Whangarei District Council

Notice of Meeting
A meeting of the Whangarei District Council will be held in the Council Chamber, Forum North, Whangarei on:

Wednesday
27 April 2011
10.00 am

Committee
His Worship the Mayor (Chairperson)
Cr C B Christie
Cr S J Deeming
Cr A J Edwards
Cr S M Glen
Cr P R Halse
Cr J S Jongejans
Cr G M Martin
Cr B L McLachlan
Cr S L Morgan
Cr K J Sutherland
Cr W L Syers
Cr M R Williams
Cr J D T Williamson
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Recommendations contained in the Council agenda are NOT Council decisions. Please refer to Council minutes for resolutions.
1. Public Forum

Reporting officer  Carolyne Brindle (Senior Meeting Co-ordinator)
Date  14 April 2011

Public Forum
Appendix F in Standing Orders allows for a period of up to 15 minutes to be set aside for a public forum at
the commencement of each monthly council meeting.
The time allowed for each speaker is 3 minutes.
Members of the public who wish to participate should send a written application setting out the subject
matter and the names of the speakers to the Chief Executive Officer at least 5 working days before the
day of the meeting.

Speakers
The following persons/organisations have indicated their intention to speak at today’s meeting:

<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.00 – 10.03am</td>
<td>Jane Davidson</td>
<td>Propose WDC introduce a Tree Protection Policy</td>
</tr>
<tr>
<td>10.04 – 10.07am</td>
<td>Jeff Griggs</td>
<td>Introduction of the Whangarei Youth forum to Councillors</td>
</tr>
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</table>
2. Minutes: Whangarei District Council  
Wednesday, 23 March 2011

Minutes of a meeting of the Whangarei District Council held in the Council Chamber, Forum North on Wednesday 23 March at 10.00 am

Present:
Councillor P R Halse (Chairperson)


Apology:
His Worship the Mayor M C A Cutforth

Moved: Cr Williams
Seconded: Cr Morgan

“That the apology be sustained.”

CARRIED

Also Present:
Area Commander P Dimery (New Zealand Police)  
Brian May

In Attendance:
Chief Executive Officer (M P Simpson), Chief Operating Officer (J Thompson), Group Manager Environment (P Dell), Group Manager Support Services (A Adcock), Group Manager Infrastructure and Services (S Weston), Democracy and Legal Services Manager (J Singh), Financial Controller (M Taylor), Communications Manager (P Rose), Property and Community Services Manager (M Hibbert), Senior Community Services Advisor (O Thomas), Community Safety Officer (D Palmer), Executive Assistant (J Walters), Agenda Co-ordinator (D Taylor) and Councillor Support (J Crocombe)

Cr Halse took time to acknowledge the disaster in Japan and those affected by this tragedy.

1. Public Forum

Brian May - Signage

2. Confirmation of Minutes of a Meeting of the Whangarei District Council held on 23 February 2011

Moved: Cr Jongejans
Seconded: Cr Syers

“That the minutes of the meeting of the Whangarei District Council held on Wednesday 23 February 2011 including the confidential section, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.”

CARRIED
3. **Confirmation of Minutes of an Extra-ordinary Whangarei District Council meeting held on 8 March 2011**

Moved: Cr Williams  
Seconded: Cr Deeming

“That the minutes of the Extra-ordinary Whangarei District Council meeting held on Wednesday 8 March 2011 having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.”

CARRIED

4. **Police Report**

Inspector P Dimery tabled and spoke to the report and answered questions from Councillors.

Moved: Cr Edwards  
Seconded: Cr Glen

“That the information be received.”

CARRIED

5. **North, South Central Storm Increase**

Moved: Cr Martin  
Seconded: Cr Deeming

“1. That the contract value for Contract 06002 (Road Maintenance North Area) be increased by $2,620,000 (excluding GST) bringing the total contract value amount to $29,260,573.

2. That the contract value for Contract 06003 (Road Maintenance Central Area) be increased by $200,000 (excluding GST) bringing the total contract value amount to $8,669,797.

3. That the contract value for Contract 06004 (Road Maintenance South Area) be increased by $1,100,000 (excluding GST) bringing the total contract value amount to $21,389,290.”

CARRIED

6. **2010 Triennial Elections Report**

Moved: Cr McLachlan  
Seconded: Cr Jongejans

“That the information be received.”

CARRIED

7. **Local Government Funding Agency**

Moved: Cr McLachlan  
Seconded: Cr Syers

“1. That this report be received.

2. That Council agree in principle to participate in the LGFA Scheme as a Principal Shareholding Local Authority, subject to feedback gained through consultation with the community. As a Principal Shareholder, Council would be required to enter into the following contractual agreements:
• Subscribe for paid up and unpaid capital in the LGFA,

• Enter into a guarantee agreement in favour of the LGFA and other guaranteeing councils,

• Provide a commitment to utilise the LGFA for a certain proportion of Council’s borrowing requirements over an initial period

3. That a Special Consultative procedure relating to this proposal is completed.

4. That staff prepare the required amendments to Council’s Investment and Liability Management policies.

5. That staff report back to Council once finalised LGFA establishment documentation is prepared and the Special Consultative procedure is completed.”

CARRIED

Tabled: 2011 Draft amendment to the Long Term Council Community Plan 2009-2019
Tabled: Submission Form of the 2011 Draft amendment to the Long Term Council Community Plan 2009-2019

These documents will be posted on Councils website and made available to the public as part of the consultation process.

Paul van der Sluis presented a power-point presentation on the Christchurch earthquake.

Exclusion of public

Moved: Cr Martin
Seconded: Cr Glen

“That the public be excluded from the following part(s) of proceedings of this meeting namely:

Item C.1 Minutes of the Confidential Meeting of the Whangarei District Council held on 23 February 2011

Item C.2 Property Transaction

Reason: To enable the council to carry on without prejudice or disadvantage negotiations

Grounds: Section 7(2)(i).”

CARRIED

The meeting closed at 11.09am

Confirmed this 27th day of April 2011

P R Halse (Chairperson)
3. Minutes : Creative Communities Assessment Committee
Tuesday 22 March 2011

Minutes of a meeting of the Creative Communities Assessment Committee held in the Council Chamber,
Forum North, on Tuesday 22 March 2011 at 1.00pm.

Present:
Cr S L Morgan (Chairperson)
C Carey, R Cranenburgh, G Eiger, S Tipene and B Yates

Apology:
Cr A J Edwards

Moved 
Cr Morgan
Seconded C Carey

‘That the apology be sustained.’

CARRIED

In attendance:
Senior Community Services Adviser (O Thomas), Community Services and Funding Officer (J Teeuwen) and
Councillor Support (J Crocombe)

1 Creative Communities Assessment Scheme – Round 2 2010-2011

Moved Cr Morgan
Seconded G Eiger

1. That the information be received.

2. That the following applications for Round 2 2010-2011 of the Creative Communities Scheme be
   Received and grants be approved in accordance with the criteria set by Creative New Zealand:

   a) Arnold, Colette ‘Light and Movement’ dance performance (as part of FOLA) - Declined
   b) Art n Tartan Wearable Arts Committee Art n Tartan Wearable Art Awards - $3,000.00
   c) Black Box Theatre Ltd ‘Pack of Girls’ production - $1,000.00
   d) CHART/Creative Northland Professional Development workshops - $2,500.00
   e) ENACT Ltd The Festival of Light and Art (FOLA) - Declined
   f) Flower, Peter and Maura Music festival - Declined
   g) Johnson, Kelly ‘Metamorphosis’ stage production - $1,000.00
   h) Northern Jazz Society Inc Community Organisations Initiative - Declined
   i) Northland Craft Trust The Festival of Light & Art (FOLA) - $5,000.00
   j) Northland Disabled Charitable Trust Forget Me Not Centre - painting exhibition - $550.00
   k) Northland Youth Theatre Senior Youth theatre play - $3,900.00
l) Prentice, Carole Ann  
‘The Lamentations of Te Whara’ photograph exhibition - $3,400.00

m) Scott, Josie  
African drumming workshops - Declined

n) Smith, Raewyn  
‘Destiny? I don't think so. Not here.’ art exhibition - Declined

o) Te Rununga A Iwi O Ngapuhi  
Indigenous art exhibition - Declined

p) Te Rununga A Iwi O Te Oranga Ake  
Dance/music modules & ‘Whangarei's got Talent 2011’ - Declined

q) The Blue Goose Papermill Charitable Trust  
Portable mural project - $815.00

r) The Story Bridge  
Legacy writing workshops - $1,880.00

s) Tuparehuia Marae Committee Charitable Trust  
Ngatiwai iwi celebration - $2,500.00

t) Whangarei Museum and Heritage Trust  
Matariki festival - $2,140.00

u) Whangarei Youth Music  
Public concert - $2,100.00

CARRIED

2 Creative Communities Scheme – Project Reports

Moved Cr Morgan  
Seconded S Tipene

“That the information be received.”

