Russell Spratee and Chris Gerretzen - Te Ati Awa

George Hickton - Independent Chair

The Governance Group provide primary project governance and will make a recommendation to Council for their approval.

Project Team:

Project Sponsor(s) - James Jefferson (Alison Law, Acting GM)

Project Manager(s) - Janice Hill

Project Lead - Darryn Grant

Project Delivery Team:

The project delivery team meet regularly on Monday afternoons to review the project using the Programme, and Project Status Report.

Senior Delivery Manager - Michelle Parnell

Project Manager - Janice Hill, KCDC

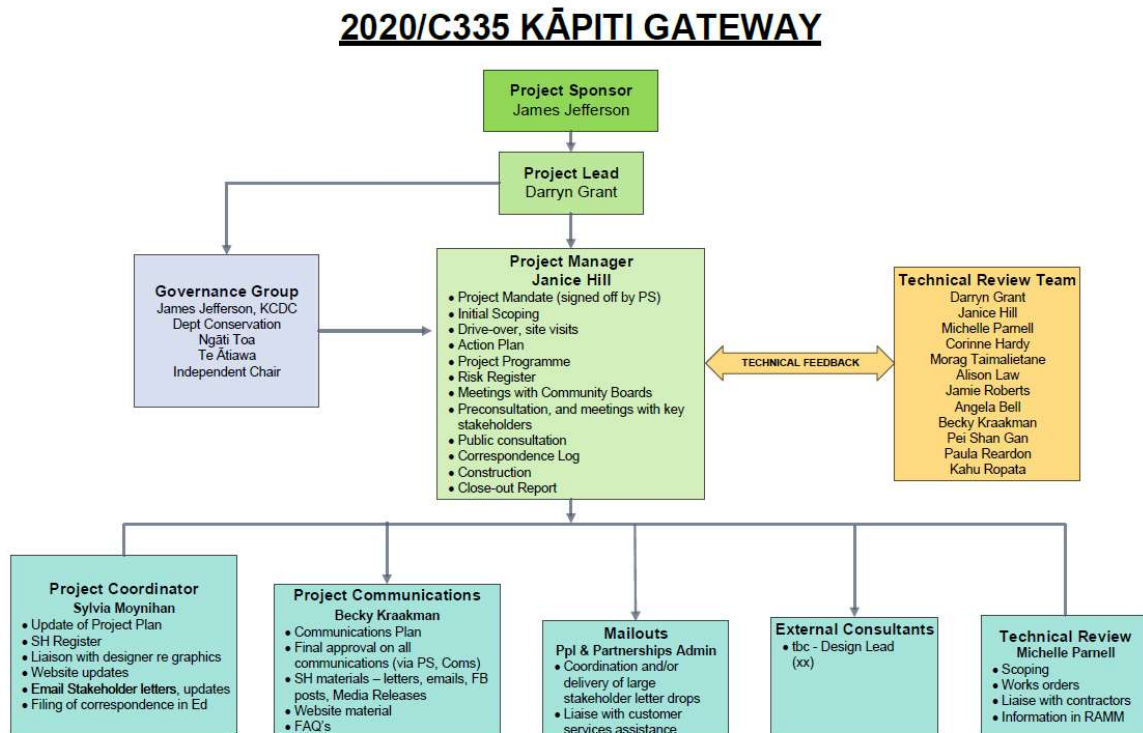
Project Communications - Becky Kraakman/Susan Owens

Project Administrator - Sylvia Moynihan

Project Engineer - tbc

Design Engineer - tbc

Figure 8: Kāpiti Gateway Project Management Structure



Technical Review Team:

Design will be provided by appointed consultants and initial feedback and assessment will be undertaken by the Technical Review team.

The Technical Review team will report fortnightly to monthly (depending on length of project and when designs are prepared for review).

Darryn Grant

Janice Hill

Michelle Parnell

Corinne Hardy

Alison Law

Jamie Roberts

Becky Kraakman/Susan Owens

Pei Shan Gan

Paula Reardon

Kahu Roberts
External – Rob Stone (DOC)

External Consultant Team:

The external consultant team will report weekly to the Project Manager. This will be updated once project tendered.

Advisory Group:

Department of Conservation
Kāpiti Boat Club
Coastguard
Dive Kāpiti
2 x Kāpiti Island Concessionaires
Guardians of the Marine Reserve
Paraparaumu Beach Business Association
Wellington NZ
KEDA
Chamber of Commerce
Two local residents

2. AUTHORITY and RESPONSIBILITIES

Governance Group:

Able to make project decisions based on recommendations made by the Project Team, within approved project budget, e.g. issuing contracts, appointing consultants, approving design requirements.

Design assessment will be a panel formed of Gateway Governance Group (GGG) members plus two design experts.

Project Team:

Do the work required on the project, including giving recommendations to Governance Group.

