



**PAPAIOEA**  
**PALMERSTON**  
**NORTH**  
**CITY**

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# **PALMERSTON NORTH CITY COUNCIL**

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AGENDA

## **RANGITĀNE O MANAWATŪ** **COMMITTEE**

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**2:00 PM, WEDNESDAY 28 FEBRUARY 2024**

TAIWHANGA KAUNIHERA, PAPA TUATAHI | COUNCIL CHAMBER, FIRST FLOOR,  
WHAKAHAERE TŪMATANUI | CIVIC ADMINISTRATION BUILDING,  
TE MARAE O HINE, PAPAIOEA | 32 THE SQUARE, PALMERSTON NORTH

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# MEMBERS

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**Mr Wiremu Te Awe Awe (Chair)**  
**The Mayor Grant Smith (Deputy Chair)**  
**Councillor Vaughan Dennison**  
**Councillor Roly Fitzgerald**  
**Councillor Debi Marshall-Lobb**  
**Councillor Billy Meehan**  
**Councillor Karen Naylor**  
**Councillor Kaydee Zabelin**  
**Ms Danielle Harris**  
**Mr Chris Whaiapu**

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Waid Crockett**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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Te Marae o Hine | 32 The Square  
Private Bag 11034 | Palmerston North 4442 | New Zealand  
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# RANGITĀNE O MANAWATŪ COMMITTEE MEETING

28 February 2024

## ORDER OF BUSINESS

**1. Karakia Timatanga**

**2. Apologies**

**3. Notification of Additional Items**

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

**4. Declarations of Interest (if any)**

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

**5. Public Comment**

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

- 6. Confirmation of Minutes**

“That the minutes of the Rangitāne o Manawatū Committee meeting of 18 October 2023 Part I Public be confirmed as a true and correct record.”

Page 5
- 7. Te Motu o Poutoa/ ANZAC Park Development Project Update**

Memorandum, presented by Kathy Dever-Tod, Group Manager Parks and Logistics.

Page 11
- 8. Te Whiri Kōkō - Council Engagement with Rangitāne o Manawatū**

Memorandum, presented by Todd Taiapa - Poutoko Aporei Principal Māori Advisor.

Page 67
- 9. Work Schedule for Hui-tanguru February 2024**

Page 77
- 10. Karakia Whakamutunga**
- 11. Exclusion of Public**

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

## PALMERSTON NORTH CITY COUNCIL

Ngā meneti o te wāhanga tūmatanui o te hui o Rangitāne o Manawatū, i tū ki te Taiwhanga Kaunihera, i te papa tuatahi o Te Whare Whakahaere o te Kaunihera, Te Marae o Hine, Papaioea, i te 18 o Whiringa-ā-nuku 2023, tīmata ake i te kotahi haora i te ahiahi.

**Minutes of the Rangitāne o Manawatū Committee Meeting Part I Public, held in the Civic Administration Building, First Floor, The Square, Palmerston North, 32 The Square, Palmerston North on 18 October 2023, commencing at 1pm.**

**Members Present:** Grant Smith (The Mayor) (in the Chair) and Mr Wiremu Te Awe Awe, Councillors Vaughan Dennison, Roly Fitzgerald, Debi Marshall-Lobb, Karen Naylor, Kaydee Zabelin, Ms Danielle Harris and Mr Chris Whaiapu.

**Apologies:** Councillor Vaughan Dennison (early departure)

**Non Member** Councillors Brent Barrett, Pat Handcock, Orphée Mickalad

Councillor Billy Meehan entered the meeting at 1.08pm after consideration of clause 5-23. He left the meeting again at 3.23pm during the consideration of clause 10-23 and returned at 3.25pm during consideration of clause 11-23. He was not present for clauses 5-23 and 10-23.

Councillor Vaughan Dennison left the meeting at 2.47pm during consideration of clause 9-23. He was not present for clauses 9-23 to 12-23 inclusive.

Councillor Debi Marshall-Lobb left the meeting at 3.27pm during consideration of clause 12-23. She was not present for clause 12-23.

### **Karakia Timatanga**

Mr Wiremu Te Awe Awe opened the meeting with karakia

### **5-23 Apologies**

Moved Grant Smith, seconded Wiremu Te Awe Awe.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 5-23 above was carried 9 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Mr Wiremu Te Awe Awe, Councillors Vaughan Dennison, Roly Fitzgerald, Debi Marshall-Lobb, Karen Naylor, Kaydee Zabelin, Ms Danielle Harris and Mr Chris Whaiapu.

Councillor Billy Meehan entered the meeting at 1:08pm

**6-23**

**Presentation - Rangitāne o Manawatū: Environmental Management Plan**

Danielle Harris, Alana Nuku and Siobhan Karaitiana presented the Rangitāne o Manawatū: Environmental Management Plan and made the following comments:

- The Plan is a framework to explain Rangitāne's role, values and objectives.
- It has been designed to inform and guide constructive engagement processes (both statutory and non- statutory), for how councils operates and develop in our rohe.
- Te Mana o te Wai sets out Rangitāne's objectives for freshwater decision making and management. Councils must actively involve Rangitāne o Manawatū in decision-making.
- The Plan has a Whānau Ora (holistic) approach and incorporates more than just environmental outcomes, these include building whānau cohesion, healthy lifestyles, economic security and participation in society.

Moved Grant Smith, seconded Wiremu Te Awe Awe.

The **COMMITTEE RESOLVED**

1. That the Rangitāne o Manawatū Committee receive the presentation for information.

Clause 6-23 above was carried 10 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Mr Wiremu Te Awe Awe, Councillors Vaughan Dennison, Roly Fitzgerald, Debi Marshall-Lobb, Billy Meehan, Karen Naylor, Kaydee Zabelin, Ms Danielle Harris and Mr Chris Whaiapu.

**7-23**

**Confirmation of Minutes**

Moved Grant Smith, seconded Vaughan Dennison.

The **COMMITTEE RESOLVED**

1. That the minutes of the Rangitāne o Manawatū Committee meeting of 26 April 2023 Part I Public be confirmed as a true and correct record.

Clause 7-23 above was carried 10 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Mr Wiremu Te Awe Awe, Councillors Vaughan Dennison, Roly Fitzgerald, Debi Marshall-Lobb, Billy Meehan, Karen Naylor, Kaydee Zabelin, Ms Danielle Harris and Mr Chris Whaiapu.

**8-23**

**Rangitāne o Manawatū Environmental Management Plan**

Memorandum, presented by David Murphy, Chief Planning Officer & Todd Taiepa, Poutoko Aporei - Principal Māori Advisor.

Moved Grant Smith, seconded Wiremu Te Awe Awe.

The **COMMITTEE RECOMMENDS**

1. That Council hold the Rangitāne o Manawatū Environmental Management Plan as a Council record under section 35A(b) of the Resource Management Act 1991.
2. That Council use the Rangitāne o Manawatū Environmental Management Plan to inform future planning and decision-making, as directed by the Resource Management Act 1991, Spatial Planning Act 2023 and Natural and Built Environment Act 2023.
3. That Council use the Rangitāne o Manawatū Environmental Management Plan to inform the review of direction setting documents such as the Long-Term Plan and Council's supporting strategies, plans, policies, bylaws, master plans and frameworks.

Clause 8-23 above was carried 10 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Mr Wiremu Te Awe Awe, Councillors Vaughan Dennison, Roly Fitzgerald, Debi Marshall-Lobb, Billy Meehan, Karen Naylor, Kaydee Zabelin, Ms Danielle Harris and Mr Chris Whaiapu.

**9-23**

**Te Motu o Poutoa/ ANZAC Park Development Plan Progress Update**

Memorandum, presented by Kathy Dever-Tod, Group Manager- Parks & Logistics, Steve Bramley, Project Director, SGL Funding LTD, Murali Bhaskar, Architect - Boon Limited and Hugh Tennent, Architect - Tennent Brown Architects

Steve Bramley, Murali Bhaskar and Hugh Tennent presented the design concept for a Marae/ Visitor Centre at Te Motu o Poutoa. Consideration regarding cost and governance arrangements will be discussed as part

of the Long Term Plan prioritisation process.

Councillor Vaughan Dennison left the meeting at 2:47pm.

Moved Grant Smith, seconded Wiremu Te Awe Awe.

The **COMMITTEE RESOLVED**

1. That the Committee note the concept design phase of the Te Motu o Poutoa/ ANZAC Park Development project is now complete.
2. That the Committee thank the members of the Te Motu o Poutoa Design Working Party and representatives of Rangitāne for their contribution during the concept design phase of the Te Motu o Poutoa/ANZAC Park Development Plan.

Clause 9-23 above was carried 9 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Mr Wiremu Te Awe Awe, Councillors Roly Fitzgerald, Debi Marshall-Lobb, Billy Meehan, Karen Naylor, Kaydee Zabelin, Ms Danielle Harris and Mr Chris Whaiapu.

**10-23**

**Fostering Māori Participation in Council Decision Making**

Memorandum, presented by Andrew Boyle, Head of Community Planning.

Councillor Billy Meehan left the meeting at 3:23pm

Councillor Fitzgerald moved an additional recommendation to amend paragraph three, to note the different relationships between Council and Rangitāne (as mana whenua) and Council and the wider Māori community.

Moved Roly Fitzgerald, seconded Debi Marshall-Lobb.

The **COMMITTEE RESOLVED**

1. That the Committee endorse the draft Statement on Māori Participation in Council Decision Making for inclusion in the proposed 2024 Long-Term Plan.
2. That the Committee replace the first sentence of paragraph 3 *Maori participation in Council decision making*, to read:  
Council is committed to its formal kawenata with Rangitāne whilst also committed to building greater participation and engagement with the wider Māori community.

Clause 10-23 above was carried 8 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Mr Wiremu Te Awe Awe, Councillors Roly Fitzgerald, Debi Marshall-Lobb, Karen Naylor, Kaydee Zabelin, Danielle Harris

and Chris Whaiapu.

**11-23**

**Te Whiri Kōkō - Council Engagement with Rangitāne o Manawatū**

Memorandum, presented by Todd Taiapa - Poutoko Aporei Principal Māori Advisor.

Councillor Billy Meehan returned to the meeting at 3:25pm

Moved Grant Smith, seconded Wiremu Te Awe Awe.

The **COMMITTEE RESOLVED**

1. That the Committee receive the report titled 'Te Whiri Kōkō - Council Engagement with Rangitāne o Manawatū' presented to the Rangitāne o Manawatū Committee on 26 April 2023.

Clause 11-23 above was carried 9 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Mr Wiremu Te Awe Awe, Councillors Roly Fitzgerald, Debi Marshall-Lobb, Billy Meehan, Karen Naylor, Kaydee Zabelin, Ms Danielle Harris and Mr Chris Whaiapu.

**12-23**

**Work Schedule for October 2023**

Councillor Debi Marshall-Lobb left the meeting at 3:27pm

Moved Grant Smith, seconded Wiremu Te Awe Awe.

The **COMMITTEE RESOLVED**

1. That the Rangitāne o Manawatū Committee receive its Work Schedule dated October 2023.

Clause 12-23 above was carried 8 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Mr Wiremu Te Awe Awe, Councillors Roly Fitzgerald, Billy Meehan, Karen Naylor, Kaydee Zabelin, Ms Danielle Harris and Mr Chris Whaiapu.

**Karakia Whakamutunga**

Mr Wiremu Te Awe Awe closed the meeting with karakia.