CARRIED

Next meetings:  
Round 1, 20 September 2011  
Round 2, 27 March 2012

The meeting closed at 2.37pm

Confirmed this 27 April 2011

Cr S L Morgan (Chairperson)
4. Minutes: 20/20 Inner City Development (City Centre/Urban Design) Subcommittee
   Thursday, 14 April 2011

Minutes of a meeting of the 20/20 Inner City Development (City Centre/Urban Design) Subcommittee held in
the Council Chamber Forum North on Thursday 14 April 2011 at 1.00pm

Present:
Cr P R Halse (Chairperson)
Crs A J Edwards, K J Sutherland and M R Williams

Apology:
His Worship the Mayor M C A Cutforth

Moved: Cr Edwards
Seconded: Cr Williams

“That the apology be sustained.”

CARRIED

Also present:
Crs C B Christie, S J Deeming, S M Glen, J S Jongejans, G M Martin, B L McLachlan, S L Morgan and
J D T Williamson

In Attendance:
Group Manager Environment (P Dell), Group Manager Support Services (A Adcock), Economic
Development Manager (P Gleeson), Parks and Recreation Manager (P McDonald), Policy and Monitoring
Manager (P Waanders), Property and Community Services Manager (M Hibbert), Executive Assistant
(F Watson), Senior Specialist (N Landingin) and Senior Meeting Co-ordinator (C Brindle)

1. Update on Town Basin Revitalisation

   Moved Cr Halse
   Seconded Cr Sutherland

   “1. That the report be received.

2. That the Subcommittee recommend to the Infrastructure and Services Committee that the
   additional parking for the Hub development be approved and that the attention to the
   bus drop off and resting area be addressed.”

   CARRIED

2. Update on the Review of Central Business District

   Moved Cr Edwards
   Seconded Cr Williams

   “1. That this report be received.

2. That the proposed concept plan for the CBD revitalisation, including the elements as set out in
   the agenda report, be endorsed for general stakeholder and public feedback.

3. That consultation with stakeholders be conducted, following the methodology endorsed by the
   Environment Committee in August 2010.”
Cr Martin left the meeting at 1.45pm during discussions on Item 2.  
Cr Williamson left the meeting at 2.10pm during discussions on Item 2.

The meeting closed at 2.25pm

Confirmed this 27\textsuperscript{th} day of April 2011

W L Syers (Chairperson)
5. Police Report

Reporting officer  Carolyne Brindle (Senior Meeting Co-ordinator)
Date  15 April 2011

The Police report had not been received at the time the agenda closed and will therefore be circulated prior to or tabled at the meeting.

Reporting officer  Jeffrey Devine (Roading Manager)
Date  29 March 2011

Vision, mission and values
This item is in accord with Council’s vision, mission and values statement as it supports sustainable transportation, providing a quality environment and provides improved access to assets that contribute to community health and well being.

Local Government Act 2002 – The four well-beings
Cultural  This item is expected to have a positive impact on local Iwi by incorporating cultural themes in the iconic design.
Economic  This item considers the appropriate use of public funds and will improve productivity of Whangarei by reducing congestion and improving travel times.
Environmental  This item has no effect on environmental issues.
Social  This item will have a positive impact on the local community by improving access for the Riverside, Onerahi and Whangarei Heads areas.

Contract 10013 – Lower Hatea River Crossing – Design and Construction

Introduction
The Council is undertaking the Lower Hatea River Crossing project to provide a road link between Riverside Drive and Port Road. This will connect Whangarei’s eastern suburbs with the City’s commercial and industrial areas along Port Road.

The Council has the following three objectives for undertaking this project:

- Provision of a critical road network link for the city
- Achievement of an iconic bridge on the marine approach to the city
- Providing an economic stimulus for local businesses in the city.

Significant progress has already been made on this project including the development of the Specimen Design, obtaining the necessary resource consents and securing funding from the New Zealand Transport Agency.

The purpose of this agenda item is to seek Council approval to award the design and construction contract so that a design/build contractor can be selected to take this project through to completion.

Contracting Method
The delivery of this project is being progressed through Contract 10013 on the basis of the Early Contractor Involvement (ECI) contract model. This involves appointing a preferred design/build contractor to determine the Total Out-turn Cost (TOC) and negotiate the form of contract for the Design and Construction works. This will enable the Contractor to be involved earlier in the project development, so they can influence and take ownership of the project design, with a view to achieving greater cost effectiveness and cost certainty in construction, as well as expediting the overall delivery.
The Early Contractor Involvement contract is broken into the following five Separable Portions (SP):

- Separable Portion 1 (SP1) – Investigations, Concept Design and Resource Consents
- Separable Portion 2 (SP2) – Specimen Design and development of Principal’s Requirements
- Separable Portion 3 (SP3) – Preliminary Design to develop the TOC and Contract Terms for SP5
- Separable Portion 4 (SP4) – Independent review of the TOC
- Separable Portion 5 (SP5) – Detailed Design and Construction.

The first two separable portions (SP1 and SP2) have already been completed.

This Contract (10013) involves Separable Portion 3 (SP3); Development of TOC and Development of Form of Construction Contract for SP5, in conformance with the Principal’s Requirements. SP3 is intended to choose a suitable local design and construction team to finalise the design utilising the benefits of early contractor involvement.

The Council has set the contract value as $200,000 (plus GST) for successful provision of the TOC, design and specification for the physical works.

It is anticipated that, pending confirmation that the construction cost is within the funded amount and subject to the contractor’s performance, Separable Portion 5 (SP5) Detailed Design and Construction will be contracted to the successful tenderer for SP3.

A separate approval will be sought from Council prior to awarding the SP5: Detailed Design and Construction contract.

**Project Scope**

The scope of the project will include:

- Approximately one kilometre of a new two lane road. This will be predominantly over the former Pohe Island Landfill
- Three two lane roundabouts
- A dedicated cycle lane and footpath
- Associated earthworks, drainage and ancillary works, etc
- A long multi-span (up to 300m) bridge with central lifting section for marine navigation. The bridge will span a 200m wide tidal waterway
- Marine navigational pontoons, fenders and ancillary works
- Minor dredging in the Hatea River
- Minor reclamation
- Provision of remote monitoring equipment for management of marine and motor vehicle traffic including operation of the bridge lifting section.

**Tender Process**

Tenders were called for the Lower Hatea River Crossing on the 16 November 2010. The tender documents were made available publically through the Local Government Tenders website.

To assist tenderers with the development of their submissions, the project team held interactive tender meetings with prospective tenderers.

Tenders closed on the 21 January 2011. Six conforming tenders and four alternative tenderers were received as detailed below:
Conforming Tenders
1. Albert Smith Industries Ltd
2. Downer EDI Works Ltd
3. Fletcher Construction Ltd
4. Fulton Hogan Ltd
5. Hawkins Infrastructure Ltd
6. Transfield Services/McConnell Dowell Joint Venture.

Alternative Tenders
1. Albert Smith Industries Ltd
2. Downer EDI Works Ltd
3. Fletcher Construction Ltd
4. Hawkins Infrastructure Ltd.

Tender Evaluation Team

The tender evaluation team was comprised as follows:

- Martin Leak (Resolve Group) – Chairman, Team Leader
- Mark Simpson (WDC Chief Executive Officer) – Team Member
- Simon Weston (WDC Group Manager Infrastructure and Services) – Team Member
- Paul Dell (WDC Group Manager Environment) – Team Member.

Tender Evaluation

Tenders were evaluated using the Quality Based Supplier Selection Method in accordance with the New Zealand Transport Agency Procurement Manual. This method involves an assessment of the tenderers non-price attributes. Tenderers, who could demonstrate that they were going to use Northland resources, had strong experience in lifting bridges and good iconic design experience were favoured.

Each tenderer was given the opportunity to present their tender submissions to the tender evaluation team.

These presentations were held on 7 February 2011 and 9 February 2011.

Based on the results of the tender evaluation team’s assessment, the tenders were ranked as follows:

<table>
<thead>
<tr>
<th>Tenderer</th>
<th>Non-Price Attribute Score</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfield Services/McConnell Dowell Joint Venture (Conforming)</td>
<td>85.81</td>
<td>1</td>
</tr>
<tr>
<td>Fletcher Construction (Conforming &amp; Alternative)</td>
<td>84.65</td>
<td>2</td>
</tr>
<tr>
<td>Fulton Hogan (Conforming)</td>
<td>82.79</td>
<td>3</td>
</tr>
<tr>
<td>Hawkins Infrastructure (Conforming &amp; Alternative)</td>
<td>78.08</td>
<td>4</td>
</tr>
<tr>
<td>Downer EDI Works (Conforming &amp; Alternative)</td>
<td>77.99</td>
<td>5</td>
</tr>
<tr>
<td>Albert Smith Industries (Alternative)</td>
<td>72.90</td>
<td>6</td>
</tr>
<tr>
<td>Albert Smith Industries (Conforming)</td>
<td>67.90</td>
<td>7</td>
</tr>
</tbody>
</table>

The preferred tenderer was the Transfield Services/McConnell Dowell Joint Venture as it had the highest overall score.