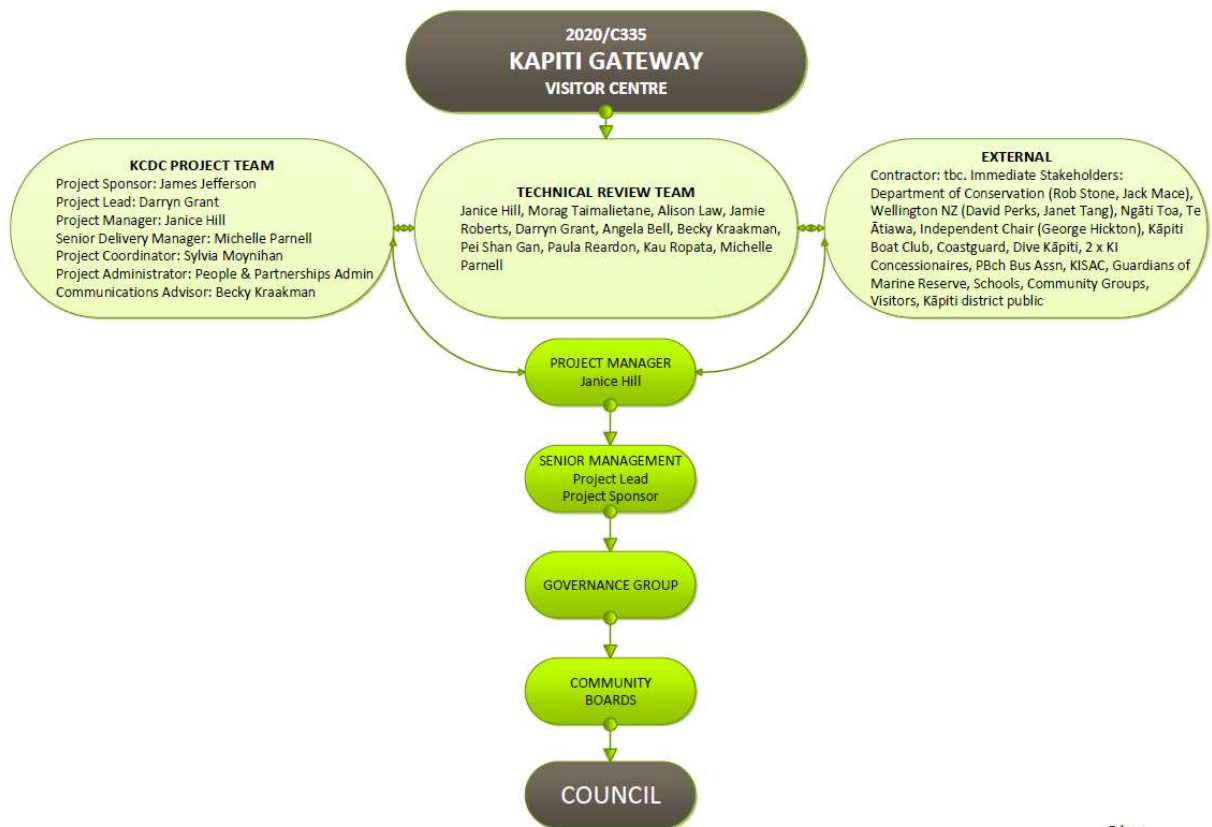
Advisory Group:

Able to recommend options and give advice and feedback to the project team.

Ultimately, Council's elected members will need to make the decision on KCDC's investment (estimated to be 50 percent). The Project Manager will keep them briefed throughout the process. PGF also must be briefed throughout the process.

6.3 Reports and Approvals

Figure 9: Project Structure for Reporting and Approvals



Ed: xx

6.4 Project Deliverables

- Selection of Design
- Business Case for the Gateway Centre
- Resource consent submitted for the Gateway Centre
- Successful Tender for Build
- Building consent preparation for the Gateway Centre
- PGF application submitted by May 2020
- Briefings to SLT and Council (elected members)
- Internal and External Communications and Community Engagement
- Other funding applications/ fundraising

6.5 Operational Planning

The operational model for managing and operating the Gateway Centre is proposed to be a Council owned and managed facility.

An operational budget is included in the Financial Case. Kāpiti Coast District Council plans for the operations of the Gateway Centre to become self-sustaining over time but acknowledges there is an element of “community service” in the operation of the Centre, which supports the wellbeing of the Kāpiti Coast in social, cultural, economic and environmental development. If the gateway operations are to become self-sustaining, this will likely require external funding support to balance the books and suggestions are made in the funding appendix (*Appendix 10*) as to how this might be achieved.

6.5.1 Structure

As previously stated, it is proposed that the Gateway would be a Council owned and managed facility. Staff would be employed directly by Council, and Council would manage the property maintenance, finances, and surrounding facilities and infrastructure. This would be in line with existing council buildings.

Alternative structures such as a Council Controlled Organisation (CCO), Trust or other new entity have not been actively considered due to the costs of establishment and there being no obvious or apparent partner.

Likewise, a full lease of the building to a commercial operator has not been contemplated. However, commercial tenancies/right to occupy would be offered to:

- Kāpiti Island tour operators (currently two, and there could be more in future). This may include office, storage space on a shared or exclusive (lock and leave) basis.
- Tourism/hire businesses for the containers (may not be operational initially), e.g. e-scooter, bike, kayak, SUP (Stand Up Paddleboard) etc.
- Complementary businesses.

6.5.2 Products and Services

The gardens, decks surrounding the building, bridge and connections to the beach will be open to the public at all times, except as required for the use of departing tours. The central atrium will remain open at night and provides wheelchair accessible views of the beach and out towards Kāpiti Island.

1. Tour Check-in booths - Located in the biosecurity pod, small, lockable offices where tour operators can welcome and check-in their tour visitors. Two offices would be provided for this purpose, with a counter and company branding, when open. In the event that another operator receives a concession by DOC to run tours in the future, then the check-in booths could be run according to scheduling (trip departure) as airports do with gates. Alternatively, a goods store (currently in plans) could be converted to a third check-in area in the future.

Price: No charge for operators to use (on the basis that visitors are charged a per person fee) as check-in facilities, on a scheduled basis. However, should they wish to lock-and-leave items there on an exclusive basis or apply fixed branding, an annual right to occupy may be charged.

2. Toilets - three toilets will be provided for visitors to the Gateway Centre. Two will be available from outside and will form part of the public network that is locked at dusk. One will be available from inside the biosecurity pod only.