The meeting finished at 3.30pm

Confirmed 28 February 2024

**Chairperson**



## MEMORANDUM

**TO:** Rangitāne o Manawatū Committee

**MEETING DATE:** 28 February 2024

**TITLE:** Te Motu o Poutoa/ ANZAC Park Development Project Update

**PRESENTED BY:** Kathy Dever-Tod, Group Manager Parks and Logistics

**APPROVED BY:** Chris Dyhrberg, Chief Infrastructure Officer

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### RECOMMENDATION TO RANGITĀNE O MANAWATŪ COMMITTEE

- 1. That the Committee receive the memorandum titled 'Te Motu o Poutoa/ ANZAC Park Development Project Update' presented on 28 February 2024.**
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#### 1. ISSUE

- 1.1 The terms of reference for the Rangitāne o Manawatū Committee include, "oversight of progress and implementation of programmes of work agreed in Kawenata in Relation to Te Motu o Poutoa Agreement, including but not limited to the following strategic project(s): Development of a reserve management plan for Te Motu o Poutoa"; and "In the spirit of partnership, to recommend to Council the reserve management plan for Te Motu o Poutoa".
- 1.2 This memorandum provides the Committee with an update on the Te Motu o Poutoa/ANZAC Park Development project.

#### 2. BACKGROUND

- 2.1 On 18 October 2023 the Committee received an update on the progress of the Te Motu o Poutoa/ ANZAC Park development plan.
- 2.2 The Committee noted that the design phase of the project had been completed and it thanked members of the Te Motu o Poutoa Design Working Party and representatives of Rangitāne for their contribution during the concept design phase.
- 2.3 The Committee were advised that the project would be considered during the upcoming Long-Term Plan planning process.

#### 3. PROJECT UPDATE

- 3.1 That Council agreed on 14 February 2024 that the Consultation Document for the draft 2024-34 Long Term Plan be provided to Audit New Zealand.

- 3.2 The draft Long Term Plan makes provision for the Te Motu o Poutoa/ANZAC Park Development project as follows:
- a. Creation of a civic marae with public facilities, visitor and education attractions
  - b. The proposed visitor attraction would include a building to cater for a variety of uses including a café, meeting rooms, shop and gallery, with capacity to host overnight stays. It would be available for cultural and civic events, education and casual drop-in visits.
  - c. Cliff Rd, which leads to the top of the site, would be upgraded as part of the project.
  - d. Council would fund the roading upgrade (\$2.1 of \$4.3M) as well as contribute \$9.8M to the project. Rangitāne would fund \$2M, and the remaining \$3M would be funded through an external partnership.
  - e. Year 1 and Year 2 - detailed design. This would primarily be funded from funding Council has received from Government (Better Off Funding).
  - f. In Years 1-2 - commence looking for co-funding, noting that having the detailed design will provide further information potential co-funders will be interested in, closer to construction.
  - g. Construction would not occur until external funding and Rangitāne funding was confirmed.
  - h. Construction is scheduled to occur between 2025-2027, but those dates may change subject to when funding is confirmed.
- 3.3 In line with the financial modelling attached to this report (Attachment 1), Council has made provision within the draft Long-Term Plan for operational expenditure of \$1M. This provision is the estimated funding required over a four-year period to assist with the upfront project establishment costs and the net operational deficits incurred in the first three years of operation. This includes the salaries of suitably skilled and experienced staff during the initiation, mobilisation and initial operating phases. Note: It does not include the design and project management costs, which have been included within the capital funding provisions.
- 3.4 There are a number of assumptions and options within the financial modelling with respect to ownership and management. The SGL Group have been engaged to undertake a preliminary analysis of ownership, governance and management options based on the concept plan and examples from around New Zealand. SGL are due to report back to officers in early April. This information is needed to inform the management case within the overall business case for the project.

#### 4. NEXT STEPS

- 4.1 Council will consult on the Consultation Document and Supporting Material from late March to late April.

4.2 Future governance and management arrangements for the civic marae and associated public facilities will be considered.

**5. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 4: An Eco City	
The recommendations contribute to the achievement of action/actions in Manawatū River The action is: Implement a series of planning and design projects, including reserve management planning for the Victoria Esplanade, Te Motu o Poutoa/ANZAC Park, Ashhurst Domain, Ahimate Reserve and Te Apiti.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<ul style="list-style-type: none"> <li>• Council will work in partnership with Rangitāne</li> <li>• Respect and enhance the Mauri of the Manawatū River</li> <li>• The Manawatū River Framework states 'to identify and appropriately develop Rangitāne sites of cultural and historical significance'. This site was identified for development and management planning.</li> </ul>

**ATTACHMENTS**

1. Te Motu o Poutoa Financial Modelling - as at August 2023  

# Te Motu-o-Poutoa Marae and Cultural Centre

## Modelling Purpose

- To develop a financial model incorporating capital build costs and operational revenue and costs for the proposed development of the Te Motu-o-Poutoa (TMOP) Marae and Cultural Centre in Palmerston North over a 10-year period. Build start by October 2024 and centre operational by 1 November 2026.
- Operating model (revenue projections, delivery model assumptions and costs) to developed by Steve Bramley (SGL Funding Limited) and Neil Anderson (Neil Anderson Consulting).

# Assumptions

# Approach



- Baker Tilly Staples Rodway (BTSR) received projections developed by Neil Anderson on 9 July 2023, which has been used to inform our assumptions in the financial model.
- As part of our process, we have reviewed the assumptions in the projection provided and revised these where necessary.

# Assumptions

## Target Audience / Visitors

- The target audiences and markets for developing the new facility at Te Motu-o-Poutoa are based on six categories, as follows:
  - Rangitāne people (as owners, hosts and guests)
  - Palmerston North and Manawatu people (as visitors)
    - 124,750 residents
  - CEDA's three target Aotearoa visitor segments (2019 visits: 725,046)
    - The three target Aotearoa visitor segments are as follows:
      - The Opportunists – Visiting friends and relatives
      - The Out and Abouters – Vacation & Leisure
      - The Adventurers – Vacation & Leisure
  - CEDA's international free and independent visitor segment (2019 visits: 124,300)
  - Corporate events and incentives markets (2019 visits: 241,682)
  - Niche target audiences that are described by a clear prior defined need from the new facility
    - The 'niche' target audience represents Kura and school's curriculum markets

## Assumptions Target Audience / Visitors

- The population for each group has been estimated as follows:
  - The population of the Rangitāne people have not been estimated.
  - For CEDA's three target Aotearoa visitor segments, CEDA's international free and independent visitor segments, and the corporate events and incentives markets, the number of visits to the Palmerston North area in 2019 have been used as our starting point (as these would have been the most recent visitor numbers that were unaffected by COVID-19).
- The number of visitors for the niche target audience has been estimated to be 5,000.
- Taken total population of each group (excluding Rangitāne people) and have applied a growth rate to the existing population from FY2029 onwards
  - 5% growth per year from FY2029 – FY2033 for the Palmerston North/Manawatu and CEDA's three target Aotearoa visitor segments
  - 10% growth per year from FY2029 – FY2033 for the CEDA's international free and independent visitor segment
  - 3% growth per year from FY2029 – FY2033 for the corporate events and incentives and the niche markets

## Assumptions Target Audience / Visitors

- A penetration rate (expected visitors expressed as a percentage of total population) has been applied to either the total population of each group (or the number of visits to Palmerston North) which represents the percentage of each group that are expected to visit the marae and cultural centre in a year
  - Palmerston North and Manawatu – 35% penetration rate to achieve 43,500 visits for FY2028
  - CEDA's three target Aotearoa visitor segments – 3% penetration rate to achieve 21,751 visits for FY2028
  - CEDA's international free and independent visitor segment – 10% penetration rate to achieve 12,434 visits for FY2028
  - Corporate events and incentives markets – 3% penetration rate to achieve 7,250 visits for FY2028
  - Niche target audiences – 100% penetration rate as no initial population numbers or historical data to base forecasts.
- As the centre is targeted to be operational on 1 November 2026, Year 0 represents 8 months of FY2027 (being 1 November 2026 to 30 June 2027). For Year 0, we have used the same assumptions as FY2028 but have apportioned the annual visitor numbers by the 8 months the centre is operational for in FY2027.

## Assumptions Target Audience / Visitors

The estimated number of visits by each potential target audience to the marae and cultural centre have been summarised in the following table.

FY2028 (Y1)	Y0 *	Y1 *	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Rangitāne	-	-	-	-	-	-	-	-	-	-
Palmerston North and Manawatu	29,000	43,500	45,675	47,958	50,356	52,874	55,518	55,518	55,518	55,518
CEDA's three target Aotearoa visitors	14,500	21,751	22,838	23,980	25,179	26,438	27,760	27,760	27,760	27,760
CEDA's international free and independent visitors	8,289	12,434	13,677	15,045	16,549	18,204	20,025	20,025	20,025	20,025
Corporate events and incentives	4,833	7,250	7,467	7,692	7,922	8,160	8,405	8,405	8,405	8,405
Niche	3,333	5,000	5,150	5,305	5,464	5,628	5,797	5,797	5,797	5,797
<b>Total</b>	<b>59,955</b>	<b>89,935</b>	<b>94,807</b>	<b>99,980</b>	<b>105,470</b>	<b>111,304</b>	<b>117,505</b>	<b>117,505</b>	<b>117,505</b>	<b>117,505</b>

\* As the centre is targeted to be operational on 1 November 2026, Year 0 represents 8 months of FY2027 (being 1 November 2026 to 30 June 2027) for all tables which reference FY2027 as Y0.

# Assumptions Revenue

## • Retail & Gallery

- Revenue based on visitor numbers
- Can achieve different unit price depending on the different group targeted
  - Palmerston North and Manawatu - \$1 per visitor
  - NZ visitors - \$3 per visitor
  - International visitors - \$6 per visitor
  - Corporate events and incentives - \$3 per visitor
  - Niche - \$1 per visitor
- Unit price to increase by 3% each year, beginning in Year 2 (FY2029)

FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Rangitāne	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Palmerston North and Manawatu	\$29,000	\$43,500	\$47,045	\$50,879	\$55,025	\$59,510	\$64,361	\$66,291	\$68,280	\$70,329
CEDA's three target Aotearoa visitors	\$43,500	\$65,253	\$70,569	\$76,321	\$82,541	\$89,269	\$96,544	\$99,441	\$102,424	\$105,497
CEDA's international free and independent visitors	\$49,734	\$74,604	\$84,524	\$95,767	\$108,501	\$122,933	\$139,287	\$143,465	\$147,769	\$152,202
Corporate events and incentives	\$14,499	\$21,750	\$23,073	\$24,481	\$25,970	\$27,552	\$29,231	\$30,108	\$31,011	\$31,942
Niche	\$3,333	\$5,000	\$5,305	\$5,628	\$5,971	\$6,334	\$6,720	\$6,922	\$7,130	\$7,343
<b>Total</b>	<b>\$140,066</b>	<b>\$210,107</b>	<b>\$230,516</b>	<b>\$253,077</b>	<b>\$278,008</b>	<b>\$305,598</b>	<b>\$336,143</b>	<b>\$346,227</b>	<b>\$356,614</b>	<b>\$367,313</b>

All figures in these slides are GST exclusive, unless otherwise stated.

# Assumptions Revenue

- **Destination Café**

- Revenue based on cover per visitor, number of visitors and expected lease rate
- Cover (average spend) estimated to be \$15 per visitor
- It is estimated that 40% of total visitors to the marae and cultural centre will also visit the destination café
- Based on a \$15 cover (average spend) per visitor and 35,974 visitors to the cafe (40% of total visitors), a \$539,610 turnover can be achieved in FY2028 (Y1).
- Applying the lease rate of 15%, total revenue from the café in Year 1 is \$80,942.
- We have applied a lease rate of 15% on annual turnover. Need to consider further whether we apply an additional charge above a certain level of annual turnover.
- We understand the rates for the destination café have been benchmarked against Palmerston North, Manawatu and metropolitan New Zealand suburban cafes.

FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Café	\$53,960	\$80,942	\$87,886	\$95,462	\$103,725	\$112,746	\$122,598	\$126,276	\$130,065	\$133,967
<b>Total</b>	<b>\$53,960</b>	<b>\$80,942</b>	<b>\$87,886</b>	<b>\$95,462</b>	<b>\$103,725</b>	<b>\$112,746</b>	<b>\$122,598</b>	<b>\$126,276</b>	<b>\$130,065</b>	<b>\$133,967</b>

## **Assumptions Revenue**

- Emblematic experiences expected to be offered once the marae and cultural centre is operational are the following and are summarised in more detail on the following slides:
  - Emblematic Timed or Pre-Booked Group Experiences (Daytime)
  - Emblematic Overnight Experiential (Schools)
  - Emblematic Overnight Experiential (Adults Catered)
- ‘By ‘Emblematic’ - we mean specific high-profile tour/activity-based experiences that become well known in their own right and guests nominate the experiences as ‘must do’”

# Assumptions Revenue

## Emblematic Timed or Pre-Booked Group Experiences (Daytime)

- Assumed to achieve a net profit of \$30 per person
- Net profit per person to be increased by 3% per year, beginning in Year 2 (FY2029)
- Not all visitors will opt to visit these offerings and as a result, only a certain percentage of total visitors for each segment to the marae and cultural centre are assumed to purchase this offering
  - Palmerston North and Manawatu – 2% of total visitors (870 visitors) achieving \$26,100 net profit in FY2028
  - CEDA’s three target Aotearoa visitors – 7% of total visitors (1,523 visitors) achieving \$45,660 net profit in FY2028
  - CEDA’s international free and independent visitors – 20% of total visitors (2,487 visitors) achieving \$74,580 net profit in FY2028
  - Corporate events and incentives – 12% of total visitors (870 visitors) achieving \$26,100 net profit in FY2028
  - Niche – As the niche target audience represents Kura and school’s curriculum markets and is assumed to breakeven, there is no revenue for this target audience.

FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Rangitāne	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Palmerston North and Manawatu	\$17,400	\$26,100	\$28,212	\$30,522	\$33,011	\$35,690	\$38,604	\$39,762	\$40,955	\$42,183
CEDA’s three target Aotearoa visitors	\$30,450	\$45,660	\$49,378	\$53,406	\$57,762	\$62,466	\$67,574	\$69,601	\$71,689	\$73,840
CEDA’s international free and independent visitors	\$49,710	\$74,580	\$84,512	\$95,767	\$108,475	\$122,906	\$139,287	\$143,465	\$147,769	\$152,202
Corporate events and incentives	\$17,370	\$26,100	\$27,686	\$29,376	\$31,143	\$33,056	\$35,056	\$36,108	\$37,191	\$38,307
Niche	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$114,930</b>	<b>\$172,440</b>	<b>\$189,788</b>	<b>\$209,072</b>	<b>\$230,391</b>	<b>\$254,117</b>	<b>\$280,521</b>	<b>\$288,937</b>	<b>\$297,605</b>	<b>\$306,533</b>

# Assumptions Revenue



- **Emblematic Overnight Experiential (Schools)**

- Assumed to achieve a net profit of \$27.5 per person
- Net profit per person to be increased by 3% per year, beginning in Year 2 (FY2029)
- Assumes 40 buses per year, with 60 people on each bus (2,400 people per year). All buses to run at full capacity.

FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Emblematic Overnight Experiential (Schools)	\$44,000	\$66,000	\$67,980	\$70,019	\$72,120	\$74,284	\$76,512	\$78,807	\$81,172	\$83,607
<b>Total</b>	<b>\$44,000</b>	<b>\$66,000</b>	<b>\$67,980</b>	<b>\$70,019</b>	<b>\$72,120</b>	<b>\$74,284</b>	<b>\$76,512</b>	<b>\$78,807</b>	<b>\$81,172</b>	<b>\$83,607</b>

- **Emblematic Overnight Experiential (Adults Catered)**

- Assumed to achieve a higher net profit of \$100 per person
- Net profit per person to be increased by 3% per year, beginning in Year 2 (FY2029)
- Assumes 27 buses per year, with 30 people on each bus (810 people per year). All buses to run at full capacity.

FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Emblematic Overnight Experiential (Adults Catered)	\$54,000	\$81,000	\$83,430	\$85,933	\$88,511	\$91,166	\$93,901	\$96,718	\$99,620	\$102,608
<b>Total</b>	<b>\$54,000</b>	<b>\$81,000</b>	<b>\$83,430</b>	<b>\$85,933</b>	<b>\$88,511</b>	<b>\$91,166</b>	<b>\$93,901</b>	<b>\$96,718</b>	<b>\$99,620</b>	<b>\$102,608</b>

# Assumptions Revenue

- **Operating Subsidy (to achieve visitor and educational outcomes)**
  - An operating subsidy will be required by Palmerston North City Council (PNCC)
  - Assume receive \$250,000 per year
  - Subsidy to achieve visitor and learning outcomes by supporting each Te Motu-O-Poutoa visit by \$2.78 per visitor in FY2027 & FY2028
  - Assumes total subsidy to be received to increase by CPI each year (3%), beginning in Year 2 (FY2029)
  - On average, the subsidy per user would fall year on year until 2033 (Y6) which is the point the visitor numbers reach saturation and will increase by 3% going forward
  - Based on physical visit numbers of approximately 89,000 to 117,000 in FY2027 (full year) – FY2036, the council will subsidise approximately \$2.47 to \$2.78 per visitor during the 10-year period, as summarised below.

FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Total Operating Subsidy	\$166,667	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	\$289,819	\$298,513	\$307,468	\$316,693
Total Visitors	59,955	89,935	94,807	99,980	105,470	111,304	117,505	117,505	117,505	117,505
Subsidy per visitor	<b>\$2.78</b>	<b>\$2.78</b>	<b>\$2.72</b>	<b>\$2.65</b>	<b>\$2.59</b>	<b>\$2.53</b>	<b>\$2.47</b>	<b>\$2.54</b>	<b>\$2.62</b>	<b>\$2.70</b>
Increase/(Decrease) Per Visitor		0.00%	(2.3%)	(2.3%)	(2.4%)	(2.4%)	(2.4%)	3.0%	3.0%	3.0%

# Council Subsidy Per Visit Comparisons

- Below is a summary of the subsidies provided by councils to a range of different museums, art galleries and other experiences from 2018 – 2022 in comparison to the expected subsidy for the Te Motu o Poutoa marae and cultural centre.
- 2018 – 2019 numbers are reflective of performances pre-covid
- Te Motu o Poutoa subsidy provided per visitor significantly lower than other centres.

		2018 – 2019	2020 – 2021	2021 – 2022
Experience Wellington across six museum and gallery sites	Physical Visit Numbers	770,320	405,941	297,511
	<i>Wellington City Council Subsidy cost per visit</i>	<i>\$12.07</i>	<i>\$25.94</i>	<i>\$34.98</i>
Pataka Art and Museum – Porirua City	Physical Visit Numbers	311,971	274,830	Not Available
	<i>Porirua City Council Subsidy cost per visit</i>	<i>\$7.31</i>	<i>\$8.91</i>	<i>N/A</i>
Dowse Art Museum – Lower Hutt	Physical Visit Numbers	185,968	173,048	Not Available
	<i>Hutt City Council Subsidy cost per visit</i>	<i>\$19.67</i>	<i>\$24.01</i>	<i>N/A</i>
Whirinaki / Expressions – Upper Hutt	Physical Visit Numbers	141,057	152,502	Not Available
	<i>Upper Hutt City Council Subsidy cost per visit</i>	<i>\$4.83</i>	<i>\$4.68</i>	<i>N/A</i>
Zealandia – Wellington City	Physical Visit Numbers	138,141	121,729	Not Available
	<i>Wellington City Council Subsidy cost per visit</i>	<i>\$7.29</i>	<i>\$8.99</i>	<i>N/A</i>

# Council Subsidy Per Visit Comparisons

		2018 – 2019	2020 – 2021	2021 – 2022
Christchurch Art Gallery	Physical Visit Numbers	367,376	303,245	Not Available
	<i>Council's Subsidy cost per visit</i>	\$22.68	\$31.79	N/A
Te Manawa	Physical Visit Numbers	126,660	135,817	Not Available
	<i>Council's Subsidy cost per visit</i>	\$24.88	\$23.94	N/A
Canterbury Museum – Two Museum Sites	Physical Visit Numbers	766,200	364,300	Not Available
	<i>Council's Subsidy cost per visit</i>	\$11.62	\$26.44	N/A
Auckland City Art Gallery	Physical Visit Numbers	400,061	283,415	Not Available
	<i>Auckland City Council Subsidy cost per visit</i>	\$21.08	\$30.95	N/A
Auckland War Memorial Museum	Physical Visit Numbers	757,358	488,553	Not Available
	<i>Auckland City Council Subsidy cost per visit</i>	\$41.59	\$66.09	N/A
Museum of Transport and Technology Auckland	Physical Visit Numbers	260,211	265,761	Not Available
	<i>Auckland City Council Subsidy cost per visit</i>	\$53.70	\$56.02	N/A
Stardome – Observatory Planetarium	Physical Visit Numbers	142,397	65,617	Not Available
	<i>Auckland City Council Subsidy cost per visit</i>	\$8.70	\$21.95	N/A

# Assumptions Revenue

- **Marae Events**

- Expected to breakeven, therefore net revenue in financial model is nil

- **Daytime Venue Hire**

- Assumed to achieve a net profit of \$27.5 per person
- Net profit per person to be increased by 3% per year, beginning in Year 2 (FY2029)
- Assumes 7,250 packages a year

FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Daytime Venue Hire	\$132,917	\$199,375	\$205,356	\$211,517	\$217,862	\$224,398	\$231,130	\$238,064	\$245,206	\$252,562
<b>Total</b>	<b>\$132,917</b>	<b>\$199,375</b>	<b>\$205,356</b>	<b>\$211,517</b>	<b>\$217,862</b>	<b>\$224,398</b>	<b>\$231,130</b>	<b>\$238,064</b>	<b>\$245,206</b>	<b>\$252,562</b>

- **School Holiday Programmes**

- Assumed to achieve a net profit of \$30 per child
- Net profit per child to be increased by 3% per year, beginning in Year 2 (FY2029)
- Assumes school programmes will run for 30 days per year, with 30 children on each day (900 visits per year). All programmes to run at full capacity.

FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
School Holiday Programmes	\$18,000	\$27,000	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	\$32,239	\$33,207	\$34,203
<b>Total</b>	<b>\$18,000</b>	<b>\$27,000</b>	<b>\$27,810</b>	<b>\$28,644</b>	<b>\$29,504</b>	<b>\$30,389</b>	<b>\$31,300</b>	<b>\$32,239</b>	<b>\$33,207</b>	<b>\$34,203</b>

# Revenue Summary



Y2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Retail & Gallery	\$140,066	\$210,107	\$230,516	\$253,077	\$278,008	\$305,598	\$336,143	\$346,227	\$356,614	\$367,313
Destination Café	\$53,960	\$80,942	\$87,886	\$95,462	\$103,725	\$112,746	\$122,598	\$126,276	\$130,065	\$133,967
Emblematic Timed / Pre-Booked Group Experiences	\$114,930	\$172,440	\$189,788	\$209,072	\$230,391	\$254,117	\$280,521	\$288,937	\$297,605	\$306,533
Emblematic Overnight Experiential (Schools)	\$44,000	\$66,000	\$67,980	\$70,019	\$72,120	\$74,284	\$76,512	\$78,807	\$81,172	\$83,607
Emblematic Overnight Experiential (Adults Catered)	\$54,000	\$81,000	\$83,430	\$85,933	\$88,511	\$91,166	\$93,901	\$96,718	\$99,620	\$102,608
Marae Events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Daytime Venue Hire	\$132,917	\$199,375	\$205,356	\$211,517	\$217,862	\$224,398	\$231,130	\$238,064	\$245,206	\$252,562
School Holiday Programmes	\$18,000	\$27,000	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	\$32,239	\$33,207	\$34,203
<b>Total Operating Revenue</b>	<b>\$557,873</b>	<b>\$836,864</b>	<b>\$892,766</b>	<b>\$953,724</b>	<b>\$1,020,121</b>	<b>\$1,092,698</b>	<b>\$1,172,105</b>	<b>\$1,207,268</b>	<b>\$1,243,489</b>	<b>\$1,280,793</b>
Operating Subsidy	\$166,667	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	\$289,819	\$298,513	\$307,468	\$316,693
<b>Total Revenue</b>	<b>\$724,540</b>	<b>\$1,086,864</b>	<b>\$1,150,266</b>	<b>\$1,218,949</b>	<b>\$1,293,303</b>	<b>\$1,374,075</b>	<b>\$1,461,924</b>	<b>\$1,505,781</b>	<b>\$1,550,957</b>	<b>\$1,597,486</b>

## **Assumptions Operating Expenses**



- **Retail & Gallery**
  - Expected to achieve a 50% profit margin
- **Marketing**
  - Assume \$200,000 spend in year 0 to allow for familiarisation before opening
  - Decreases by 10% each year for four years beginning in FY2028
  - 2.5% inflation per year, beginning in year 1 (FY2028)

# Assumptions Operating Expenses

- **Occupancy Costs**
  - Occupancy costs based on a 1,000m<sup>2</sup> building area
  - Projection provided by Neil included an estimation of total occupancy costs of \$57,000 comprising of the following expense categories. We have validated the total occupancy costs by allocating a per square metre rate to each expense category that aligns closely to the current charges being incurred in commercial facilities.
  - Utilities
    - \$4/m<sup>2</sup> (or \$4,000 per year)
  - Recycling
    - \$3/m<sup>2</sup> (or \$3,000 per year)
  - Cleaning
    - \$68 per day or \$24,820 per year for cleaning of spaces and bathrooms (excluding the café)
  - Electricity
    - Reflective of annual lease payments, interface payments and maintenance payments in relation to purchasing solar panels through a lease to buy model. Assumptions in relation to this are described in further detail in this slide deck.
    - \$32,445 in FY2027 for the purchase of solar panels with the ability to generate 120Mwh annually, over a 7-year lease to buy period. We have assumed the full payment of \$32,445 will be incurred during the 8-month period as we have assumed it will need to have been installed and operational before the indicative opening.
    - Per our calculations in the 'Solar Panels – Lease to Buy' section, we have considered the cost of providing electricity without the use of solar panels. It would cost \$26,652 to provide 120MWh of electricity for the full 2027 financial year. This is a \$6,500 differential for the full 2027 financial year however purchasing the solar panels can produce savings in the long term.

# Assumptions Operating Expenses

- **Occupancy Costs (continued)**
  - Pest Control
    - \$3/m<sup>2</sup> (or \$3,000 per year)
  - Security Services
    - \$3/m<sup>2</sup> (or \$3,000 per year)
  - Toilet Supplies
    - \$1/m<sup>2</sup> (or \$1,000 per year)
  - Building Maintenance
    - \$29.22/m<sup>2</sup> (or \$29,222 per year)
    - Based on 0.2% of total expected building cost of \$14.61m
  - No grounds maintenance has been incorporated into the financial model as there is an agreement in place that Palmerston North City Council (PNCC) will still be responsible for the maintenance of the grounds and interpreted grounds once the marae is operational
  - 2.5% inflation per year, beginning in year 2 (FY2029) except for Electricity costs which have been separately inflated per the calculations in the 'Solar Panels – Lease to Buy' section

# Assumptions Operating Expenses



- **Occupancy Costs Summary**

FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Water	\$2,667	\$4,000	\$4,100	\$4,203	\$4,308	\$4,415	\$4,526	\$4,639	\$4,755	\$4,874
Recycling	\$2,000	\$3,000	\$3,075	\$3,152	\$3,231	\$3,311	\$3,394	\$3,479	\$3,566	\$3,655
Cleaning	\$16,546	\$24,820	\$25,440	\$26,076	\$26,728	\$27,396	\$28,081	\$28,783	\$29,503	\$30,240
Electricity	\$32,445	\$32,497	\$32,551	\$32,606	\$32,663	\$32,722	\$32,783	\$2,139	\$2,203	\$2,269
Pest Control	\$2,000	\$3,000	\$3,075	\$3,152	\$3,231	\$3,311	\$3,394	\$3,479	\$3,566	\$3,655
Security Services	\$2,000	\$3,000	\$3,075	\$3,152	\$3,231	\$3,311	\$3,394	\$3,479	\$3,566	\$3,655
Toilet Supplies	\$667	\$1,000	\$1,025	\$1,051	\$1,077	\$1,104	\$1,131	\$1,160	\$1,189	\$1,218
Building Maintenance	\$19,482	\$29,222	\$29,953	\$30,702	\$31,469	\$32,256	\$33,062	\$33,889	\$34,736	\$35,605
<b>Total</b>	<b>\$77,806</b>	<b>\$100,539</b>	<b>\$102,294</b>	<b>\$104,093</b>	<b>\$105,937</b>	<b>\$107,828</b>	<b>\$109,766</b>	<b>\$81,046</b>	<b>\$83,083</b>	<b>\$85,171</b>

# Assumptions Operating Expenses

- **Administration Costs**
  - Projection of administration costs totalling \$206,233 provided by Neil as follows
    - Couriers/Mail: \$1,000 per year
    - Materials/Services: \$2,000 per year
    - Minor equipment: \$4,000 per year
    - Office consumables: \$3,500 per year
    - Overheads: \$166,233 per year comprising of insurances and indicative corporate support services internal charge from PNCC
    - Phone/Communications: \$4,000 per year
    - Software maintenance: \$8,000 per year
    - Subscriptions: \$500 per year
    - Training/Conferences/Travel: \$12,000 per year
    - Uniforms: \$5,000 per year

# Assumptions Operating Expenses

- **Administration Costs (continued)**
  - We have reviewed the overheads provision and further split this into the following categories:
    - Building Insurance: \$50,000 per year
    - Council Financial Support/Corporate Support Services Internal Charge: estimated to be \$5,000 per year for advisory/compliance work.
      - Bookkeeper to be employed to support the day-to-day operations (as described on the Salaries slide)
    - Legal Fees: \$5,000 per year (for HR and other legal services as required)
    - Audit Fees: \$5,000 per year
    - Caretaker Support: \$31,200 provision per year for a contractor to work 15 hours per week, 52 weeks a year at \$40 per hour
    - IT support & website maintenance: \$8,000 and \$12,000 per year respectively
  - Placeholder of \$3,000 and \$1,000 per annum for land lease and rates has been applied, as advised from the Head of Property at PNCC
  - Total administration costs for FY2028 is \$160,200 (excluding costs for the bookkeeper) and \$106,800 for the 8 months from 1 November 2026 to 30 June 2027
  - Applied a consistent inflation rate of 2.5% per annum to all administration costs
- **General Contingency**
  - Contingency to be 5% of annual revenue (excluding revenue to be received for the Operating Subsidy)
  - \$41,843 in FY2028 (Y1) based on revenue of \$836,864.

# Assumptions Operating Expenses



## Administration Costs Summary

FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Audit Fees	\$3,333	\$5,000	\$5,125	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092
Caretaker Support	\$20,800	\$31,200	\$31,980	\$32,780	\$33,599	\$34,439	\$35,300	\$36,182	\$37,087	\$38,014
Couriers/Mail	\$667	\$1,000	\$1,025	\$1,051	\$1,077	\$1,104	\$1,131	\$1,160	\$1,189	\$1,218
Equipment	\$2,667	\$4,000	\$4,100	\$4,203	\$4,308	\$4,415	\$4,526	\$4,639	\$4,755	\$4,874
Financial Support	\$3,333	\$5,000	\$5,125	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092
Insurance	\$33,333	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$56,570	\$57,985	\$59,434	\$60,920
IT Support & Website Maintenance	\$13,333	\$20,000	\$20,500	\$21,013	\$21,538	\$22,076	\$22,628	\$23,194	\$23,774	\$24,368
Land Lease	\$2,000	\$3,000	\$3,075	\$3,152	\$3,231	\$3,311	\$3,394	\$3,479	\$3,566	\$3,655
Legal Fees	\$3,333	\$5,000	\$5,125	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092
Materials and Services	\$1,333	\$2,000	\$2,050	\$2,101	\$2,154	\$2,208	\$2,263	\$2,319	\$2,377	\$2,437
Office Consumables	\$2,333	\$3,500	\$3,588	\$3,677	\$3,769	\$3,863	\$3,960	\$4,059	\$4,160	\$4,264
Phone/Communications	\$2,667	\$4,000	\$4,100	\$4,203	\$4,308	\$4,415	\$4,526	\$4,639	\$4,755	\$4,874
Rates	\$667	\$1,000	\$1,025	\$1,051	\$1,077	\$1,104	\$1,131	\$1,160	\$1,189	\$1,218
Software Maintenance	\$5,333	\$8,000	\$8,200	\$8,405	\$8,615	\$8,831	\$9,051	\$9,278	\$9,509	\$9,747
Subscriptions	\$333	\$500	\$513	\$525	\$538	\$552	\$566	\$580	\$594	\$609
Training/Conferences/Travel	\$8,000	\$12,000	\$12,300	\$12,608	\$12,923	\$13,246	\$13,577	\$13,916	\$14,264	\$14,621
Uniforms	\$3,333	\$5,000	\$5,125	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092
<b>Total</b>	<b>\$106,800</b>	<b>\$160,200</b>	<b>\$164,205</b>	<b>\$168,310</b>	<b>\$172,518</b>	<b>\$176,831</b>	<b>\$181,252</b>	<b>\$185,783</b>	<b>\$190,428</b>	<b>\$195,188</b>

# Assumptions Salaries

- **Salaries**
  - Additional oncosts have been applied to all salaries (KiwiSaver, Holiday Pay, ACC Levies)
    - 20% loading applied for all wage earners and 5% for salary earners
  - Applied a consistent inflation rate of 2.5% per annum to all salaries from FY2029
  - Marae and Cultural Centre Manager and Commercial Lead
    - Modelled based on a \$140,000 annual salary plus loading of 5% (\$147,000 including loading) for Year 1 (FY2028)
    - \$98,000 (including loading) for the 8 months from 1 November 2026 to 30 June 2027
  - Sales and Marketing Lead
    - Modelled based on a \$105,000 annual salary plus loading of 5% (\$110,250 including loading) for Year 1 (FY2028)
    - \$73,500 (including loading) for the 8 months from 1 November 2026 to 30 June 2027
  - Visitor Services Daily Lead
    - Started with a \$95,000 salary for one full-time equivalent, equating to an hourly wage of \$45.67 per hour
    - Based on working 364 days of the year (9 hours daily), a total of 3,276 hours per year and an hourly wage of \$45.67, this equates to a salary of \$149,625 (before loading is applied)
    - 20% loading has been applied on top equating to total wages of \$179,550 (including loading) for Year 1 (FY2028)
    - \$119,700 (including loading) for the 8 months from 1 November 2026 to 30 June 2027