It was noted during the evaluation that none of the Alternative tenders (apart from the low ranked Albert Smith Industries tender) offered Council better value for money than the conforming tenders.
Preferred Tenderer

The preferred tender consists of a Joint Venture between Transfield Services Ltd and McConnell Dowell Constructors Ltd. The overall team includes the following:

- Transfield Services – Locally based contractors who will carry out the road construction. Currently they are the South Area Road maintenance contractors.
- McConnell Dowell – Award winning, nationwide construction company, who carry out major construction projects and will construct the bridge works.
- Peters & Cheung – Specialist Bridge and geotechnical designers, who will head the design team and carry out the bridge and geotechnical engineering.
- Eadon Consulting – Specialist lifting bridge designers based in UK who have designed about 30 lifting bridges.
- Knight Architects – Specialist award winning bridge architects based in UK who has also worked on lifting bridges.
- Northern Civil Construction Engineers – Local consulting engineering company who will carry out the roading designs.
- Other local subcontractors will also be used.

The estimated local input to the project proposed by the Transfield Services/McConnell Dowell JV is significant: $16M would be spent through local businesses and would use 65,000 man hours of local labour.

This is consistent with Council’s desire to keep work local wherever possible.

The Transfield Services/McConnell Dowell JV tender had an excellent overall team that could clearly demonstrate that they had the capability of carrying out the project. In particular, they had the strongest experience and expertise of constructing lifting bridges of all the tenderers.

Commercial Negotiations

Initial commercial negotiations have been undertaken with the Transfield Services/McConnell Dowell JV to establish key pricing elements that would be used in SP3 to develop the TOC. This includes establishing the contractor’s margin and hourly rates for key personnel and plant.

These negotiations have been undertaken prior to contract award to obtain as much commercial advantage as possible for Council. The negotiations have also established some early direction on possible contract types for the SP5: Detailed Design and Construction contract. This includes Lump Sum and Open Book Pain/Gain methods.

The proposed margin and rates have been reviewed and accepted as being appropriate by Martin Leak of Resolve Group and Ian Bond of Bond Construction Management who are both recognised cost estimators approved by NZTA.

Working Group

It is proposed to create a Working Group to supervise the development of this project. The purpose of this Working Group is to:

- Make key decisions during the development of the design and TOC.
- Control the development and implementation of the iconic design.
- Report progress on the project to Council.

As this project is being implemented as an Early Contractor Involvement (ECI) contract, the design will be developed as an interactive process between the contractor and Council. This will require Council to make
early decisions on key elements which will affect the outcome of the project. The Working Group will enable these decisions to be made in a timely manner without the need to go back to the full Council for specific approvals.

It is proposed that this Working Group shall consist of the following members:

- Cr Halse
- Cr Martin
- Cr Jongejans
- Chief Executive Officer
- Group Manager Environment
- Group Manager Infrastructure and Services.

Financial
The cost of this contract is $200,000 excluding GST.

Council’s remaining budget for this contract is $29,000,000. It is anticipated that this funding will be broken down into the following financial years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010/11</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2011/12</td>
<td>$18,000,000</td>
</tr>
<tr>
<td>2012/13</td>
<td>$8,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$29,000,000</strong></td>
</tr>
</tbody>
</table>

The New Zealand Transport Agency (NZTA) has allocated the following funding for this project:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigation</td>
<td>$640,000</td>
</tr>
<tr>
<td>Design and Construction</td>
<td>$28,520,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$29,160,000</strong></td>
</tr>
</tbody>
</table>

NZTA have set the subsidy rate for this project at 50% and have capped the funding at $29,160,000 resulting in a total possible NZTA share of $14,580,000. This means that any expenditure above $29,160,000 will not be subsidised by NZTA.

The remaining NZTA funding available for this contract after investigation, consent and tendering costs are deducted is $28,000,000.

NZTA has also advised that the costs to provide an ‘iconic’ design which is over and above that required for the bridge structure will not be subsidised.

During the development of the design, the TOC will be constantly reviewed to ensure that the project comes in within budget and the NZTA subsidy is maximised.

Recommendation

1. That the contract for Lower Hatea River Crossing - Design and Construction (CON10013) be awarded to the Transfield Services/McConnell Dowell Joint Venture for the tender sum of $200,000.00 (Two Hundred Thousand Dollars) excluding GST.

2. That a Lower Hatea River Crossing Working Group be established to guide the project and make key decisions during the projects development.

3. That the Lower Hatea River Crossing Working Group shall consist of the following members: Councillors P R Halse, G M Martin, J S Jongejans, Chief Executive Officer, Group Manager Environment and Group Manager Infrastructure and Services.
7. Future of rail in Northland

Reporting officer  Mark Simpson (Chief Executive Officer)
Date  13 April 2011

Vision, mission and values
This item is in accord with Council’s vision, mission and values statement as to create the ultimate living environment.

Local Government Act 2002 – The four well-beings

Cultural  No direct link.
Economic  The threat to continued rail services in Northland impacts on employment and on existing competition between rail and road freight, and would leave only the highway link between Northland and Auckland.
Environmental  Cessation of rail services would increase the number of heavy vehicles using the District’s roading network.
Social  No direct link.

Rail freight is slave to distance and cargo quantity.

Northland’s short distances and lack of cargo, except for dairy products and logs, does not offer a sustainable future for rail freight. KiwiRail reports that the Northland to Auckland line is not profitable to the extent of not funding annual maintenance costs of $2 million to $5 million.

Under KiwiRail’s Turnaround Plan, the continued operation of the Northland line is being reviewed. The Plan’s focus for investment is on the Auckland to Christchurch route, with most investment going to cutting times between Auckland and Wellington, and modifying Cook Strait ferries to enhance inter-island rail freight capability.

The Northland line requires a $200 million upgrade to meet modern rail’s needs – tunnel floors need to be lowered, and significant sections upgraded to remove speed restrictions which mean trains take five hours for the Whangarei to Auckland trip.

The Northland line carries around 300,000 tonnes annually – down from one million in its heyday – which represents just 2 percent of the freight carried in Northland. The Whangarei to Auckland line carries 200,000 tonnes, 1.35 percent of KiwiRail’s national freight.

KiwiRail has said that unless new anchor clients are identified, an option for the Northland line is its mothballing. This would entail withdrawing all services from the line for a period of at least five years to give time for alternative economic factors to emerge which would justify recommencing services.

These factors might include the establishment of mining or new forestry processing industries, fuel costs or a change in government transport policy away from the current focus on roading toward rail and coastal shipping.

The proposed Marsden Point link is touted as a potential saviour for rail in Northland, at a cost of $120 million.

KiwiRail’s position is that it would welcome the link, but it will not be the funder. Current central government transport policies rule it out as funder, also.

Currently some 1.36 million tonnes of logs make up Northport’s total cargo volume of 2 million tonnes. It has been estimated up to 25 percent of logs, or 340,000 tonnes, would be carried by rail if a link existed.
Other general cargo including woodchip, cement, gypsum and coal, could be carried internally by rail – but this cargo travels either to or from nearby Portland, a distance of less than 20km, over which rail is not economical (note NRC report, November 25 2010, Attachment 1).

The potential 340,000 tonnes of logs would not show an adequate return on the necessary $120 million investment. Based on the NRC report’s figures, income from logs would be around $6.8 million, with up to $5 million of this taken for maintenance not currently funded by Northland operations.

Only significantly increased volumes of cargo across the wharves will justify the building of the Marsden Pt rail link, and the only predictable source of this would be the diversion of cargo currently landed at Auckland. Without Auckland cargo, Northport will remain a relatively low value predominantly forestry port.

This introduces the need for the rationalisation of the three upper-North Island ports.

At present, the three ports are driven by regional interests as a result of local government ownership. Tauranga and Auckland, especially, have competed with each other to the enormous benefit of the shipping companies.

Many millions of dollars have been invested in the doubling up of infrastructure.

In the national interest, the three Regions need to drive a rationalisation of activities at the three ports, leaving, say, Tauranga to maximise returns on its proven efficiency as a container port, with Auckland downsizing to be a container port serving mainly the Auckland market.

Northport acknowledges an exercise would need to be done, but potentially Marsden Pt and Auckland could act as feeder container ports, utilising coastal shipping to the Tauranga hub. Marsden Pt is unlikely to ever handle significant container traffic.

Marsden Pt could receive the 300,000 tonnes of gypsum currently landed at Auckland from South Australia, and also the 110,000 cars landed at Auckland. There is sufficient land in port corporation ownership to cater for the landing of vehicles.

Auckland would be left with its container traffic on smaller ships and with its tourism shipping – economically important, as each of the current 62 calls a year by cruise ships is worth $1 million in direct economic benefit.

Auckland can accommodate ship draughts of 12.5m. The largest cruise ships have draughts of 9.3m, Queen Mary 2’s is 10.1m, and the Sun Class ships using Auckland have draughts of 8.1m.

Auckland may not have to dredge under rationalisation, a huge saving to the ratepayers of Auckland and of benefit to the environment.

The people of Auckland will eventually push for their waterfront back as part of the lifestyle of city living beside the sea. This sort of thing is happening around the world. The development of the waterfront will also support Auckland’s aim to be a truly international city and a destination in its own right.

The downside of port operations such as noise, traffic and other issues would be shifted elsewhere.