Price: No charge for use, but they will be locked between dusk and dawn.

-
3. Kāpiti Island Visitor information - Inside the Visitor Centre, information and education about the Kāpiti Island visitor experience will be highlighted. Interactive displays (such as bird-calls, live web cams, etc), and a short video explaining the self-check process inside the biosecurity unit, plus information about the tracks (distance, difficulty), history and key facts about Kāpiti Island, will add positively to the visitor experience. The information will also inspire potential visitors to book a trip to the island. DOC have agreed to assist and support the development of this information and contribute support to the creation of the videos and displays.

Price: No charge for use.

4. Kāpiti District information - Inside the Visitor Centre, information about other Kāpiti Coast attractions will be brought to life, including:
- Walking tracks and trails, including Te Araroa trail (NZ-long walk);
 - Cycle trails, including E-way, Whareroa Farm, Waikanae River trail, Kāpiti Coast Cycle trail;
 - Beaches, pools, parks and other facilities;
 - Coming events, especially iconic events, e.g. the Ōtaki Kite Festival, Kāpiti Food Fair;
 - Attractions such as Southwards, Ngā Manu, Dirt Farm, etc;
 - Where to stay.
5. Boot Wash area - An area where visitors to the island can self-clean their gear and boots. Fixed boot scrubbers and four short hosepipes will be provided outside on a concrete pad. For CPTED purposes and to avoid water being wasted by play, the tops of the taps could be kept by the tour operators. The water could be primarily from collected rainwater and run-off would drain into the sand.

Price per person: free of charge to booked island visitors.

6. Biosecurity self-check facility - A clean-room with self-check benches. Building maintains a managed pest-monitored perimeter. Visitors to Kāpiti island use the room to conduct self-checks of their baggage and clothing prior to departure. They are supervised by their tour guide and a DoC volunteer.

As part of the concession agreement, DoC specify the biosecurity checks that must be performed/supervised by the operators. In order to support the improved protection that the proposed biosecurity unit will deliver, when it becomes available, DoC will change the concession agreement to stipulate that tour operators must use this facility.

Price per person: \$10 per adult (18 and over), \$5 per child. To be charged as part of the ticket, in the same manner as the DoC administration charge is and collected by operators before being remitted to Council.

7. Sell a ticket to Kāpiti Island - Inside the Visitor Centre, the public will be able to buy tickets for Kāpiti Island. Whether this is from an unmanned/digital kiosk, a shared, manned “Kāpiti Island Tickets” desk system (which Kāpiti Island operators man on a roster), or sold by the Visitor Centre staff, is yet to be determined.

Price per ticket: If the shared desk system is chosen, there would be no price for the service. A “shared desk” would consist of a counter where operators could plug in their laptop and

man it on a scheduled basis, and they take all the bookings on that day/week. If a kiosk is provided, or the tickets are sold by the Visitor Centre staff, then a commission on sales of tickets, at 20-25% (standard tourism commission rate) would be taken to cover technology fees and/or staffing costs.

8. Event Space hire - Several spaces around the Gateway would be suitable for event usage and hire, including the front steps, the atrium (e.g. for ceremonies), the covered deck and inside the Visitor Centre. The spaces would be open to the public except when hired for private use or in use by Kāpiti Island tour operators. The bridge and atrium would likely be popular for photos, but charges are not envisioned for this use. The pouwhenua area may also be popular for some gatherings.

Price per hire: As per other Council venues, the charges will be very modest.

9. Commercial Space - Although the detailed design has not been completed, the ability to house operators' business needs was a key design requirement. One operator has expressed a strong interest in renting space in the Gateway and is keen to take up to 15-20m² in office and storage space. They propose to base 1-2 staff members in the office space, daily between 7am-3pm, and are happy to work with Council staff on a cooperative basis (such as covering breaks). If this were located in the Visitor Centre, it would reduce the Council staffing requirement to have two staff members there for safety reasons. The operator is also interested in renting some storage space, to allow for deliveries for the lodge, to be processed through the biosecurity checking area.

Price per square metre - Currently, similar commercial office space in this area rents for \$275/m². Storage space would be around \$150/m² (monthly).

10. Future tourism businesses - Activating the beachfront area for tourism activities will add energy and reinforce Maclean Park as a destination park. Activities common around New Zealand beachfront areas are pedal cars, e-bike and e-scooter hire, SUP (stand up paddleboard) and kayak hire. Tourism businesses of this nature require simple, lockable housing, but in a prime area. Local examples are Get Fixed in Porirua and the Green Crocodile pedal cars which have become an icon of Wellington's waterfront. An up-scale container model is proposed to encourage businesses to test and build a market with low set-up costs. Modified shipping containers also create a "lock-up and leave" arrangement for equipment. With low set up costs and low risks, this would be easy to attract businesses to and add much to the offering for tourists.

Rental Costs: TBC. Relatively low rent to cover all costs for Council.

11. Sponsorship and Grant Opportunities - There are a number of opportunities for commercial sponsorships. The Gateway will be a public building, in a high-profile site. It will also be a "best practice" coastal, eco building, promoting conservation and tourism. As such, it may be attractive to corporate sponsors, particularly to promote some eco features. For example, sponsorship could be sought to cover the power for the building, by either solar panels located on the roof (the seaward side faces northwest, and panels would not have negative visual

effect) or by means of commercial sponsorship. Other elements of the building are suitable for sponsorship, such as the buildings, the bridge and the central atrium. Other costs, such as visitor wifi and digital visitor information may also be sponsored. Sponsorship/grants will also be sought for the uniforms and expenses of the biosecurity volunteers, and as such, no costs for this have been factored into the budget. There are many other grant/sponsorship opportunities (as detailed in *Appendix 10*), and these will be explored both to reduce Council's share of the CAPEX and to reduce operating costs.