# Assumptions Salaries



- **Salaries (continued)**
  - Retail/Information/Ticketing
    - Based on a wage of \$28.70 per hour (hourly wage \$2 above the current minimum wage of \$26.70)
    - Working 364 days of the year (9 hours daily), a total of 3,276 hours per year
    - 20% loading has been applied on top equating to total wages of \$112,825 (including loading) for Year 1 (FY2028)
    - \$75,217 (including loading) for the 8 months from 1 November 2026 to 30 June 2027
  - Bookkeeper
    - Based on a \$90,000 salary for one full-time equivalent
    - Assumed will be working 3 days a week, equating to wages of \$54,000 (excluding loading)
    - 20% loading has been applied, equating to \$64,800 (including loading) for Year 1 (FY2028)
    - \$43,200 (including loading) for the 8 months from 1 November 2026 to 30 June 2027

# Operating Expenses Summary



FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Retail & Gallery Cost of Sales	\$70,033	\$105,054	\$115,258	\$126,538	\$139,004	\$152,799	\$168,072	\$173,114	\$178,307	\$183,656
Marketing	\$200,000	\$184,500	\$170,201	\$157,011	\$144,842	\$148,463	\$152,175	\$155,979	\$159,879	\$163,876
Occupancy Costs	\$77,806	\$100,539	\$102,294	\$104,093	\$105,937	\$107,828	\$109,766	\$81,046	\$83,083	\$85,171
Salaries	\$409,617	\$614,425	\$629,786	\$645,531	\$661,669	\$678,211	\$695,166	\$712,545	\$730,359	\$748,618
Administration Costs	\$106,800	\$160,200	\$164,205	\$168,310	\$172,518	\$176,831	\$181,252	\$185,783	\$190,428	\$195,188
Contingency	\$27,894	\$41,843	\$44,638	\$47,686	\$51,006	\$54,635	\$58,605	\$60,363	\$62,174	\$64,040
<b>Total</b>	<b>\$892,150</b>	<b>\$1,206,561</b>	<b>\$1,226,382</b>	<b>\$1,249,169</b>	<b>\$1,274,976</b>	<b>\$1,318,767</b>	<b>\$1,365,036</b>	<b>\$1,368,830</b>	<b>\$1,404,230</b>	<b>\$1,440,549</b>

# Assumptions Long Term Maintenance & Depreciation

- **Long Term Maintenance**
  - Based on 0.65% of total expected building cost of \$14.61m
  - \$94,972 in FY2028 (\$63,315 for the 8 months from 1 November 2026 to 30 June 2027)
  - Applied a consistent inflation rate of 2.5% per annum to the long term maintenance provision beginning in FY2029
- **Depreciation**
  - Asset types and annual depreciation summarised in the table below
  - The long term maintenance provision has been deducted from the annual depreciation to arrive at a residual depreciation figure

Asset	Expected Cost	Useful Life	Annual Depreciation (Y1)
Buildings	\$14,611,149	50 Years	\$292,223
Internal Infrastructure (Roads)	\$933,000	50 Years	\$18,660
Fitout	\$238,851	10 Years	\$23,885
<b>Total</b>	<b>\$15,783,000</b>		<b>\$334,768</b>
<b>Less: Long Term Maintenance</b>			<u>(\$94,972)</u>
<b>Residual Depreciation</b>			<b>\$239,796</b>

# Overall Summary



FY2028 (Y1)	Y0 *	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Retail & Gallery	\$140,066	\$210,107	\$230,516	\$253,077	\$278,008	\$305,598	\$336,143	\$346,227	\$356,614	\$367,313
Destination Café	\$53,960	\$80,942	\$87,886	\$95,462	\$103,725	\$112,746	\$122,598	\$126,276	\$130,065	\$133,967
Emblematic Timed / Pre-Booked Group Experiences	\$114,930	\$172,440	\$189,788	\$209,072	\$230,391	\$254,117	\$280,521	\$288,937	\$297,605	\$306,533
Emblematic Overnight Experiential (Schools)	\$44,000	\$66,000	\$67,980	\$70,019	\$72,120	\$74,284	\$76,512	\$78,807	\$81,172	\$83,607
Emblematic Overnight Experiential (Adults Catered)	\$54,000	\$81,000	\$83,430	\$85,933	\$88,511	\$91,166	\$93,901	\$96,718	\$99,620	\$102,608
Marae Events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Daytime Venue Hire	\$132,917	\$199,375	\$205,356	\$211,517	\$217,862	\$224,398	\$231,130	\$238,064	\$245,206	\$252,562
School Holiday Programmes	\$18,000	\$27,000	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	\$32,239	\$33,207	\$34,203
<b>Total Income (excluding subsidy)</b>	<b>\$557,873</b>	<b>\$836,864</b>	<b>\$892,766</b>	<b>\$953,724</b>	<b>\$1,020,121</b>	<b>\$1,092,698</b>	<b>\$1,172,105</b>	<b>\$1,207,268</b>	<b>\$1,243,489</b>	<b>\$1,280,793</b>
Operating Subsidy	\$166,667	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	\$289,819	\$298,513	\$307,468	\$316,693
<b>Total Income (including subsidy)</b>	<b>\$724,540</b>	<b>\$1,086,864</b>	<b>\$1,150,266</b>	<b>\$1,218,949</b>	<b>\$1,293,303</b>	<b>\$1,374,075</b>	<b>\$1,461,924</b>	<b>\$1,505,781</b>	<b>\$1,550,957</b>	<b>\$1,597,486</b>
Retail & Gallery Cost of Sales	\$70,033	\$105,054	\$115,258	\$126,538	\$139,004	\$152,799	\$168,072	\$173,114	\$178,307	\$183,656
Marketing	\$200,000	\$184,500	\$170,201	\$157,011	\$144,842	\$148,463	\$152,175	\$155,979	\$159,879	\$163,876
Occupancy Costs	\$77,806	\$100,539	\$102,294	\$104,093	\$105,937	\$107,828	\$109,766	\$81,046	\$83,083	\$85,171
Salaries	\$409,617	\$614,425	\$629,786	\$645,531	\$661,669	\$678,211	\$695,166	\$712,545	\$730,359	\$748,618
Administration Costs	\$106,800	\$160,200	\$164,205	\$168,310	\$172,518	\$176,831	\$181,252	\$185,783	\$190,428	\$195,188
Contingency	\$27,894	\$41,843	\$44,638	\$47,686	\$51,006	\$54,635	\$58,605	\$60,363	\$62,174	\$64,040
<b>Total Expenses</b>	<b>\$892,150</b>	<b>\$1,206,561</b>	<b>\$1,226,382</b>	<b>\$1,249,169</b>	<b>\$1,274,976</b>	<b>\$1,318,767</b>	<b>\$1,365,036</b>	<b>\$1,368,830</b>	<b>\$1,404,230</b>	<b>\$1,440,549</b>
<b>Operating Surplus/(Deficit)</b>	<b>(\$167,611)</b>	<b>(\$119,698)</b>	<b>(\$76,116)</b>	<b>(\$30,220)</b>	<b>\$18,326</b>	<b>\$55,309</b>	<b>\$96,890</b>	<b>\$136,952</b>	<b>\$146,727</b>	<b>\$156,936</b>
Long Term Maintenance	(\$63,315)	(\$94,972)	(\$97,347)	(\$99,780)	(\$102,275)	(\$104,832)	(\$107,453)	(\$110,139)	(\$112,892)	(\$115,715)
Residual Depreciation	(\$271,453)	(\$239,796)	(\$237,421)	(\$234,988)	(\$232,493)	(\$229,936)	(\$227,315)	(\$224,629)	(\$221,876)	(\$219,053)
<b>Operating Deficit After LTM &amp; Depreciation</b>	<b>(\$502,379)</b>	<b>(\$454,466)</b>	<b>(\$410,885)</b>	<b>(\$364,988)</b>	<b>(\$316,442)</b>	<b>(\$279,459)</b>	<b>(\$237,878)</b>	<b>(\$197,816)</b>	<b>(\$188,041)</b>	<b>(\$177,832)</b>

# Solar Panels Lease to Buy

## **Solar Panels Lease to Buy**

- We have considered the installation of solar panels at the TMOP Marae and Cultural Centre.
- As part of our analysis, we have added to the model an annual 7-year lease and associated operating costs for the solar provision less an assessment on the proportion of the estimated annual future power cost met by the solar panels in order to determine the annual cost differential of providing power via solar panels.
- Our assumptions are based on an existing Request for Proposal analysis conducted in early 2022 for the purchase of solar panels at the Murihiku Marae in Invercargill. We have reviewed the data provided per the RFP analysis and revised the assumptions as necessary.

## Solar Panels Lease to Buy

- Assumptions
  - Purchase price of \$145,000 per RFP analysis in 2022 for solar panels with the ability to generate 120MWh annually
  - Solar panels expected to be purchased in FY2027 when the TMOP marae and cultural centre is operational. An inflation rate of 3% per year has been applied to the 2022 purchase price to reflect a purchase price of \$168,095 in FY2027.
  - 7-year lease to buy period, with annual repayments of \$29,050 each year. Fully repaid in FY2033.
  - The lease rate will increase by 5% each year and will be charged on the net lease principal outstanding.
  - Additional repayments are required annually for maintenance and the interface.
    - Interface was \$10,000 in FY2022 and is expected to be \$11,593 in FY2027 after applying an inflation rate of 3% for 5 years. Interface payments to be spread over the life of the solar panel lease.
    - Annual maintenance was \$1,500 in FY2022 and is expected to be \$1,739 in FY2027 after applying an inflation rate of 3% for 5 years.
    - Interface and maintenance to increase by CPI (assumed 3% per year) thereafter

# Solar Panels Lease to Buy



- **Lease to Buy over 7-year period**

FY2028 (Y1)	Y0	Y1	Y2	Y3	Y4	Y5	Y6
Opening Balance	\$ -	\$147,449	\$125,772	\$103,010	\$79,111	\$54,016	\$27,667
Additions	\$168,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$8,405	\$7,372	\$6,289	\$5,151	\$3,956	\$2,701	\$1,383
Repayment	(\$29,050)	(\$29,050)	(\$29,050)	(\$29,050)	(\$29,050)	(\$29,050)	(\$29,050)
<b>Closing Balance</b>	<b>\$147,449</b>	<b>\$125,772</b>	<b>\$103,010</b>	<b>\$79,111</b>	<b>\$54,016</b>	<b>\$27,667</b>	<b>\$ -</b>

- **Annual Repayments of Capital Expenditure and Operating Costs**

FY2028 (Y1)	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Annual Lease Payments	\$29,050	\$29,050	\$29,050	\$29,050	\$29,050	\$29,050	\$29,050	\$ -	\$ -	\$ -
Annual Interface Payments	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656	\$1,656	\$ -	\$ -	\$ -
Annual Maintenance Payments	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957	\$2,016	\$2,076	\$2,139	\$2,203	\$2,269
<b>Total Payments</b>	<b>\$32,445</b>	<b>\$32,497</b>	<b>\$32,551</b>	<b>\$32,606</b>	<b>\$32,663</b>	<b>\$32,722</b>	<b>\$32,783</b>	<b>\$2,139</b>	<b>\$2,203</b>	<b>\$2,269</b>

## **Solar Panels Electricity Costs (no purchase of Solar Panels)**

- The proposed solar panel has an annual generation capacity of 120MWh.
- In 2023, the annual cents per unit (in real terms) for electricity in commercial buildings was \$19.63 cents per kWh. This was sourced from published data from the Ministry of Innovation & Employment on energy prices.
- The 2023 unit price for electricity has been inflated by 2.5% for 5 years to arrive at a unit price of 22.21 c/kWh. Electricity to increase by 2.5% per year thereafter.
- Based a unit price of \$22.21 c/kWh and 100MWh of electricity generated annually, power is expected to be \$22,210 in FY2027 (without the solar panels)
- Based a unit price of \$22.21 c/kWh and 120MWh of electricity generated annually, power is expected to be \$26,652 in FY2027 (without the solar panels)

# Solar Panels Net Present Value



- Calculated the net present value (NPV) of the three different scenarios, as summarised in the tables below.
- The annual payments for each scenario have been discounted at a rate of 6% per year to arrive at the net present values below. Based on the NPV, the lease to buy is the most favourable option as although it will have a higher cost upfront, it will cost TMOP the least over the long term.