Instead, however, Auckland is continuing to invest in container facilities and is ‘future-proofing’ by completing an additional container berth by 2016 – what former Northland Port Corporation chairman Mike Daniel termed “the continued creation of very expensive capacity at the marginally profitable Port of Auckland”.

Only port rationalisation will see regional and national resources most economically invested in our ports, but given the ownership mix of the three ports – one wholly local government-owned, the other two listed companies – this will take high-level political debate to achieve.

Port rationalisation remains the most likely driver of construction of the Marsden Pt rail link, and only the Marsden Pt rail link will drive the retention of rail in Northland.

Given the realities of the national economy and the heavy investment in rebuilding Christchurch post-earthquake, Northland is not going to attract central government investment in both rail and road transport.
WDC and Northland’s other three local bodies should, through the Northland Mayoral Forum, maintain the stance that shortening road travel times between Northland and Auckland is our leading concern for the economic and other benefits which accrue from it, not the least of which are encouraging industrial investment in the region and improving Northlanders’ access to health treatments only available in Auckland.

Support for road versus rail should not be construed, however, as Northland local government dismissing rail as having any role in the region’s future transport systems.

While rail’s prospects are not rosy in the short-term, the Northland Mayoral Forum should engage with Auckland and Bay of Plenty Councils to discuss port rationalisation.

Rationalisation could mean Auckland unlocking the economic potential of its waterfront, and Northland gaining a more profitable port and justification for maintaining rail services in the medium to long term, for the benefit of the country and the ratepayers of the upper North Island.

With rail in Northland presently not viable and its needed investment ruled out, WDC and the other Northland local bodies should support the line’s mothballing, as opposed to closure, while decisions are made surrounding port rationalisation and to allow time for the other potential factors mentioned above to emerge.

Rail supports some 20 jobs in Northland, not all of which would be lost by mothballing, as the line would still need to be maintained during its period of inactivity.

The cessation of rail operations would mean an average extra 30 heavy vehicle movements per day on SH1 through Whangarei, which is not significant. There would be an average extra 23 heavy vehicle movements per day on Portland Road, which currently averages a minimum 260 daily heavy vehicle movements in the carting of logs, woodchip, limestone, cement and coal.

### Recommendation

That Council, should the decision be made to cease rail services in Northland, support a mothballing period for the Northland line to give breathing space for the potential emergence of economic factors which may determine the future viability of the line, and while issues such as port rationalisation are considered further.

### Attachment

NRC Report: Future of Rail in Northland
ISSUE: Future of Rail in Northland

To: Council meeting 7 December 2010

From: Vaughan Cooper, Growth and Infrastructure Manager

Date: 25 November 2010

Summary: The purpose of this report is to present the background to the role of Rail in Northland, including the Marsden Point Rail Link and discuss the future of Rail in Northland. It concludes with the recommendation that the report be received.

Report:

Background - Rail Ownership

For most of their history, New Zealand's railways were administered by the New Zealand Railways Department, with the Minister of Railways being a member of Cabinet. In 1982, the Railways Department was corporatised into a new entity required to make a profit, the New Zealand Railways Corporation. In 1990, the core rail operations of the Corporation were transferred to New Zealand Rail Limited, a state-owned enterprise, with the Corporation retaining non-core assets which were gradually disposed of, apart from a significant land portfolio (due to Treaty of Waitangi claims) which it continued to manage. New Zealand Rail Limited was privatised in 1993, with the new owners adopting the name Tranz Rail in 1995.

During the period of private ownership of the network, Tranz Rail was widely accused of diverting freight to its trucks and forcing other freight off the rails. It was also accused of deliberately running down some lines through lack of maintenance.

In 2003 shares in Tranz Rail dropped to a record low price on the New Zealand share market as a result of its poor financial state. The government then considered various schemes for bailing it out in return for regaining control of the rail infrastructure. Cited reasons included moving freight traffic from road to rail and ensuring access to the tracks for all interested parties. Toll Holdings of Australia made a successful takeover bid for Tranz Rail, subject to an agreement to sell back the infrastructure to the government for $1. This transaction took place in July 2004. The government committed $200 million of taxpayer funding on deferred maintenance and capital improvements via a new subsidiary of the New Zealand Railways Corporation, ONTRACK. ONTRACK was then to negotiate rail access fees with the new company, Toll NZ, but these negotiations eventually fell into arbitration at the start of 2008.

In May 2008 the government successfully concluded negotiations for the purchase from Toll of its rail and ferry assets, for NZ$690 million from 1 July 2008. The name of the new organisation created to operate services on the rail network was KiwiRail.

On 1 October 2008 the rail industry in New Zealand became a single entity. While its legal name is the New Zealand Railways Corporation (NZRC), it chose KiwiRail as its trading name. KiwiRail is a statutory corporation operating as a single entity with multiple business units. Governance is provided by a Board headed by Chairman John Spencer. KiwiRail is managed by Chief Executive Jim Quinn.

KiwiRail Freight provides rail freight services and locomotives for passenger services. KiwiRail Interislander operates the Cook Strait ferry passenger and freight services. KiwiRail Passenger provides urban passenger services in Wellington under contract to the Greater Wellington Regional Council through Tranz Metro business. It also
operates long distance passenger train services, TranzCoastal, TranzAlpine, Overlander and Capital Connection through Tranz Scenic business.

KiwiRail Network (formerly ONTRACK) maintains and improves the rail network and controls the operations of trains on the network. KiwiRail Network maintains its trading name of ONTRACK.

Background – Marsden Point Rail Link Investigations

Northland has experienced a significant increase in freight movement over time. The focus of previous governments has been to adopt a multi-modal approach to accommodating this increasing movement of goods. Rail was considered to have a critical role in the movement of freight within Northland and from Northland to places further south. A large driver of the internal freight movement is forestry.

The deep water port at Marsden Point is operational but does not have a rail link.

In 2003 NRC and TranzRail began a major investigation into the construction of a Rail Link between Oakleigh and Marsden Point. This project established the preferred route, engineering designs, costings and drafted the Assessment of Environmental Effects.

The Marsden Point Rail Link was becoming at risk from the increasing levels of development occurring at Marsden Point/One Tree Point. There was a real concern that new developments would build over the preferred rail link alignment and essentially make it impossible to complete the Marsden Point Rail Link.

NRC included a statement of proposal for the designation of the Marsden Point Rail Link in the 2007/2008 Annual Plan. NRC entered into a joint venture with ONTRACK to complete the designation and purchase the necessary land along the route.

The designation and resource consent application process has been undertaken. The applications were granted but have been appealed and there is one appeal remaining to be resolved. It is understood that this appeal is expected to be resolved by negotiation shortly and the designation and resource consent applications will then be confirmed.

Council has purchased a total of seven properties along the proposed Marsden Point rail corridor at a cost of $6.87M (GST exclusive). No properties have been purchased in the year ended 30 June 2010. The Council has agreed to purchase a further property at a cost of $4,450,000, with settlement on 1 June 2011. Where possible the residential dwellings and farm land are leased to ensure the properties are well maintained and to help offset the holding costs. As at 30 June 2010, the properties were valued at $4.105M (2009: $5.495M). The properties are a long term investment and Council expects the value of the properties to recover over the longer term when the recession is over. It is understood that there are no further properties to purchase.

What has changed recently?

With the change in government at the last elections we have seen a change in focus from the new Minister of Transport. The Government has made amendments to the Government Policy Statement for Land Transport funding which are heavily focused on roading projects which provide economic development. The government appears to have a single mode focus – road transport. As part of the amendment to the GPS, the government introduced Roads of National Significance (RONS). These are significant infrastructure developments that the government wants to see fast-tracked as much as possible. The project of interest to Northland is the Puhoe to Wellsford RONS.
This project has been termed the holiday highway by those who do not support it but it has a very clear economic development focus from the government's point of view - the project is about economic development and growth between Auckland and Northland (particularly Whangarei/Marsden Point). Whilst the project is focused on construction of a new route from Puhoi (the northern end of the tunnels) to north of Wellsford, the project includes a strategic assessment of the entire route north and consideration of key areas such as Te-Hana and the Brynderwys.

NZTA has recently announced a preferred alignment for the route between Puhoi and Warkworth. A copy of the most recent consultation newsletter is appears as Attachment A. NZTA is undertaking further analysis of the preferred route between Warkworth and Wellsford however it is expected to bypass Wellsford to the east (with one central Wellsford interchange) with a northern end point to the east of Te-Hana (addressing the route security issue at Te-Hana). NZTA is also drafting a strategic plan for the State Highway network between Auckland and Whangarei which is anticipated to recommend a bypass of the Brynderwys to the west.

It should be noted that the 30 Year Transport Strategy for Northland extends this route north to the Bay of Islands and significant progress is being made in Whangarei City developing an 80km/hr bypass through the city.

**Movement of Freight in Northland**

The most recent studies of Heavy Freight movement use the data compiled for the 2006 National Freight Study (this is the best available dataset). Rail currently moves approximately 300,000 tonnes per year - which is less than 3% of the freight task in Northland (when excluding movement of freight by coastal shipping and pipelines).