6.5.3 Hours of Operation and Staffing Required

As a tourist enterprise, the visitor facility would be open seven days per week at for at least six months of the year, as detailed below. It is envisioned that shorter hours may be required in winter. Weekends are likely to be the busiest times. If the island boats sail earlier than these hours in future, the operators could potentially open the buildings.

Table 11: Gateway Centre proposed opening hours

	Boats Depart	Centre Opens	Centre Closes
Summer – 7 days	9am	7.30am	5pm
Winter – 7 days	9am	8am	4pm

Leveraging Existing Council staff

It is envisioned that the staff based in the Visitor Centre will not just be helping customers face to face. They could also be a key part of the economic development and parks activities, delivering tourism marketing for the region. There is an opportunity to leverage the existing staff within the current teams to be located at the Gateway for one day per week. This will not only provide cover but will ensure that information and programmes are joined up across teams. By co-locating current staff in the Economic Development (especially tourism, website roles, etc) and the Park team (especially community events, walkways/cycleways), cross-pollination of ideas and information can occur naturally. This also reduces the need for a second staff member at times.

Option 1 - With a commercial tenant on-site

As described above, if the commercial tenant has staff on-site 7am-3pm seven days per week, and is willing to work cooperatively (i.e. to provide second person cover during breaks), it is likely that the Council-funded staff roles could be handled by two additional staff as follows:

Table 12: Gateway staff requirements with a commercial tenant

		Start	Finish	Daily Hours	New Weekly Hours	Total New Weekly Hours
Summer	role 1	7.30am	3.30pm	8 hours	56 hours	70 hours
	role 2	3pm	5pm	2 hours	14 hours	
(Mon-Fri)	Existing staff, co-located	9am	5pm	8 hours	40 hours	
Winter	role 1	8am	4pm	8 hours	56 hours	60 hours
(Sat-Sun)	role 2	3pm	5pm	2 hours	5 hours	
(Mon-Fri)	Existing staff, co-located	8am	4pm	8 hours	40 hours	

Both summer and winter hours are serviceable by two FTE, with some flexibility for longer hours in summer to be present for events on site.

Option 2 - Without a commercial tenant on-site

Council requires that two staff be present on a site at all times but by co-locating an existing staff member to be located at the Gateway, additional staffing costs are greatly minimised.

Table 13: Gateway staff requirements without a commercial tenant

		Start	Finish	Daily Hours	New Weekly Hours	Total New Weekly Hours
Summer	role 1	7.30am	5pm	9.5 hours	66.5 hours	95.5 hours
(Mon-Fri)	role 2	7am	9am	2 hours	10 hours	
(Sat-Sun)	role 2	7.30am	5pm	9.5 hours	19 hours	
(Mon-Fri)	Existing staff, co-located	9am	5pm	8 hours	40 hours	
Winter	role 1	8am	4pm	8 hours	56 hours	72 hours
(Sat-Sun)	role 2	8am	4pm	8 hours	16 hours	
(Mon-Fri)	Existing staff, co-located	8am	4pm	8 hours	40 hours	

This model would require 2 x FTE in summer and 1 FTE and one part-time in winter.

6.5.4 Biosecurity Pod Operation

The biosecurity process will be managed by the operators/concessionaires (as is currently the case). A key part of the staffing proposal is to form a group of volunteers, primarily to assist with the biosecurity operations. The volunteers would be trained by DoC (at no charge) and would also be managed by a volunteer. Key tasks proposed to be performed by volunteers are:

- Assisting tour operators to supervise the self-checking inside the bio-security unit;
- Cleaning the biosecurity unit in between groups; and at the end of the day
- Monitoring the perimeter, inspecting traps, etc.

Both tour operators have been consulted about the volunteer proposal, and both have offered free trips to the island for volunteers as a thank you to them.

This model has worked successfully at biosecurity facilities for other island nature reserves such as Matiu Somes Island and Mana Island⁷ and DoC is keen to see it work at Kāpiti Island too. According to DoC, volunteers usually engage customers with their passion for the conservation purpose of the biosecurity checks.

Both Matiu Somes Island and Mana Island have a supporters or “friends” groups, which are dedicated to supporting the conservation work of the islands and “educating” the public on their biodiversity through leading guided walks and talks.

The Eastbourne Forest Rangers at Matiu Somes Island have successfully provided voluntary ranger and guiding services on Matiu/Somes Island since the island's opening to the public in 1997. Their voluntary role is guided by a management agreement with DoC and they:

- Are a self-managed incorporated society, funding uniforms and training (i.e. first aid) for members through guided walks revenue and donations;
- Function with a membership base of 25 - 30 members;
- Are largely an “older group” which in recent years has seen an increased recruitment of younger blood into their ranks.

Likewise, the Friends of Mana Island (FOMI), established in 1998 as an incorporated society and a charitable entity, support the work of DoC. They:

- Have approximately 30 core members, are self-funded volunteers;
- Provide a volunteer guiding service on the island for the general public;
- Have been fundamental in restoring the island from a grassy hill;
- Undertake replanting, weeding, leading and funding species transfers.

There is no similar group currently associated with Kāpiti Island and it is recommended that establishment of such an entity should be investigated. Volunteering provides many personal benefits

⁷ These are two local examples. There are many other examples where volunteers work at nature reserves around New Zealand and are the reason for successful conservation efforts.

to those who volunteer, while also benefiting the community at large⁸. Volunteering is about doing good for others and the community, which provides a natural sense of accomplishment.