## Annual Payments

FY2028 (Y1)	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Lease to Buy Payments	\$32,445	\$32,497	\$32,551	\$32,606	\$32,663	\$32,722	\$32,783	\$2,139	\$2,203	\$2,269
Annual Electricity (100MWh)	\$22,210	\$22,765	\$23,334	\$23,917	\$24,515	\$25,128	\$25,756	\$26,400	\$27,060	\$27,737
Annual Electricity (120MWh)	\$26,652	\$27,318	\$28,001	\$29,418	\$30,154	\$30,908	\$31,680	\$32,472	\$32,472	\$33,284

## NPV

	NPV
Lease to Buy	\$156,068
Annual Electricity (100MWh)	\$200,299
Annual Electricity (120MWh)	\$240,359

# Capital Expenditure & Funding Profile

# Capital Expenditure

- The overall project cost (including escalation) has been estimated at \$14.85 million as per the capital cost estimate report from Rawlinsons Limited for the development of the Te Motu o Poutoa Marae and Cultural Centre based on a build commencement of December 2024.
- This estimate excludes the Puwhara Walkway Lookout Ramp.
- We have included a provision for \$933,000 for Internal Infrastructure (Roads). This \$933,000 estimate does not form part of the \$14.85 million total estimated project costs from Rawlinsons as summarised below.
- Pre-construction escalation has been estimated at 1.78% and 6.67% during the construction.

	\$
Estimated Construction Costs	\$7,398,038
Preliminary & General (12%)	\$887,765
Main Contractors Margin (8%)	\$662,864
Estimated Contingency (10%)	\$894,867
Professional Fees (18%)	\$1,771,836
Building Consent (1.5%)	\$174,231
Furniture, Fixtures & Equipment	\$200,000
Cultural Overlay	\$500,000
Escalation provision (including rounding)	\$1,181,440
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$14,850,000</b>

# Capital Expenditure



- Below is a summary of the capital expenditure expected to be incurred in each year per the cashflow forecast received from Rawlinsons.
- The construction costs have been spread over the development using a S-Curve

	Incurred to date	FY2024	FY2025	FY2026	Total
Construction Costs	\$ -	\$ -	\$3,563,244	\$8,723,805	\$12,287,049
Professional Fees	\$ -	\$809,068	\$797,788	\$509,168	\$2,116,025
Consenting	\$ -	\$ -	\$208,075	\$ -	\$208,075
Furniture, Fixtures & Equipment	\$ -	\$ -	\$ -	\$238,851	\$238,851
<b>Total</b>	<b>\$ -</b>	<b>\$809,068</b>	<b>\$4,569,107</b>	<b>\$9,471,824</b>	<b>\$14,850,000</b>

# Capital Cost Estimates

- Below is a summary of the various capital cost variations considered.
- The capital cost estimate of the marae has been considered with/without the Puwhara Walkway Lookout Ramp and if the build commenced in December 2024 or December 2025.
- Please note that the below capital cost estimates **does not** include roading.

Capital Cost Estimate <u>not</u> including roading	December 2024 Build	December 2025 Build
With Lookout Ramp	\$15,300,000	\$15,800,000
Without Lookout Ramp	\$14,850,000	\$15,300,000
<i>Cost of including lookout ramp in build</i>	<i>\$450,000</i>	<i>\$500,000</i>

# Funding Profile



- Based on the project costs, the proposed funding profiles for the TMOP Marae and Cultural Centre are as below:
- As the two lead stakeholders, capital funding assumes \$10 million from Palmerston North City Council and \$2 million from Rangitāne, with the remaining \$3 million from external funders. Note additional external funding will either assist to address the first five year’s establishment funding and operational deficit of about \$1.25 million (in addition to the annual operating subsidy) plus to address further (phased) landscaping on the site

Funder	Funding
Palmerston North City Council	\$10,000,000
Rangitāne	\$2,000,000
External Funders	\$3,000,000
<b>Total</b>	<b>\$15,000,000</b>

- In the modelling, the impact if PNCC were to loan the \$10 million funding, with an interest rate of 5.50% (interest rate similar to current LGFA rates) has also been considered. As evident, in the period looked at the cost centre would not be in a position to service nor repay this loan finance.

# Project Establishment Costs

# Project Establishment Costs

- Build commencing in October 2024, with practical completion late June 2026
- Assumes fit-out and familiarisation from July 2026 to late October 2026, with the opening tentatively on 1 November 2026
- We understand that PNCC are able to commit to recruiting Development Project Team members after 1 July 2024.
- Three different teams covering different phases of the development, as summarised below



## **Project Establishment Costs Client Team**

- **Client Team**
  - Used during the Design Phase and the Transition to Development Project Team Phase (1 October 2023 – 30 April 2025)
  - Consists of the following staff:
    - Neil Anderson
      - Responsible for the project plan, tours, education programmes, visitor experience on site and within the complex, external/internal interpretation and Project Lead recruitment
      - \$32,000 during the Design Phase
      - \$24,000 during the Transition to Development Project Team Phase
    - Food and Beverage & Retail and Functions Specialist Advice Costs
      - \$55,000 during the Design Phase
    - No loading has been applied to any of the members of the Client Team as the above are considered contractors/consultants rather than employees.

# Project Establishment Costs Development Project Team

- **Development Project Team**
  - Used during the Mobilisation Phase and the Intensive Project Phase (1 May 2025 – 31 October 2026)
  - **Mobilisation Phase (1 May 2025 – 31 October 2025)**
    - Consists of the following staff:
      - Project Lead
        - \$145,000 per year or \$72,699 during this phase; Have apportioned by the number of days in the Mobilisation Phase
        - Applied a 5% loading on top of the calculated salary. Total salary including loading of \$76,334
      - Business, Experience and Marketing Developer
        - 1 Full Time Equivalent in place throughout this phase
        - \$103,000 per year or \$51,923 during this phase; Have apportioned by the number of days in the Mobilisation Phase
        - Applied a 5% loading on top of the calculated salary. Total salary including loading of \$54,519.

## **Project Establishment Costs Development Project Team**

- **Development Project Team**
  - **Intensive Project Phase (1 November 2025 – 31 October 2026)**
    - Consists of the following staff:
      - Project Lead
        - \$145,000 per year
        - Applied a 5% loading to salary. Total salary including loading of \$152,250.
      - Business, Experience and Marketing Developer
        - 3 Full Time Equivalent in place throughout this phase
        - \$103,000 per year for each business experience and marketing developer (\$309,000 in total excluding loading)
        - Applied a 5% loading to salary. Total salary including loading of \$324,450.
  - **Fitout and Familiarisation Phase (25 June 2026 – 31 October 2026)**
    - There are no additional staffing requirements for the Fitout and Familiarisation Phase as the staffing requirements can be met by the existing staff of the development project team.

## **Project Establishment Costs Indicative Project Office Costs**

- **Indicative project office costs**
  - Consists of the following expenses:
    - Project Staff – 4 staff
    - IT system and support
    - Administration hire and materials
    - Travel
    - Modest level corporate support
    - Tour and Programme Collateral
  - Total indicative project office costs set at 25% of gross salary costs only (excluding any costs for contractors and consultants) or \$161,358.
  - These project office costs have been spread equally across the 3-year period in which salary costs have been incurred (i.e., FY2025 – FY2027).

# Project Establishment Costs Summary



Project Establishment Costs Summary	FY2024 (1 October 2023 – 30 June 2024)	FY2025	FY2026	FY2027 (1 July 2026 – 31 October 2026)	Total
Design Phase Salaries	\$73,123	\$13,877	\$ -	\$ -	\$87,000
Transition to Development Phase Salaries	\$ -	\$24,000	\$ -	\$ -	\$24,000
Mobilisation Phase Salaries	\$ -	\$43,519	\$87,334	\$ -	\$130,853
Intensive Project Phase Salaries	\$ -	\$ -	\$316,059	\$160,641	\$476,700
Project Office Costs	\$ -	\$53,786	\$53,786	\$53,786	\$161,358
<b>Total</b>	<b>\$73,123</b>	<b>\$135,182</b>	<b>\$457,179</b>	<b>\$214,428</b>	<b>\$879,911</b>

# Project Capitalisation Cash Flow

FY2028 (Y1)	- Y3	- Y2	- Y1	Y0	Y1	Y2	Y3	Y4	Y5
Opening Funds	\$ -	\$176,877	\$291,695	\$84,516	\$2,478	\$82,780	\$6,664	(\$23,555)	(\$5,228)
Additional Annual Contribution (PNCC/Te Manawa and/or external funding)	\$250,000	\$250,000	\$250,000	\$300,000	\$200,000	\$ -	\$ -	\$ -	\$ -
Project Establishment Costs	(\$73,123)	(\$135,182)	(\$457,179)	(\$214,428)	\$ -	\$ -	\$ -	\$ -	\$ -
Operational Surplus/(Deficit) Before LTM & Depreciation	\$ -	\$ -	\$ -	(\$167,611)	(\$119,698)	(\$76,116)	(\$30,220)	\$18,326	\$55,309
<b>Closing Funds</b>	<b>\$176,877</b>	<b>\$291,695</b>	<b>\$84,516</b>	<b>\$2,477</b>	<b>\$82,779</b>	<b>\$6,663</b>	<b>(\$23,557)</b>	<b>(\$5,231)</b>	<b>\$50,078</b>

Based on current cashflows, a further contribution from the Council and/or additional external funding of \$1.25 million in total over a five-year period would be required to assist with the upfront project establishment costs and the net operational deficits incurred in the first three years of operation.

# Total Subsidies Required Summary



The below table summarises the total subsidies required from FY2024 (-Y3) to FY2032 (Y5), consisting of the following:

- Additional annual contributions from PNCC and/or external funding to assist with upfront establishment costs; and
- Annual operating subsidies received from PNCC to assist with achieving visitor and educational outcomes once the centre is operational.

FY2028 (Y1)	- Y3	- Y2	- Y1	Y0	Y1	Y2	Y3	Y4	Y5	Total
Additional Annual Contribution (PNCC/Te Manawa and/or external funding) / Establishment Support	\$250,000	\$250,000	\$250,000	\$300,000	\$200,000	\$ -	\$ -	\$ -	\$ -	<b>\$1,250,00</b>
Annual Operating Subsidy	\$ -	\$ -	\$ -	\$166,667	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	<b>\$1,493,95</b>
<b>Total Subsidies</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$466,667</b>	<b>\$450,000</b>	<b>\$257,500</b>	<b>\$265,225</b>	<b>\$273,182</b>	<b>\$281,377</b>	<b>\$2,743,95</b>

# Additional Considerations

## Additional Considerations Roading Options

Three options have been considered for roading at the centre:

- Do Nothing
- Minimal
- Do Something

Based on a December 2024 build, the capital cost estimates for each of the three options are summarised below.