**KiwiRail turnaround plan announced**

Following the government buy-back of rail, KiwiRail has been undertaking a strategic review of its operations and in May 2010 announced its 'Turn-around Plan'.

"The KiwiRail Turnaround Plan is designed to see the rail freight business become sustainable within a decade by getting it to a point where it funds its costs solely from customer revenue," says The Hon Steven Joyce, Transport Minister.

The plan outlines KiwiRail's primary focus which is to make a step change in the Auckland to Christchurch route by:

- Reducing transit time and improve reliability along the route – easing curves, removing speed restrictions, greater renewals investment in bridges and sleepers and passing loops.
- Improving the exit and entry from Auckland and Wellington – improvements at terminals and on mainlines to reduce transit times and conflicts with commuter services.
- Increasing ferry capacity for rail freight - extend length of Aratere and making Kaitaki rail-capable.

The plan includes the intention to review business on North Auckland, Stratford-Okahukura, Napier-Gisborne and North Wairarapa lines. KiwiRail intends to undertake consultation with communities, customers, and staff. The Turnaround Plan indicates that they will close or mothball these lines if viable alternatives do not emerge. A summary of the Turnaround Plan appears as Attachment B to this item.

KiwiRail Chief Executive Jim Quinn is unfortunately unable to attend this Council meeting but has indicated his intent to attend a meeting of the Council early next year.
Mr Quinn will be able to provide an update on the Turnaround Plan and the North Auckland Line.

It is also hoped that Mr Quinn will be able to provide an update on current usage of the line, margins of profit/loss and how significant an increase in patronage is required to ensure the future of rail in Northland.

**Investigation of Rail costs in Northland**

With very few exceptions, freight cannot be transported door to door by rail. Road freight is required at one or both ends of the rail component to complete the delivery of goods. This concept needs to be remembered whenever making comparisons between the benefits of transporting freight by road or by rail. It is more accurate to make comparisons between road transport and a rail and road transport combination.

An initial brief desktop study has compared the cartage costs by rail and road for log cartage originating from Otihaia to Marsden Point via Whangarei (under the current situation of no-rail link to Marsden Point). Rail distance 60km.

**Cartage by Rail**
- Pick up (truck) $6.34
- Unload $0.25
- Re-Load $0.25
- Line haul to depot $5.00
- Unload $0.25
- Re-load $0.25
- Deliver (truck) $10.97
- Total Rail Cost $23.31

**Cartage by Road**
- Pick up line haul and deliver $13.68

The same analysis has been undertaken for the proposed situation of cartage costs by rail and road for log cartage originating from Otihaia to Marsden Point. Rail distance 100km.

**Cartage by Rail**
- Pick up (truck) $6.34
- Unload $0.25
- Re-Load $0.25
- Line haul to depot $15.00
- Unload $
- Re-load $
- Deliver (truck) $
- Total Rail Cost $21.84

**Cartage by Road**
- Pick up line haul and deliver $20.06

The above figures are approximate as the information on exact costs from individual line haulage operators is commercially sensitive.

Using the same analysis over a wider range of distances it becomes apparent that rail does not become competitive until the line haul distances exceed 160km and the Marsden Point Rail Link is in use (i.e. there is no transfer back to trucks in Whangarei).

A similar report was commissioned for an Australian Productivity Commission in 2006 which compared the economic costs of performing specific freight tasks by road and by rail. This report compared the costs of moving freight between Sydney and...
Brisbane (a distance of 1,000km) and between Penola and Portland (a distance of 160km). In both cases rail is almost half the cost of road transport – however it is important to note the distances of the examples. Otiria to Whangarei is approximately 65km. Otiria to Marsden Point is approximately 100km.

Earlier work commissioned by the International Road Transport Union undertook a comparative analysis of energy consumption and CO₂ emissions of road transport and combined road/rail transport. This study concluded that combined transport is not inherently superior to pure road transport in terms of environmental impact (measured by energy consumption and CO₂ emissions). Once again it should be noted that the study focused on long distance trips for its comparisons.

Implications of Rising Fuel Prices

It is reasonably certain that fuel prices are going to rise in the future. What is not certain is when and by how much. The exercise above regarding the cost of moving freight by road and rail has been recalculated based on a cost of diesel at $5/litre. Whilst this information has been forthcoming for the road transport component we have not been able to attain accurate figures for Rail and only have a best guess at the moment. Somewhat surprisingly the analysis shows that the distance at which rail becomes competitive increases with an increase in diesel cost. However this is based on assumptions that the diesel component of rail freight is the biggest operating variable and needs to be confirmed with KiwiRail.

Significance of Rail to Northport

Northport has indicated that the most important thing for it is a decision either way – indecision is not helpful. Northport does not see the development of a container port as a priority within its current strategic plan. However Northport predicts a continued future in bulk products and the potential to be the import centre for vehicle imports nationwide. Northport’s strength is the large amount of bulk storage area Northport has available through the adjoining industrial land.

Northport does not see itself being reliant on Rail for successful development but would prefer a decision either way so it has certainty going forward.

Future Use of Corridor

In 2006 the ONTRACK Board made an initial decision to not proceed with the Designation Process. NRC (and ONTRACK staff) canvassed a number of key existing and/or potential customers to help build the case for the Designation Process. Those businesses approached included:

- Carter Holt Harvey - North Mill & Futurebuild LVL
- New Zealand Refining Company
- Ballance Agri-Nutrients Ltd
- Imerys Tableware (formerly New Zealand China Clays Ltd)
- Golden Bay Cement
- GoldPine

The Council may consider it worthwhile re-approaching these companies for an update of their current and future transport requirements (assuming that KiwiRail has not recently undertaken this). It is noted from the initial meetings in 2006 that the Golden Bay Cement Coastal Freighter was due for replacement in 2012. At the time this was noted as an opportunity for future transfer to rail transport.
Moving Forward

It is becoming increasingly apparent that Northland (and in fact New Zealand) cannot afford duplication in its infrastructure networks and corridors (other examples include broadband fibre installation). Therefore two significant transportation corridors into the region are unlikely to be sustainable or supported by Government. Northland cannot rely solely on rail to move freight as there will always be a demand for "just in time" deliveries along with road transport requirements at each end of the rail component. However the region could conceivably rely solely on road transport for the movement of freight (assuming there are measurable improvements to the road network).

Northland essentially has two options:

Continue to support and promote the construction of the Marsden Point Rail Link and the upgrading of the North Auckland Line;

or

Accept that rail operations cease on the North Auckland line and focus on the movement of freight by road.

If Council continues to support Rail in Northland it may wish to re-engage with those customers previously identified as part of the business case for the designation. Council may also wish to act as a champion of the use of Rail and actively seek out new and additional freight customers for Rail.

If Council chooses to accept the closure of Rail in Northland, there are a number of interest groups who are keen to get access to the rail corridor for walking and cycling opportunities – with a focus on linking with the National Cycleway initiatives in the Far North and Kaipara Districts. Council may choose to support these initiatives.

It is noted that the 30 Year Transport Strategy for Northland currently promotes both options – upgrading of rail and roading improvements. It may be necessary for the Regional Transport Committee to consider amending the Transport Strategy should rail operations cease in Northland.

Compliance with Decision Making Processes:

The activities detailed in this report are provided for in the Council's 2009-2019 Long Term Council Community Plan, and as such are in accordance with the Council's decision making process and sections 76-82 of the LGA 2002.

Recommendation:

1. That the report, "Future of Rail in Northland", be received.
8  Hundertwasser Art Centre Whangarei

**Reporting officer**  Mark Simpson (Chief Executive Officer)

**Date**  14 April 2011

**Vision, mission and values**

This item is in accord with Council’s vision, mission and values statement as to create the ultimate living environment

**Local Government Act 2002 – The four well-beings**

**Cultural**  This project is of significant cultural significance to Whangarei District. It involves the creation of an art centre housing works in the District art collection, incorporating space to promote Maori art and culture and also containing original works by one of the 20th Century’s leading European artists, Friedensreich Hundertwasser. The project will anchor the art and culture precinct being created at the Town Basin.

**Economic**  An analysis of this project has identified considerable economic benefit to the District by establishing a national and international tourist attraction at the Town Basin.

**Environmental**  The built environment of urban Whangarei and of the Town Basin area in particular will be significantly enhanced by this project. It will play a major part in the “sense of place” Council seeks to create in its strategy to ensure a sustainable community to meet the needs of the anticipated increase in population in coming decades.

**Social**  The employment created by economic growth attendant with this project will improve the District and Region’s social indicators. This and the development of the art and culture precinct at the Town Basin will contribute to a growing sense of pride and of place within the District.

The 30/50 Sustainable Futures Growth Strategy completed by Council in its previous term predicted Whangarei District’s population to increase by a minimum 50,000 in the next 50 years.

These new residents will choose to live, work and play here for a variety of reasons connected to the “sense of place” they feel about Whangarei District, in other words what they find attractive about our area.

The District has steadily developed a wide range of community assets, including the central library, Kensington Stadium, international-standard hockey turfs, the all-weather athletics track, a world class BMX facility, the Aquatic Centre and Northland Events Centre. These amenities were all built with an eye to catering for the present needs of the people of Whangarei and for the District’s future growth.