Volunteers could potentially also be drawn from senior school students, who need volunteering experience for programmes such as the Duke of Edinburgh scheme. Paraparaumu College Principal, Craig Steed, has indicated this type of volunteer opportunity for their students would be well received as it is difficult for the College to find sufficient suitable volunteer opportunities for their senior students, and this would be of great interest to them.

The volunteer opportunity would be likely to appeal to many local people who are interested in conservation. Groups such as the Friends of the Waikanae river (planting), local members of Forest and Bird, and other local groups demonstrate that there would likely be sufficient people to make a viable roster. In particular, Kāpiti region is blessed with many people who do not work full-time (such as recent retirees), who might be interested in this work.

Such a group could also assist with ongoing fundraising for the Gateway Centre's activities associated with the Island (See *Appendix 10*).

6.5.5 Growth Strategy

Marketing

Council's Economic Development team are beginning to address the marketing of the Kāpiti Coast as a visitor destination however, they lack dedicated regional marketing or tourism roles/FTE. Working with WellingtonNZ and with a very limited budget, promotion is largely limited to digital media. Development of a tourism strategy has been signalled in the draft Economic Development Strategy, to address the low awareness of the Kāpiti region as a tourist destination. Work in progress includes Kāpiticoastnz.com, the development of the Kāpiti "story", and updated visitor guides. As part of the post-COVID19 recovery, there has been an increased focus on developing regional tourism.

Tourism growth for the Kāpiti Coast has averaged 6.5 percent annually over the last decade. Kāpiti's natural assets (coastline, pretty villages, settled climate, proximity to the Capital city and relaxed lifestyle) mean that there is an opportunity for it to target at least the national average of 8.1 percent growth rate (across the whole of New Zealand in the past decade).

In 2019, the tourism industry employed an average of 1,199 people, or 6.8 percent of the Kāpiti Coast's workforce. Employment growth in the tourism sector has averaged 2.1 percent per annum since 2000. Total expenditure by tourists in Kāpiti was \$177 million in 2019, a change of 1.3 percent on the previous year.

Promotion and marketing for both Kāpiti Island and the Coast will be enhanced with the Gateway in many ways, but particularly by having a focal point, which it currently lacks. The Gateway facility

⁸ Studies have shown that volunteering offers many benefits including the opportunity to gain new skills, often as a precursor to finding employment; enjoy a sense of achievement and fulfilment; boost self-esteem; enjoy better physical and mental health; connect to and better understand their environment and community; and meet new people and make new friends.

could provide the focus for the Council, community and regional tourism marketing. By leveraging existing roles, community sector groups and operators, the Gateway provides a significant and visible presence for tourism activity in the district.

Through the co-location plans outlined above (Staffing and Hours of Operation), the Gateway staff will be connected with the tourism and events activities as part of Council and will help local tourism businesses and operators to connect with Council. Integrating the Gateway into Council's Economic Development and Parks teams in this way, will assist Council with community connections and current content which can also be shared digitally (e.g. via Kāpiticoastnz.com and potentially via visitor/event specific apps). This will also assist Council to build beneficial relationships with WellingtonNZ, (who operate the Wellington Visitor Centre), with DoC, Te Araroa trail, tour operators, and other tourism businesses.

Product Development

Tours to Kāpiti Island

Currently, tours to Kāpiti Island depart around 8.30-9am and return around 2.30-3pm each day. Both operators offer essentially the same schedule for day trips, and one operator offers overnight stays for approximately 20 pax. The potential to increase visitation to Kāpiti Island is significant; in 2019 it was operating at 25 percent of "capacity".

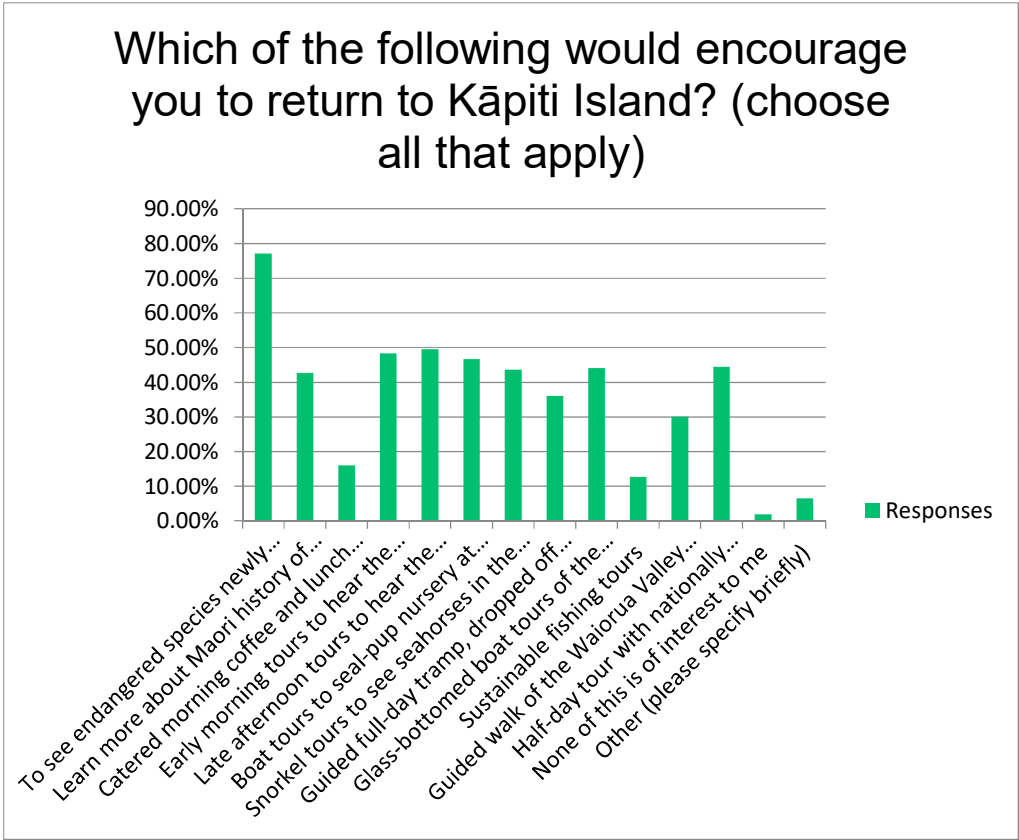
Table 14: Kāpiti Island Capacity for Visitors