Options	\$ (December 2024 Build)
Option 1 – Do Nothing	\$160,000
Option 2 – Minimal	\$933,000
Option 3 – Do Something	\$2,313,000

The capital cost estimate mid-level option (Minimal) has been used in our modelling.

# Any Questions



This presentation provides general advice / updates and should not be relied on to substantiate a position in any circumstance. Please contact your Baker Tilly Staples Rodway advisor for advice tailored to your specific circumstances.

## MEMORANDUM

**TO:** Rangitāne o Manawatū Committee

**MEETING DATE:** 28 February 2024

**TITLE:** Te Whiri Kōkō - Council Engagement with Rangitāne o Manawatū

**PRESENTED BY:** Todd Taiepa - Poutoko Aporei Principal Māori Advisor

**APPROVED BY:** David Murphy, Chief Planning Officer

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### RECOMMENDATION TO RANGITĀNE O MANAWATŪ COMMITTEE

- 1. That the Committee receive the report titled 'Te Whiri Kōkō - Council Engagement with Rangitāne o Manawatū' presented to the Rangitāne o Manawatū Committee on 28 February 2024.**
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#### 1. ISSUE

- 1.1 Te Whiri Kōkō is a key engagement forum between Rangitāne o Manawatū (Rangitāne) and Palmerston North City Council (PNCC) officers. The forum undertakes the sharing of information, current and upcoming projects and programmes, and establishes how and who will progress work on behalf of Rangitāne o Manawatū.
- 1.2 This regular memorandum is presented to the Rangitāne o Manawatū Committee to provide an overview of key issues that are tabled at the forum. It covers the two meetings held since the previous update, in November and December 2023. The first meeting of 2024 is scheduled for 16 February and will be covered in the next memorandum.
- 1.3 In summary, Te Whiri Kōkō provides a regular scheduled opportunity for iwi members and staff to meet and discuss important activities with each other in an open and proactive way. The forum covers workstreams of PNCC that are a priority for iwi, their long-term aspirations and goals, as well as operational settings for projects and programmes. A key purpose of this hui is to confirm what outcomes are a priority and how Rangitāne will be engaged. Agreed pathways or outcomes are progressed and iwi input assists with finalising agreed outcomes. The forum meets monthly and alternates between infrastructure focus and an all-of-PNCC focus.

**2. MATTERS RAISED IN TE WHIRI KŌKŌ IN RECENT MONTHS**

**Long Term Plan 2024-34**

2.1 Executive Leadership Team members brief Rangitāne regularly and receive feedback from Iwi leaders. Key themes in recent meetings have been the significant affordability issues looming for the 2024 Long Term Plan (LTP). This will influence the scale of committed spending and significant work is being undertaken by the organisation to support the decision-making that elected members will need to undertake. Rangitāne have communicated some of their priorities, specifically their aspirations to progress the Te Motu o Poutoa development alongside Council and the community. Rangitāne have expressed strong support to the Infrastructure Unit specifically, for the quality of their work and their commitment to meaningful engagement with Rangitāne.

**Rangitāne Environmental Management Plan**

2.2 The Environmental Management Plan was tabled at the Rangitāne o Manawatū Committee on 18 October 2023 and was positively received by elected members. This reinforces the ongoing work with Council staff and senior managers to create an aspirational and clear set of expectations that could be progressed together, to achieve iwi and wider community outcomes. The Plan clearly identifies that there are opportunities to refine processes of formal engagement in the resource consenting area.

**Kairaukaha**

2.3 Funded by the first tranche of 'better off funding' (Three Waters), the purpose of the role is to assist Rangitāne o Manawatū through the Te Ao Turoa Environmental Centre to build its capability and capacity with Council, in particular in the three waters, waste and climate change spaces. The Resource Management Act (RMA) and regulatory processes will also be a key focus. This role enables Rangitāne o Manawatū to support PNCC's other strategic initiatives when capacity permits.

2.4 It was confirmed that Siobhan Karaitiana would assume the role initially in a foundational and bridging capacity while recruitment was undertaken to employ someone fulltime in the position. It was announced at the December Te Whiri Kōkō meeting that Makenzie McKay was the successful applicant. She was formally welcomed into the role by Rangitāne at Te Hotu Manawa Marae on 15 January, and to Council on 23 January 2024.

**Revise communication settings for major projects**

2.5 This discussion was around strengthening PNCC protocols for ensuring that, at every stage of a project that expressly included Rangitāne narratives and cultural values, the iwi would retain oversight of how these were captured and shared. Often for very large infrastructure projects Rangitāne had major

input up front, especially where design features were sourced from iwi leaders. Once these projects moved towards completion, often months or years after inception, there would be value in ensuring a more consistent approach to developing a communications plan with Rangitāne at that stage. The communication planning and marketing for the project needed to include a range of narratives that would speak to multiple mediums including social media, newspapers, and now videography. Narratives were required that could be a very succinct message through to an extensive newspaper or website article. Rangitāne was very positive that these would be included upfront in project planning so that these packages could be developed ahead of time and ensure consistent and accurate cultural representation.

**He Ara Kotahi He Ara Kōrero**

- 2.6 Rangitāne gave a brief overview of the iwi-led project which has external funding and covers six primary sites within the City. It has an alignment with the joint development work along the Awa over the last decade and adds additional cultural features, narrative boards and enables access to video and audio of Rangitāne sharing their stories. There will also be virtual reality features where visitors can see what the landscape in an area might have looked like hundreds of years ago. PNCC is providing some limited assistance in terms of ensuring the relatively low-impact initiative aligns with existing landscape and environmental features. Council is also funding some of the translation work from our existing te reo Māori budget as the project clearly builds on and elevates the collective commitment to te reo Māori in the River environment.

**New Animal Shelter**

- 2.7 The facility is on track to be completed and opened in March 2024. Discussion covered the tikanga elements for the opening and Rangitāne were asked to consider a name for the facility.

**Waitangi Day 2024**

- 2.8 The event is a close partnership between Rangitāne and the PNCC events team. It was acknowledged that there was likely to be heightened tension this year given the national debate around Te Tiriti and te reo Māori in response to the new Government stated position on these matters. However, organisers had no serious concerns regarding the event here at Te Marae o Hine.

**COMMUNITY**

**Highbury neighbourhood development update**

- 2.9 Community and Council feedback on the completion of significant landscaping stages over 2023 has been overwhelmingly positive and has

exceeded expectations. The next stages continue to be community led, with a Māori Language Plan being developed between the community and the local businesses for the area that includes considerations for what Rangitāne stories could be reflected in the landscape.

- 2.10 To that end the community are seeking substantial external funding for a pou. Rangitāne kaiwhakairo Craig Kawana has designed the pou which would be a strong expression of both the iwi and the wider recognition of all who have settled in this community.

**Advisor – Age Friendly**

- 2.11 Rangitāne were introduced to Kerry Hocquard, the newly appointed Community Development Advisor – Age Friendly, who introduced herself and gave an overview of the focus of this role and what initial work was being undertaken to improve responsiveness to senior citizens.
- 2.12 Rangitāne would like to see more focus being made on this sector and appreciated the recognition that the specific needs and aspirations of Māori needed to be provided for.

**Proposed community facilities**

- 2.13 A presentation was given updating the work on proposed new facilities or facility upgrades in the City. These are a community hub in Awapuni – including the Awapuni Library, a multicultural centre in the City, Te Pātikitiki Library and a Pasifika centre. It was confirmed that these projects were going to Council for decisions on inclusion in the draft LTP. Rangitāne were thanked for their contributions to these projects to date.

**RESOURCE RECOVERY**

**Waste Management and Minimisation Plan (WMMP)**

- 2.14 PNCC will be developing a replacement WMMP in 2024, for consultation alongside the draft LTP. The document will mirror the actions and objectives contained in the draft Resource Recovery Plan. An overview was provided with a commitment to have an opportunity early in 2024 to further discuss and facilitate the input of Rangitāne into the Plan.

**TRANSPORT**

**Manawatū River Pathway**

- 2.15 There was an update on current rock armouring projects along the River to mitigate erosion and protect properties. This is primarily being undertaken by

Horizons Regional Council, adjacent to Te Matai Road and by PNCC to protect the shared pathway.

- 2.16 A comprehensive summary was provided of the Ashhurst to Ahimate Reserve pathway and the development of a programme that could complete the riverside alignment through a notice of requirement, and if successful, land acquisition and construction including feedback from affected landowners.

### **Palmerston North to Feilding Shared Pathway**

- 2.17 Rangitāne participated in the site walkover in July, along with a landscape designer, engineers, and representatives of the Te Araroa Trail. Work will be carried out over the coming months to complete the designs and to add some landscape elements, including planting and acknowledgement of places of significant interest.

PNCC is prioritising engagement with the community and key landowners in Bunnythorpe, discussing the draft designs and how alignment could affect certain properties. There is also discussion with KiwiRail regarding the level crossings and whether more of the rail corridor could be made available for the pathway.

A programme is proposed for consideration in the next LTP to cover construction, prioritising the paper road segments. It is likely that some sections will be delayed because of funding constraints.

### **Featherston Street Cycleway**

- 2.18 Construction of the new separate cycleway between Aroha and North Streets (Te Kura Tuatahi o Papaioea - Central Normal School and Palmerston North Boys High), is planned to start early 2024, funded through NZ Transport Agency Waka Kotahi's (Waka Kotahi) Streets for People programme.
- 2.19 Warren Warbrick has contributed a design pattern that can be painted directly onto the cycleway. PNCC continue to explore options to apply the design to the moulding for the concrete separators. Further funding is being sought from Waka Kotahi to implement the design and other urban design elements in the first phase of construction. Implementation of the remaining sections of the Featherston Street cycleway (and all of the Summerhill Drive cycleway) funded through Waka Kotahi's Transport Choices programme, is on hold, subject to direction from the incoming Transport Minister.

**Bus services in the City**

- 2.20 The first tranche of 82 new bus stops were to be in place in time for the new services planned to begin in mid-February 2024. These stops will have shelters, featuring design elements that have been developed with Warren Warbrick. Included in the glass-panelled roof is a map showing settlement along the Manawatū River.

**PARKS AND RESERVES**

**Lagoon to Awa connection**

- 2.21 Work on the Hokowhitū Lagoon side of the pathway is nearing completion. Rangitāne continue to engage with Wallace Development on the pou for the reserve land vested with the Council.

**Ruahine Reserve**

- 2.22 Work has commenced on the site with plans underway for a light sculpture.

**Te Motu o Poutoa**

- 2.23 Concept designs and indicative costs were reported to the Rangitāne o Manawatū Committee. The Committee recommended to Council that the programme now be referred to the Long-Term Plan process.

**Ashhurst Domain Reserve Management Plan**

- 2.24 Officers are seeking a Council resolution to publicly notify the intention to update the review of the Reserve Management Plan for the Domain. Staff will be working closely with Rangitāne regarding their aspirations and planning considerations for the Reserve.

**STORMWATER**

**Pre-construction hui – Gasworks Drain**

- 2.25 Among important items discussed was around removal of fish/eels prior to construction, riffle and fish habitat installation, and release of fish post construction phase. A nominated Rangitāne representative will be providing an advisory role throughout the construction period.

**WASTEWATER**

**Monitoring**

- 2.26 PNCC has installed 12 monitors at key locations in the network to capture data that will be used to calibrate our hydraulic modelling. The project will provide critical input into the capital works programme for planning and growth-related assessments, as well as helping to identify any key risk areas and capacity issues, which can be related to excess inflow and infiltration.