The District has also attracted the development of a private school and significant private medical facilities and retirement complexes, so the District is well-placed to meet the community’s educational, leisure and social needs.

A critical part of the District having a sustainable community going forward is its ability to attract highly skilled professionals to live here.

Now and even more so in the future, we are in competition with the rest of New Zealand and the world for the doctors, engineers and other professionals we will need to maintain our industries, our health and education systems and our infrastructure to a high standard.

While people often do not see some community facilities as being of use to them personally, these same facilities can be extremely important in attracting the people the community needs.

Whangarei and Northland need to shape cultured, vibrant and stimulating centres to attract graduates, who seek a range of social and cultural amenities for themselves and their families. Museums, galleries, markets and public art all help create a sense of place for residents and prospective residents.
Whangarei is New Zealand’s eighth largest city-district, and Council continues to follow a strategy of developing the District to be among the country’s most desirable and affordable places to live, work and play.

Council has already initiated a significant redevelopment of the Town Basin, including the covered artisans’ market/entertainment area on the disused John Street bridge, the Art Walk and Heritage Trail, and the conversion of the former Hubands building to our local tourism hub and home to Whangarei Art Museum.

The new Hatea bridge will see the establishment of a walkway linking the Town Basin’s creative precinct with the sport and leisure focus of Pohe Island, and pave the way for future development of the northern bank of the Hatea River.

So Council has targeted development not only to meet the needs of its current community, but also to establish the sense of place which promotes the District as providing a wide range of lifestyle choices.

Council is now confident to take the next step in creating a Whangarei that is a sustainable community which will continue to draw the people we need and also attract investment and development.

Whangarei finds itself with a unique opportunity to establish a national and international cultural facility and tourist attraction at the former Northland Harbour Board building at the Town Basin to bring millions of dollars into the local economy.

The building is appropriately located at the heart of the art and cultural precinct in the Town Basin.

The conversion of the building to a Friedensreich Hundertwasser-designed art gallery and museum housing the best works in our District collection, high end Maori art and Hundertwasser originals will make Whangarei a tourist destination and transform the very perception of our city.

The building itself will be a stunning artwork on a grand scale and will immediately become one of New Zealand's few iconic buildings.

The relevance and history of the connection between Hundertwasser and this building are well-known and acknowledged by the Hundertwasser Foundation in Vienna.

In 1993 Hundertwasser sketched his ideas to doctor the building’s architecture along the lines of previous projects which made works of art of incineration and heating plants, railway stations and warehouses in Europe and Japan. The building at that time was occupied by the Northland Regional Council, which announced it had no plans to vacate the building, so the proposal lapsed.

In February 2008 the Hundertwasser Foundation gave its support for the remodelling of the Harbour Board offices in keeping with Hundertwasser’s design – in other words, it gave its permission for the world’s last authentic Hundertwasser building to be constructed at the Town Basin. It will be, apart from Kawakawa’s public toilets, the only Hundertwasser building in the Southern Hemisphere.

Council some years ago identified this site for an iconic building. It was always seen as being a museum, and Council’s 20/20 Plan for the Town Basin and CBD acknowledged the need for an iconic attraction at the Town Basin.

The Hundertwasser Art Centre would be that outstanding attraction. While there may be a lot of debate about what the projected “museum” should be, the Hundertwasser proposal is a truly unique, once-in-a-lifetime economic development opportunity for Whangarei District and Northland.

Our tourism business operators lament that Whangarei does not have a point of difference sufficient to attract greater numbers of domestic and international tourists to spend longer in our District. Tourism is significant to the Northland economy and is the industry promising the most growth in the short to medium term.

The Hundertwasser Art Centre Whangarei will divert significant numbers of tourists into Whangarei to lengthen their stay in Northland and leave more money in the local economy.

An Initial Market Appraisal and Preliminary Economic Impact Assessment prepared by Auckland art and tourism consultancy Visitor Solutions (Attachment 1) estimates the Hundertwasser Art Centre will attract up to 212,000 visitors to Whangarei in its first year, growing to 220,000 in a further five years.
The potential economic impact is conservatively estimated at a minimum $3.7 million exc GST per annum, and could be significantly higher. Consultants Griffiths and Associates have assessed that the Hundertwasser Art Centre can be built for $12.2 million exc GST, so the community would have its investment returned in 3.3 years.

The economic impact estimate does not include income from the Hundertwasser Art Centre. The $3.7 million benefit is based on the spend at food and retail outlets in Whangarei by the up to 220,000 who will come simply to look at the building.

The Visitor Solutions report looks at a number of other attractions, and notes The Kauri Museum at Matakohe (on State Highway 12, which has a traffic count only one quarter of State Highway 1’s immediately south of Whangarei) attracts 70,000 paying visitors.

The Kauri Museum had admission revenue of $721,000 exc GST in the past year, and this could be seen as an indication of the level of revenue the Hundertwasser Art Centre could generate even if only around one third of those who come to see the building also pay to gain admission.

In addition, the Art Centre will be a study destination for university art and architecture students from around the country, and it is anticipated it will be the subject of field trips for secondary school art students from throughout the Auckland region.

The building will generate additional revenue from sales of Foundation-approved Hundertwasser retail items, from the sale of Maori art and other items and from its café-restaurant.

The income from the Centre will cover its operating costs, with the wider economic benefit of $3.7 million going to the community.

The project fulfils the early vision of the Town Basin being a centre for passive recreation in Whangarei, and will become the anchor of the art and cultural precinct begun to be created by Whangarei Art Museum, the artisans’ market and other art installations there.

The Hundertwasser Art Centre will be the national and international attraction to bring people to the new and expanded waterfront environment at the Town Basin.

Whangarei will become known as a tourism centre of creativity and multi-culturalism.

This will transform the perception of Whangarei.

Whangarei and Northland are at a cross roads. The region’s GDP per capita is the lowest in the country; our average weekly earnings, employment growth and life expectancy are all below the national average.

If we are to change these indicators, we as a community have to take positive steps to promote economic growth as the means by which we can lift the economic, educational and health outcomes for Northlanders.

The Hundertwasser Art Centre will be a catalyst for this growth. It represents a unique opportunity to increase tourism and employment in Whangarei and Northland. There are potentially strong community benefits, too, as it is a project which can include a significant contribution from school pupils.

The project fits perfectly the “sense of place” philosophy driving the developments at the Town Basin.

There have already been expressions of support for the Hundertwasser Art Centre from prominent members of the Whangarei business community who are keen to be involved in the building of this outstanding attraction because of what it can mean for the future of Whangarei, its community and its economy.

The project has been identified, for example, as the catalyst for the construction of a high quality hotel in the CBD/Town Basin environs and for the establishment of other tourism-related attractions.

Criticism that the development of the Hundertwasser Art Centre would diminish the tourism pull of the Hundertwasser toilets in Kawakawa and have a negative effect on the township’s economy is unfounded.

The Whangarei facility would promote understanding of Hundertwasser’s architectural philosophies and draw additional attention to his work in Kawakawa. It is also the Foundation’s intention that the Town Basin be the starting point for high-end Hundertwasser tours which would take in the Kawakawa installation and the artist’s own home at Kaurinui – a wonderful attraction in itself, site of his interment beneath a tulip tree, and currently closed to the public.
The construction of the Hundertwasser Art Centre, were Council to proceed, could be funded by a number of methods, including by Public-Private Partnership, creation of a limited liability company or Council joint venture, or with assistance from philanthropists and government and non-government funding agencies or by Council paying for it outright.

Each of these methods will require Council funding. It is proposed that all funding methods for this economic development project be explored and analysed before Council considers committing to construction.

To bring this extraordinary economic development opportunity to the stage of presenting it to Council, spending of $214,000 has been authorised to date on travel, finalising agreements with the Hundertwasser Foundation, commissioning Hundertwasser architect Heinz Springmann to draw up plans for the Art Centre, and on the construction of a 1:50 architectural model of the completed building.

Heinz Springmann worked extensively with Hundertwasser on his other architectural projects, and was persuaded out of retirement by the Hundertwasser Foundation to create the building plans.

It is proposed that the model of the building will go on public display next month following a function at which the Hundertwasser Art Centre Whangarei project will be presented to the community.

Mr Richard Smart of The New Zealand Hundertwasser Foundation will address Councillors on this agenda item.

**Recommendation**

That Council confirms a preference for developing the Hundertwasser concept at the former Northland Harbour Board building at the Town Basin and will initiate public consultation on the proposal.

**Attachments**

Visitor Solutions: Hundertwasser Arts Centre Initial Market Appraisal and Preliminary Economic Impact Assessment
Hundertwasser Arts Centre

Initial Market Appraisal and Preliminary Economic Impact Assessment

April 2011
Acknowledgments:

The authors wish to thank Peter Gleeson, Economic Development Manager, Whangarei District Council and Phil Halse, Deputy Mayor, Whangarei District Council for the project’s initial briefing meeting. We would also like to thank Joram Harel, Hundertwasser Non Profit Foundation for his assistance with secondary data. The responses to questions from managers and owners of Hundertwasser buildings internationally are also gratefully acknowledged.