Current Capacity of Kāpiti Island	Daily Limit	Annual Limit
Per day	160 pax	58,400

In reality, spring through to autumn is the period of greatest demand and the weather is more settled enabling sailings (weather dependent) to occur.

In order to test the demand amongst customers for new "products", a question was inserted in the recent customer survey (see *Appendix 14*) to test possible new product ideas. There was a remarkable positive interest in many of the ideas, including eight ideas for products which appealed to over 40 percent of respondents.

Figure 10: Survey Response to question on possible new products



By working proactively with iwi partners, the current tour operators and DoC, it may be possible for the Economic Development staff to implement changes which would enable and/or stimulate growth such as:

- Converting the daily limit of 160 pax to an Island limit (e.g. 160). With an Island limit, the services on the island (such as the DoC shelter, tracks and toilets) would not be as stretched, and the customer experience would be retained. An Island limit would enable Dawn Chorus and Twilight Chorus tours, which the customer survey showed to be appealing to nearly half of all respondents. This would make the most of the extra daylight in summer, when customer demand is strongest, and for up to three months of the year, could effectively triple island capacity.

The table below illustrates the effect that an Island Limit of 160 versus a Daily limit could have on capacity, whilst preserving a maximum of 160 pax on the island at any one time.

Table 15: Daily Limit vs Island Limit Numbers

	9am-3pm tours	6am-9am	4pm- 8pm	Total Capacity
Daily Limit 160 pax	160	0	0	160
Island Limit 160 pax	160	160	160	480

- Introducing different types of tours which do not require landing on the island (such as glass-bottomed boat, snorkel with seahorses, and seal-pup nursery boat trips). These trips appealed to over a third of respondents, and as they do not require landing on the island, they would not form part of the Island daily limits.
- Improving tracks on the island. A link track between the north-end and Rangatira point is currently only used by DoC staff. However, if it were upgraded, it would extend the options for visitors (especially those who enjoy walking), to experience a different part of the island. If a jetty were to be built at the northern end (as is currently planned), this track would increase the number of days that boats were able to land on the island.

On the Mainland

The Gateway building is likely to be the catalyst for shore-based tourism also. Provision has been made in the design (and resource consent application) for converted shipping containers to house shore-based tourism activities. Such activities as bike, kayak, SUP, etc hire have been proven in tourist spots across NZ, and especially next to the coast. For example, in New Plymouth, Napier, Taupo, and even Porirua harbour (Get Fixed). The proposed Gateway location would be ideal for activities of this kind also, and there is significant interest from local businesses to locate in that area. Locating such tourism ventures directly adjacent to the Gateway building adds to the tourism offering, would activate the area with a tourism vibe and bring energy to the site.

In the case of bike and scooter hire particularly, Kāpiti has a plethora of off-road tracks (boosted by the new E-way tracks) and trails which have proved to be a marketing boon for Nelson, Hawke's Bay and Taranaki, delivering significant economic benefits for those regions.

A particular opportunity is to work more closely with DoC, especially the staff who will transit through the Gateway. There may be opportunities to work with DoC to shine a greater light on some on Kāpiti's walks and nature reserves. The Kāpiti Escarpment Walk and the Kāpiti Island Wilkinson Track (summit track) could be upgraded in DOC's marketing, for example. Other opportunities include promoting the Waikanae River track as a walk of regional significance and the popular tracks only locals know about (such as Hemi Matenga).

Other relationships to be fostered include the Te Araroa Trail Trust (the NZ-long walk) which runs through Kāpiti, and with Nga Haerenga (NZ Cycle Trails) to promote the significant new bike-packing and cycle trail opportunities that accompany the Expressway cycleway/bridleway/walkway track, which run from PekaPeka to Paekakariki and will soon run all the way to Ōtaki and eventually to Levin.

New Operators and/or New Boats

Currently, there are two active operators. DoC may also license another operator in future. The internal layout of the proposed Gateway would allow for additional operators to fit in. Scheduling of departures has been discussed with the current operators and is proposed to form part of the operations through the proposed Gateway. One operator is supportive of this approach, whereas the other is not so.

In peak season there are up to six departures per day. If departures were scheduled to depart 20 minutes apart (they currently leave at approximately the same time), then the biosecurity pod can be designed to be the minimum size of one boat load (30 pax), or potentially smaller. Given that in the near future more sailings are possible (e.g. or another operator), reducing the biosecurity capacity to below 30 pax could create an unworkable bottleneck at busy times. Dawn/Twilight trips would not impact on the current peak, though if very successful, may in time create their own peaks.

Although scheduling is not currently practiced (because each operator undertakes their own operation completely independent of each other), it has been discussed by operators and DoC as it would alleviate congestion on the Island also. There is one DoC shelter on the island which both operators use for their visitor briefings. Visitor briefings could also be held at the Gateway (and areas have been designed for this) and could also be split, i.e. some information pre-trip, and some on the Island. DoC believe it would be helpful to provide more information at the Gateway, particularly regarding the biosecurity checks. In their opinion (which is shared by the operators), if done well, this adds to the visitor experience and provides a valuable introduction to the conservation story of the Island.