- 2.27 These monitors are working well and over the next three months it is expected that there will be some valuable cumulative information to help to guide our prioritisation and decision-making.

## **LIBRARIES**

### **Local History Week and Heritage Month 2024**

- 2.28 Presentation on these events and a draft programme outlined what is currently proposed. Rangitāne were asked for their support and to identify what roles they would like to play, as well as discussing themes or content the Iwi would like to see included.

### **Youth Council**

- 2.29 Expressions of interest are out for new applicants for 2024. A proposal was put to Rangitāne around considering whether iwi appointed role/s might be an aspiration, much as Rangitāne are currently able to be represented on Council committees or in a similar vein to Māori seats. This could provide a positive pathway for young Māori leaders and the Youth Council would benefit from a closer relationship with Rangitāne.

## **SOCIAL HOUSING**

- 2.30 Staff were seeking guidance on the tikanga requirements for the opening of the Papaioea Place Stage 3 development including the Community Lounge. This would now be held late in December. Rangitāne was also asked if they would be able to provide a te reo Māori name for the Lounge (subsequently confirmed as 'Te Whakaruruhau').

## **STRATEGIC PLANNING**

### **He Rā kī Tua – Horizons Regional Spaces and Places Plan for Sport and Recreation**

- 2.31 He Rā kī Tua signals increased organisational collaboration for planning and developing sport and recreation facilities across the region. A key goal is to lift physical activity levels. The two sports trusts in the region, Sports Manawatū and Sport Whanganui, have led the process to develop the plan, with support from Ihi Aotearoa and the sevens councils in the region. The Plan builds on the foundations of the Manawatū-Whanganui Region Sports Facilities Plan (2018). He Rā kī Tua will be presented to the Council early in 2024 for endorsement.

### **Aquatic Facilities and Water based Recreation Needs Assessment**

- 2.32 This work was presented to the Culture and Sport Committee in November 2023 and covered both swimming pools and the recreational use of natural areas such as Te Awa o Manawatū and the Hokowhitū Lagoon. The report acknowledged how pool facilities provide the opportunity to develop lifelong water safety skills, and enjoy water-based recreation, in controlled pool environments or in natural water bodies. Rangitāne o Manawatū provided valuable insights to the consultant team as part of the work through hui and a survey. Council has yet to adopt the recommendations in the Committee report, but these were focused on pursuing the immediate operational opportunities at the City pools and exploring several partnership opportunities (mostly with schools). Opportunities to keep working on improving the water quality of the Hokowhitū Lagoon are recommended.

### **CIVIL DEFENCE AND EMERGENCY MANAGEMENT TEAM**

- 2.33 The meeting was an opportunity to formally meet the team and build on existing relationships and workstreams, and to have a wider discussion with Rangitāne leaders who are not as familiar with the civil defence context in the Manawatū. An overview was provided of the emergency management systems and key partners as well as some of PNCC's current planning for the future. The active support from staff to communities on the East Coast and in Auckland earlier in the year was also acknowledged. Rangitāne's extensive contribution during Covid was discussed and there was a commitment to strengthen Rangitāne involvement in the emergency management space. Finally, the growing role of iwi in the provision and distribution of food and goods was recognised as a key area for continued collaboration and the meeting agreed on coming together early in 2024 to progress this.

### **AGENCY PARTNERS**

#### **Central Economic Development Agency (CEDA)**

- 2.34 CEDA updated the Manawatū Regional Food Strategy, in particular the Māori narratives around kai. A mana whenua and Māori business led approach would mean that iwi leadership, hapū and marae, whānau and business would need to shape and ultimately lead the implementation of the Strategy. It had been decided after some initial hui that a specific Māori Food Strategy was now required.
- 2.35 An update on Te Utanganui included special thanks to Rangitāne for their contribution towards the Programme Director role which will be funded for the next 18 months.

- 2.36 The announcement was made that CEDA will be moving to new offices early in 2024.

### **MASSEY UNIVERSITY**

- 2.37 Senior managers gave an update and overview of the Palmerston North Campus Development Plan. In response to Massey's significant change process, which was well publicised, the University signalled a desire to talk to key local stakeholders including Rangitāne. Discussions had begun around a master plan that would set out a future pathway for the campus and this meeting was a proactive opportunity to engage with Rangitāne. At this stage Massey are looking at a wide range of opportunities. The major issue is that the scale of the campus no longer aligns with the numbers of students who undertake their studies on site. Rangitāne expressed they are very interested in being involved and contributing to a positive outcome for Massey and the City.

### **TE MANAWA**

- 2.38 The Chief Executive Susana Shadbolt acknowledged the passing of local artist Paul Dibble just before the December 2023 Te Whiri Kōkō meeting. He was celebrated for his contribution including many notable public sculptures around the City. Poignantly his legacy is represented by the major exhibition 'Continuum' currently hosted by Te Manawa.
- 2.39 Rangitāne were invited to Te Manawa early in 2024 to tour and discuss the current facility and proposals for future development. There is a plan to review all of the semi-permanent galleries including Te Rangī Whenua so Rangitāne's involvement was critical. The overall goal was to engage Te Manawa's visitors with local heritage and tell the stories of the region in more holistic and interconnected ways – bridging the past, present and future. Te Manawa strongly felt that this is what keeps culture and traditions alive and flourishing. It was felt that mātauranga Māori could be better woven through the institution, rather than just in specific areas.
- 2.40 There was an aspiration to strengthen the relationship and have discussions about how engagement could be enhanced in the future.

### **ADDITIONAL UPDATES**

- 2.41 In addition to the matters detailed above, officers providing updates on the following projects:
- New national standards for recycling
  - Speed Management Plan
  - Ashhurst dump station

Water supply matters:

- Railway Road bore
- Ngahere Park Reservoir
- Swabbing of the DN600 Trunk Line
- Ashhurst bore trial
- Turitea Reserve land status
- New City North bore
- Tender Update – Whakarongo attenuation pond and wetland
- Biogas generator at Totara Road Plant
- Pipe renewals programme

**3. NEXT STEPS**

3.1 Continue to deliver Te Whiri Kōkō and adjust regular reporting based on feedback received on this report.

**4. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual		<b>Yes</b>
Are the decisions significant?		<b>No</b>
If they are significant do they affect land or a body of water?		<b>No</b>
Can this decision only be made through a 10 Year Plan?		<b>No</b>
Does this decision require consultation through the Special Consultative procedure?		<b>No</b>
Is there funding in the current Annual Plan for these actions?		<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?		<b>No</b>
The recommendations contribute to Goal 5: A Driven & Enabling Council		
The recommendations contribute to the achievement of action/actions in (Not Applicable)		
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Rangitāne o Manawatū is a Tiriti partner and has the status of mana whenua and holds customary authority for the Palmerston North area. Much of the focus of joint programmes is to ensure there are pathways for the restoration of mana whakahaere or influence on those matters that remain a priority for the iwi. This can be summarised as the ability for iwi to practise rangatiratanga and kaitiakitanga in their rohe (customary authority and guardianship within their customary area).	

**ATTACHMENTS**

NIL

## COMMITTEE WORK SCHEDULE

**TO:** Rangitāne o Manawatū Committee

**MEETING DATE:** 28 February 2024

**TITLE:** Work Schedule for Hui-tanguru February 2024

### RECOMMENDATION TO RANGITĀNE O MANAWATŪ COMMITTEE

1. That the Rangitāne o Manawatū Committee receive its Work Schedule dated Hui-tanguru February 2024.

### COMMITTEE WORK SCHEDULE

Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause number
Hui-tanguru February 2024	Te Whiri Kōkō - Council Engagement with Rangitāne o Manawatū	Chief Infrastructure Officer	Standing Item for every meeting	26 April 2023 Clause 4- 23
Hui-tanguru February 2024	Te Motu o Poutoa Development Plan - Progress Report	Chief Infrastructure Officer	Standing Item for every meeting	Terms of Reference
Paenga-whāwhā April 2024	Te Āpiti Master plan - progress report	Chief Infrastructure Officer		26 April 2023 Clause 4- 23
Hui-tanguru February Paenga-whāwhā April 2024	Manawatū River framework - progress report	Chief Infrastructure Officer		26 April 2023 Clause 4- 23
Paenga-whāwhā April 2024	Te Whiri Kōkō - Council Engagement with Rangitāne o Manawatū	Chief Infrastructure Officer	Standing Item for every meeting	26 April 2023 Clause 4- 23
Paenga-whāwhā	Te Motu o Poutoa Development Plan -	Chief Infrastructure	Standing Item for every	Terms of Reference

April 2024	Progress Report	Officer	meeting	
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**Attachment:** Rangitāne o Manawatū Terms of Reference.

## RANGITĀNE O MANAWATŪ COMMITTEE

### Terms of Reference

Chair <sup>1</sup>	The Mayor
Deputy Chair	Mr Wiremu Te Awe Awe
Membership (10) (Mayor, 4 Hirawanui ward councillors, 2 Te Pūao ward councillors and 3 Rangitāne representatives)	<p><i>Te Hirawanui ward councillors</i> Councillor Vaughan Dennison Councillor Karen Naylor Councillor Billy Meehan Councillor Kaydee Zabelin</p> <p><i>Te Pūao ward councillors</i> Councillor Roly Fitzgerald Councillor Debi Marshall-Lobb</p> <p><i>Rangitāne representatives</i> Ms Danielle Harris Mr Chris Whaiapu</p>
Quorum	6 (minimum of 3 members from Council and 3 members from Rangitāne)
Meeting schedule	Quarterly
Venue	Meetings may be held at Council Chambers and marae.

#### Terms of Reference:

1. To consider matters relating to the wellbeing of Māori in Palmerston North, by monitoring:
  - a. City wellbeing data from a demographic perspective (Māori)
  - b. Long Term Plan community outcome commitments and impact on the local Māori communities
  
2. To have oversight of progress and implementation of programmes of work agreed in Kawenata in Relation to Te Motu o Poutoa Agreement, including but not limited to the following strategic projects:
  - a. Development of a reserve management plan for Te Motu o Poutoa
  - b. Manawatū River Framework
  
3. To consider matters of strategic relevance to Māori, including but not limited to:
  - a. The Manawatū River Plan
  - b. urban development and infrastructural capacity
  - c. boundary issues
  - d. water and wider environmental issues within Palmerston North City Council's authority
  - e. the development of relationships between other Iwi/Hapū and Council
  - f. participation and access

<sup>1</sup> Chair and Deputy Chair to alternate annually

4. To receive presentations on:

- a. Te Apiti Manawatū Gorge Masterplan
- b. Any matter that may impact on Māori in the city

5. In the spirit of partnership, to recommend to Council:

- a. Leadership direction or guidance with regard to Council's obligations or responsiveness to Māori in the city and related budget implications for future planning
- b. The reserve management plan for Te Motu o Poutoa
- c. Any emerging matters for submission to Central Government
- d. Reserves which are wāhi tupuna to Rangitāne o Manawatū which could also fall under te Kawenata
- e. Any modifications to Standing Orders or meeting procedures to enable the Committee to effectively operate.

### **Delegations**

Rangitāne o Manawatū Committee has been delegated the following responsibilities by Council. Within its Terms of Reference and complying with the purpose of the Local Government Act 2002, to:

- Receive or note any report or memorandum or other information submitted to the Committee.
- Instruct the Chief Executive to report back to the Committee or to Council.
- Refer any report or memorandum to any other Committee or Council for consideration.
- To undertake any special project oversight as requested by Council.