Disclaimer:

Information, data and general assumptions used in the compilation of this high level report have been obtained from sources believed to be reliable. Visitor Solutions Ltd has used this information in good faith and makes no warranties or representations, express or implied, concerning the accuracy or completeness of this information. Interested parties should perform their own investigations, analysis and projections on all issues prior to acting in any way with regard to this project.

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Section 1 Introduction

Visitor Solutions was appointed by Whangarei District Council to undertake an initial assessment of the potential visitor market and a preliminary analysis of the economic impact of the proposed Hundertwasser Arts Centre development in Whangarei.

The study begins with a review of the local population, latest visitor statistics and projected trends. It then considers the potential visitor experience to identify alignment with key future markets. The report moves on to consider other competitors and an analysis of key market trends.

Attention is then turned to examining the impact of other existing international Hundertwasser projects. Finally an assessment of potential visitor numbers and a preliminary high level appraisal of the economic impact of the proposed centre is made.

While the study identifies the overall probable economic impact of the proposed centre and visitor numbers to Whangarei likely to be interested in museums and galleries, it was beyond the scope of the assessment to address the potential paying visitor numbers to the proposed centre, or its viability and long term sustainability. These topics are more appropriately addressed in a full feasibility study.

In considering this report it is important to note that the brief called for a preliminary economic assessment and that the client had a short timescale between commissioning and the report’s required completion. As a result it was not possible to undertake any significant primary research and the report has therefore relied heavily on published and unpublished secondary data.
Section 2  Market Profile  - Whangarei and District

An important baseline market for any facility is the local population. This market can form the foundation in between more seasonally variable visitor markets. While this market does not directly bring new income into the community overall, it is important in sustaining the capability and capacity of other services and facilities.

2.1  The local population

Overall population

It is important to identify the size of the local urban population as this represents a significant baseline market for any new art gallery / museum facility. As at June 30 2010, the Whangarei city population was estimated at being around 51,900, the wider Whangarei District at around 80,000, and the full Northland region at around 157,400\(^{1}\). Over the last ten years these respective populations have increased slowly but steadily (Figure 1).

![Figure 1: Population growth for Whangarei City and District](image)

Overall, the Whangarei District population has increased by around 14.3% over the past ten years, with Whangarei City (9.3%) and the Northland Region (9.0%) having increased a little more slowly. This slow but steady rate of growth is currently forecast to continue for the next twenty years (Figure 2). The Whangarei District is projected to grow by about 14.4% to around 92,800 by 2031\(^{2}\), and the Northland Region by 7.7% to around 171,300\(^{3}\).

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1 Statistics New Zealand Subnational population estimates June 2010, viewed at March 30\(^{rd}\) 2011.  

2 This more recent population forecast for Whangarei District is slightly lower than that made in the 2010 Whangarei District Growth Strategy (100,530), which was based on earlier 2009 population projection data from Statistics New Zealand.  

Statistics New Zealand forecasts were not available at the lower spatial level of Whangarei City itself, but based on the previous ten year pattern of around 0.9-1.1% annual growth, it could be assumed that any Whangarei City growth would be largely consistent with the steady pattern projected for the wider District and Region. This would see an increase of around 8.0%, resulting in an estimated Whangarei City population of around 56,000 in 2031\textsuperscript{4}.

Figure 2: Forecast population growth for Whangarei District and Northland Region

2.2 Local participation in museum/gallery visits

These population estimates allow an indicative potential local market size to be calculated using extrapolations from cultural attraction survey responses. Statistics New Zealand and the Ministry of Culture and Heritage conducted a major national survey of approximately 13,500 adult New Zealanders (>15yrs) to query their participation in cultural activities over the previous 12 months, including visits to museums and art galleries\textsuperscript{5}. Among other findings this survey found that around 48% had visited a museum or art gallery. This represents an overall result for all of New Zealand, and minor variations were related to age-group, gender, ethnicity, education-level, income, residential location (rural/urban) and region.

Overall, those with higher education, income and residence in large urban areas were generally more likely to participate in such cultural activities. Some regions with better access to Museum/Gallery opportunities for their populations had higher participation levels (e.g. Wellington, 69%), while others were much lower (e.g. Taranaki and Bay of Plenty, 39%). Overall, Northland had a level of participation in museum/gallery visits of around 40%. However, it is likely (and can be reasonably assumed that the figure would be higher in the more urban-proximate Whangarei District (e.g. 43%) and in Whangarei City itself (e.g. 50%).

\textsuperscript{4} This is only an indicative estimate based on current Statistics New Zealand projection patterns for related areas.

\textsuperscript{5} \textit{A Measure of Culture: Cultural experiences and cultural spending in New Zealand}. Statistics New Zealand and the Ministry of Culture and Heritage (2003). Viewed at \url{http://www.stats.govt.nz/browse_for_stats/people_and_communities/time_use/measure-of-culture.aspx}
These estimated figures suggest that of the 2010 Whangarei City adult population aged over 15 (=40,067), around 20,000 Whangarei City residents would probably visit a museum or art gallery at least once a year \((at 50\%)\). If the remaining adult population aged over 15 in the wider Whangarei District outside of the city (=21,700) were included, around 9,500 more would probably visit a museum or art gallery at least once a year \((at 43\%)\). This adds up to a likely local market of around 29,500. While these figures are estimated conservatively using assumed visit percentages, the population figures are based on accurate population data from Statistics New Zealand, and the estimated visit level percentages are based on results from a large and robust national survey by Statistics New Zealand.

Overall these estimates give a good indication of the likely minimum level of visits of at least once a year. In fact the survey went on to calculate that of the people who did visit a museum or gallery in the previous 12 months, 64% visited either once or twice, 30% between three and six times, and 7% more than seven times. This represents an indication of the potential baseline of potential visitors provided by local resident adults. These baseline local visitor numbers would further be supplemented by the commonly larger effect of domestic and international tourist visitors at visitor attractions, and of school and educational groups.

### Implications for Proposed Development

- Local population within the District of 80,000 is predicted to grow by 14.4% by 2031.
- 64% of adult New Zealanders (aged over 15) visited a museum or gallery, either once or twice in the previous 12 months.
- Based on an overall 2010 Whangarei adult population (aged over 15) of around 61,767, and assuming different conservative propensities to visit museums and galleries from Whangarei City (50%) and District (43%), the total potential adult market (aged over 15) for museums and galleries can be assumed to around 29,500 in the Whangarei District overall (that is they visit a museum/gallery at least once or twice in the year).
Section 3  Market Profile - International and Domestic Visitors

3.1 Northland visit numbers

Almost 5.5 million total visits (including day and overnight visits) were estimated to have been made to Northland in 2010, and around 5.8 million visitor nights were spent by visitors in commercial accommodation (Figure 3). Visitors stay on average for around 3 nights per visit to Northland, and the total visitor spend in Northland is estimated at $593M.

Figure 3: Domestic and Overseas visit measures – Northland

<table>
<thead>
<tr>
<th>Visit measures</th>
<th>Domestic</th>
<th>Overseas</th>
<th>All Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day Visits</td>
<td>3,169,557</td>
<td>312,866</td>
<td>3,482,424</td>
</tr>
<tr>
<td>Overnight Visits</td>
<td>1,470,211</td>
<td>497,970</td>
<td>1,968,181</td>
</tr>
<tr>
<td>Total Visits</td>
<td>4,639,768</td>
<td>810,836</td>
<td>5,450,604</td>
</tr>
<tr>
<td>Visitor Nights</td>
<td>4,108,777</td>
<td>1,734,398</td>
<td>5,843,175</td>
</tr>
<tr>
<td>Av Nights/Overnight Vis</td>
<td>2.8</td>
<td>3.5</td>
<td>3.0</td>
</tr>
<tr>
<td>Visitor spend ($NZm)</td>
<td>441</td>
<td>153</td>
<td>593</td>
</tr>
</tbody>
</table>

Source: Ministry of Economic Development - Regional Tourism forecasts (2010)

A large majority of visits are made by New Zealanders, who comprise 91 percent of the day visits; 75 percent of the overnight visits; 85 percent of all visits overall; and 70 percent of all visitor nights. Overseas visitors stay longer, with 3.5 visitor nights compared to 2.8 for domestic visitors.

Overall, domestic visitors spend around $441M (74%) compared with $153M (26%) by overseas visitors. These figures highlight the key role played by domestic tourism. By volume the domestic market is the largest source of visits and visitors to Northland. This is emphasised in Figure 4, which also shows projected slow but steady growth in visits out to 2016 (which is more likely to be driven by the international market).

Figure 4: Domestic and Overseas visit measures – Northland

6 These are not counts of the number of visitors, but measures based on the number of site visits they make or nights they spend.
3.2 Northland visit patterns

There are some distinct features in the patterns of visitor activity that affect visitor attractions in Northland. A key component of this is seasonality. This is demonstrated most clearly in accommodation patterns from tourist visitor data. Figure 5 shows the quarterly counts of visitor nights in the Northland RTO area, in which extreme seasonality is apparent for both domestic and overseas visitor activity.