Current operators may purchase new boats to increase their capacity, by making faster trips or secure boats which carry more people. It is possible that different boats would have different capacity sizes in the future. For the purpose of planning, the current boat capacity (common to both operators) has been used. If trip scheduling is operated and good information is provided to customers ahead of the trip (including to clean gear, the self-check protocol and clear check-in and departure times), the Project Team believe that would be possible to operate a tour of 30 pax through the proposed biosecurity checks within 20 minutes.

Alternative Trips (Plan B)

As noted above, the Kāpiti Island trips are weather dependent as the boats cannot sail in some conditions. On those occasions, a key role that the Gateway could perform is to advise visitors on alternative activities available. This would help to keep the visitors in the district for the planned day (ensuring that the visitor revenue is not lost to the district) and improve their experience of the region. The Project Team have researched alternative venues for occasions when the boats are unable to sail and envision this would be a key role for the Gateway staff on mornings when trips are cancelled. Many of these activities are not well known or promoted outside of the district, hence such trip advice would be valuable for visitors. There appears to be a significant opportunity to improve the quality of information and raise the visibility of activities available within Kāpiti for tourists and local alike. By raising the awareness of the activities available, it is likely to both increase visitor numbers and their length of stay.

The primary reasons for people to visit Kāpiti Island are an interest in nature, conservation, walking and the outdoors. It would therefore be a key function of the Gateway to leverage off this, and

promote other nature reserves, trails, tracks and walks within the region to these customers. This is likely to generate longer stays in the district (possibly additional nights) and more likelihood of repeat visits. Tourist product development around these facilities is necessary to fully capture the economic benefits of these activities, such as guided trips, transportation options, and bike hire/guides etc.

Quantifying Growth

With the combined benefits described above, of:

- leveraging existing Council staff (especially in Parks and Economic Development) and bringing them closer to the visitors and tour providers
- focussed marketing, particularly working with partners
- product development (on and off island)
- new capacity and
- alternative trip planning,

the Gateway could be a catalyst for additional growth in visitor numbers and help to capture spending within Kāpiti.

Due to a lack of reliable visitor information about tourist numbers to the Kāpiti region, the visitor numbers to Kāpiti Island have been focussed on in an attempt to quantify this.

In the previous five years (from 2014-2019) visitor numbers to Kāpiti Island **increased by 300%**, from just over 4000 pax in 2014 to just under 16000 pax in 2019. This remarkable rise (some years were over 40 percent growth) appears to be largely organic growth, with only a small degree of product development.

Glen and Vicky Cooper took over the Kāpiti Eco Tours business in 2017 and have largely continued the existing model of day trips, adding sea-kayaking as an option last year. Kāpiti Island Nature Tours have continued to grow day trips organically and have expanded their overnight, guiding and catering options. Both operators have delivered a very high level of customer satisfaction and are to be commended for this. Both are offering a largely undifferentiated main product (day trips) and there are significant opportunities for product development which resonate well with the target market.

COVID-19 will clearly dampen visitor numbers in 2020, with the international market making up 30 percent of the combined visitor numbers and Level 4 Lockdown eliminating trips in March, April and May months for the domestic market. However, there is likely to be an upswing of domestic demand for the remainder of the year, due to increased marketing (supported by Central Government) for domestic travel and closed borders, meaning that New Zealanders have no other options. Once borders re-open, New Zealand is likely to be seen as a relatively safe option to travel to (given its response to COVID-19), and in the long term, growth in international tourism to New Zealand will resume. New Zealand has a firmly established reputation for nature, conservation and eco-tourism, in which Kāpiti Island tours are ideally positioned.

6.6 Summary of Planning for Successful Delivery

Kāpiti Coast District Council will project manage the Kāpiti Gateway project through to completion and will support the operations of the Centre. It has the administrative capability to do so and to respond to accountability requirements of any funders of the project.

Appropriate management disciplines have been put in place. There is a governance and management structure, with people involved who have the skills and experience to manage and deliver a project such as is proposed. An independent chairman leads the governance group.

All key stakeholders have representation in the project management structure and communication with elected members, stakeholders and the community is a key part of the project management processes. Elected members will be kept updated with regular briefings, and an engagement plan will be developed to ensure that the community will be both kept informed and have opportunities to provide input into the next stages, particularly Detailed Design.

An Advisory Group has also been established with a wide representation, who can give advice and feedback to the Project Team.

A project plan and timeline have been confirmed for the project with clear project deliverables.

Operational planning continues, with a proposed model of operation that involves paid employees and volunteers. This is a model successfully used elsewhere to undertake similar services.

A Growth Strategy to attract more visitors to Kāpiti Coast and Kāpiti Island has been outlined in this section. This shows there is potential in several areas to increase visitation (and encourage people to stay longer) in the district.

7.0 THE COMMERCIAL CASE – PREPARING FOR THE POTENTIAL DEAL

This section outlines the proposed procurement strategy in relation to the preferred option outlined in the economic case.

7.1 The Procurement Strategy

7.1.1 Procurement of Design

The procurement process has been approved by the Governance Group. Procurement of design has occurred with Athfield Architects having been selected to undertake Developed Designs for the Kāpiti Gateway.

Guiding Principles of Procurement:

- Local (Wellington or Kāpiti based);
- Proven work in coastal environment, visitor centres, or are familiar with the site;
- Have capacity to complete the work in all phases, in time involved, including being able to produce detailed designs for Building Consent purposes once funding is secured;
- Detailed design brief and pre-design work supplied.

Phase 1 – Concept Design

An invitation for a design competition for the concept of the new Kāpiti Gateway was issued to five architects in Wellington and Kāpiti. Four accepted the invitation, two from Kāpiti and two from Wellington.

Architects who accepted the invitation received the brief were offered a verbal briefing also. They had to submit concept designs by 6 April 2020.

All architects were paid for their concept design.

Phase 2 – Preferred Design Selection

The Gateway Governance Group, assisted by two independent architecture experts, selected their preferred option by 8 April 2020.

Phase 3 – Developed Design

The Designer of the preferred option was asked to develop their design to satisfy the criteria in the briefing document, by 30 April 2020. (Preliminary design)

The Preliminary Design was used as the basis for the Resource Consent submission and independently assessed by a Quantity Surveyor to produce a QS estimate.

The second stage of the developed design will take place once funding is secured.

Phase 4 – Detailed Design-

Detailed designs and building consents will be required, but not until funding has been secured, which could be some months after the Developed Design is completed. Timing is to be confirmed.

7.1.2 Design Brief

The design requirements are attached as *Appendix 7*. The design requirements were also used as the evaluation criteria of the concepts.

Design requirements stipulated the concept proposals should give expression to the design principles of the Maclean Park development framework as well as address the specified requirements of:

- The coastal site
- Visitor information/interpretation
- Public site accessibility
- Best practice build
- Biosecurity obligations
- Kāpiti Island tour operator needs
- Space for tenants
- Public and staff amenities
- Ecological and cultural values and needs

7.1.3 Construction Procurement

The process used for construction procurement will be to tender the project through the government Electronic Tender Service (GETS) as per the KCDC Procurement policy. This is the usual practice used by KCDC for construction projects to ensure a fair and open tender process. See the Management Case, Section 7 for a proposed timeline for the project.

7.2 Potential Risk Allocation

Table 16: Commercial Risk Allocation

Risk	Assessment	Mitigation
<i>Design Risks</i>		
Completeness and appropriateness of design	Low	Detailed design brief based on extensive consultation and engagement. Good management will be required including good communication with architect.
Final design stays within approved budget	Low	Quoted price prior to commencement, specified in contract and good communication between parties involved.
<i>Construction risks</i>		
Construction industry demands – i.e. industry booming may be difficult to find a contractor for the job	Medium	Look to local providers in the first instance. Encourage involvement in a community project.

Quality of finish	Medium	Careful management of building contractor. Ensure specifications are detailed and correct in contract.
<i>Site risks</i>		
Potential issues with groundworks at the site	Low	Geotechnical report has been done and nothing of significance found.
<i>Other Risks</i>		
Conflict of interest in procurement process	Low	Any conflict of interest needs to be declared prior to a tender process or other procurement options are undertaken.

Risks to the project were also identified in the Strategic Case (Section 3.9) and the Financial Case (Section 6.11) provides a funding risk register for the project.

7.3 Summary of Preparing for the Potential Deal

KCDC has successfully executed the first stage of procurement, which is the design procurement. A detailed design brief was compiled for this stage and KCDC is satisfied with the results of this process.

A robust tender process will be used for procurement of construction.

Some risks have been identified in relation to procurement. These are relatively standard and will need to be addressed should they arise.

8.0 RECOMMENDATIONS

This business case has been prepared with the information available at the time of writing. It finds that for the five cases of the Better Business Case model, the project satisfies all aspects. Strategically there is a strong case for the Gateway project. Economically the project will have a positive impact for Kāpiti Coast District. Kāpiti Coast District Council has the capability and processes in place to deliver on the project in both a management sense and as a commercial transaction. Financially the Council has committed to the project and has the opportunity to gain external funding support to reduce the financial burden on its own ratepayers. Council has agreed to apply to the provincial Growth Fund for 50 percent of the project's cost to get the project underway and sees the PGF investment as leverage for other external funding opportunities.

KCDC's vision for the district is "Toitū Kāpiti", which sums up how Council will work with the challenges and environment in which it finds itself to set a path for the future. Never has there been quite the challenges of what is currently being faced by our country. "Toitū Kāpiti" reflects the drive for a vibrant and thriving Kāpiti Coast, while also incorporating the aspiration for strong, safe communities and a deep connection to the natural environment.

Kāpiti Gateway is a project which speaks to this vision and is appropriate at this time to put forward as a catalyst for domestic tourism in the post-COVID-19 environment.

Recommendations are:

1. An application is made to the Provincial Growth fund for 50 percent of the total funding for the project.
2. Investigation of other funding sources, such as Lottery Grants, is undertaken.
3. The operational model is confirmed following discussions with the concessionaires and DoC.
4. Continued engagement with the community is undertaken to ensure "buy-in" and ongoing support for the project.
5. In order to ensure funding success, it is important that Council takes a lead in advocating for the project with potential funders and strategic and operational partners to build support for the project.

9.0 APPENDICES

1. Kāpiti Coast District Council Annual Report 2018/19
2. Kāpiti Coast District Council Draft Economic Development and Implementation Plan 2020-2023
3. Kāpiti Coast District Council Long Term Plan 2018-2038
4. TRC Gateway Feasibility Report March 2020
5. Kāpiti Gateway Concept Designs
6. Kāpiti Gateway Survey Brief and Content
7. Kāpiti Gateway Design Requirements
8. Kāpiti Gateway Economic Impact Assessment April 2020
9. Kāpiti Gateway QS Estimate on Concept Plans
10. Funding Information
11. Gateway Project Draft Terms of Reference
12. Kāpiti Gateway Project Plan
13. Project Timeline Gantt Chart
14. Customer Survey Short-Form Answers

10.0 REFERENCES

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