Figure 5: Visitor nights in the Northland RTO January 2000 to September 2010

The dotted lines in Figure 5 represent overall trends since 2000; it is clear that the slight growth in overseas visitor nights in Northland is countered by slight decline in domestic visitor nights. This has resulted in a largely static level of total visitor nights in Northland over the last ten years. This is reinforced by the number of accommodation providers, and their daily capacity, barely changing since 2000.

In 2000 there were 60 providers with a daily capacity of around 2,646, compared to 59 providers with a daily capacity of around 2,788 in 2010. As shown in Figure 5, the occupancy of these accommodation providers has been highly seasonal and largely static in terms of overall numbers.

The average annual overall percentage of overseas total visitor nights has increased from about 35 to around 40 percent (Figure 6). This reinforces the conclusion that although domestic tourism dominates in numbers the overseas market is growing in importance. Any future growth in overall numbers is likely to be more strongly based on overseas visitors.

Figure 6: Proportion % of overseas visitor nights – Northland RTO (2000-2010)
The static overall pattern in Northland visitor nights was not consistent with the pattern for the Whangarei District, where the overall trend was one of slow increase (Figure 7). However, because official visitor accommodation data are not available with the overseas/domestic splits at this territorial-authority level, it is not possible to specifically determine the role played by overseas visitor growth.

Figure 7: Total monthly visitor night counts – Whangarei District (2000-2010)

Another component of seasonality is the difference between the overseas and domestic visitor patterns. This is seen best using an example from the Northland RTO figures since October 2007 (Figure 8), which was the date when regular monthly visitor night counts replaced the previous quarterly counts.

Figure 8: Total monthly visitor night counts – Whangarei District (2000-2010)

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1 The domestic and overseas split was not available for visitor night counts at the Territorial Authority level.
Figure 8 shows a more even spread of overseas visitor nights across the summer season; while domestic visitor nights show an extreme peak during the Christmas holiday period in January, followed by a secondary peak at Easter. The impact of domestic Easter activity combined with the more evenly spread pattern of overseas visitor nights together creates a shoulder-season period around September/October and April/May each year. Total visitor nights peak in line with the domestic summer holidays. Between June and September the presence of both domestic and overseas visitors is low, generating correspondingly low visitor night levels.

These seasonal and overall trend patterns for Northland also hold for the Whangarei area. Figures 9 and 10 respectively show the annual and monthly counts of visitor numbers to the Whangarei I-site from 1995 to the present day. The patterns are very consistent with the wider Northland visitor data, and suggest that the Whangarei I-site data are a good indicator of overall patterns in visitor numbers.

Figure 9: Total annual visitor counts – Whangarei I-Site (Jan 1995- Feb 2011)

![Figure 9: Total annual visitor counts – Whangarei I-Site (Jan 1995- Feb 2011)](image)

Source: Whangarei I-Site visitor data

Figure 10: Total monthly visitor counts – Whangarei I-Site (Jan 1995-Feb 2011)

![Figure 10: Total monthly visitor counts – Whangarei I-Site (Jan 1995-Feb 2011)](image)

Source: Whangarei I-Site visitor data

This is also particularly useful information as it shows much longer term trends in overall visitor numbers to Whangarei and Northland. This helps put the recent declines in visitor numbers into the wider context of a longer term pattern of visitor growth overall. It is clear however that in recent years this growth has largely ceased, and the direction from here will depend on wider tourism strategies and the global and domestic economic situation.
3.3 Northland Visitor flows

Visitor use patterns are also related to visitor flows around the region. The Tourism Flows Model\(^8\) summarises these flows as passenger movements. These are dominated by the use of road-based transport and the presence of Auckland as the main international airport for overseas visitors. Auckland is also the main population source for domestic visitors. Data from the International Visitor Survey and Domestic Travel Survey showed that almost all travellers to Northland arrived by road. Among overseas travellers around 80 percent arrived and moved about using cars, vans, or campervans. Of the remaining 20 percent most had used buses. Among domestic users the most dominant mode of transport was cars and vans, which were used by over 90 percent of travellers.

The main travel pattern was that the further the distance from Auckland the progressively smaller the road flows and the greater the overseas visitor proportions within them (especially in summer). Figure 11 shows this feature in the forecast passenger movement numbers for 2011 on the main road (State Highway 1) leading north from Auckland to Whangarei. It includes the corresponding forecast number for the Auckland Southern motorway as a comparison*.

Figure 11: Road passenger movements north from Auckland (2011 forecast)

<table>
<thead>
<tr>
<th>Location</th>
<th>All passenger movements</th>
<th>Overseas visitors</th>
<th>Domestic visitors (day &amp; overnight)</th>
<th>% Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orewa-Warkworth</td>
<td>9,313,000</td>
<td>914,000</td>
<td>8,399,000</td>
<td>9.8</td>
</tr>
<tr>
<td>Warkworth - Wellsford</td>
<td>6,533,000</td>
<td>856,000</td>
<td>5,677,000</td>
<td>13.1</td>
</tr>
<tr>
<td>Wellsford - Brnderwyn</td>
<td>6,541,000</td>
<td>860,000</td>
<td>5,681,000</td>
<td>13.1</td>
</tr>
<tr>
<td>Brnderwyn-Waipu</td>
<td>5,320,000</td>
<td>757,000</td>
<td>4,563,000</td>
<td>14.2</td>
</tr>
<tr>
<td>Waipu - Whangarei</td>
<td>5,017,000</td>
<td>746,000</td>
<td>4,271,000</td>
<td>14.9</td>
</tr>
<tr>
<td>Whangarei to Kawakawa</td>
<td>3,746,000</td>
<td>717,000</td>
<td>3,029,000</td>
<td>19.1</td>
</tr>
<tr>
<td>*Auckland Southern Motorway</td>
<td>21,900,000</td>
<td>2,248,000</td>
<td>19,652,000</td>
<td>10.3</td>
</tr>
</tbody>
</table>

Source: Tourism Flows Model\(^8\)

This shows that the overall volume of all traffic and passenger movements declines the further north of Auckland you go. One variation comes at Wellsford where traffic from the main alternative route to and from Auckland (State Highway 16) feeds in to State Highway 1, but the overall pattern is one of decline in number. However, the pattern is different for overseas travellers.

Figure 12 shows that further to the North, the proportion of overseas traffic and passengers increases. Around 20 percent of those going north from Whangarei comprise overseas travellers. The volume of overseas travellers declines only around 4 percent between the Waipu - Whangarei and Whangarei – Kawakawa road sections, while the corresponding volume of domestic visitors declines by almost 30 percent. Figure 12 illustrates this difference using descriptive road flow maps.

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These maps emphasise that practically all overseas travellers reaching Whangarei and heading north will also go through Kawakawa before dispersing on different regional routes (for exploration and other routes of return southwards towards Auckland). In this respect Whangarei and Kawakawa appear closely connected sequentially in the tourism travel flows. By contrast many of the domestic travellers have Whangarei as their destination and do not continue north. These patterns are also more acute in the summer months when more overseas travellers are present, although more domestic overnight travellers are also present over the peak summer holiday period.

A further aspect of these visitor flows is that the nationalities of overseas travellers through Northland are not consistent with the pattern of visitor arrivals to New Zealand. Data illustrated in the latest 2007 Summary Report from the visitor flow data\(^9\) show that high proportions of Australian, UK, Nordic, North American and European visitors travel north from Auckland, but that most Asian visitors travel south along traditional high profile tourist routes. Northland visitor origins are explored further below.

### 3.4 Visitor origins

These tourist visitors come from a variety of places in New Zealand and overseas (Figure 13). By far the most significant source of visitors is Auckland. Aucklanders undertook almost half (44.6%) of all visits to sites in Northland during 2009. Northlanders making visits in their own region account for almost another third (30.6%) of all visits.

The remaining quarter (24.8%) of all visits are made by a range of international and domestic visitor groups led by Australia (5.4%), Waikato (3.5%), United Kingdom (2.8%) and ‘Other’ Europe (2.1%). However, while some of these percentage figures are small, they still represent large numbers of visits. While the United States only accounts for 1.2 percent of all visits, this in fact represents almost 66,000 visits. Similarly, while Germany only accounts for 1.1 percent of all visits this still represents over 59,000 visits. This means that attention to specific potential niche market areas – even if they are relatively small in overall percentage terms - may still have high importance for attracting large numbers to particular destination attractions.

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It is also apparent from Figure 4 that overall total visits from 2009-2016 are projected to increase by over 175,000 (3.2%). Again, while this is a small percentage increase it does represent a large number of actual visitors. Overall, this net growth is projected to be completely due to overseas visitors, whose visits from 2009-2016 are projected to increase overall by around 23 percent (186,374). By contrast, visits by domestic visitors are projected to decline by around 0.2 percent (-11,077).

Past and projected visit number trends for the main overseas visitor groups (over 50,000 visits) are summarised in Figure 14. This highlights the high expected growth rate in visits by Australian visitors, which are the most significant in overall numeric terms. These are projected to increase to around 380,000 visits overall in 2016. Visits from American, European and the UK visitors are also expected to increase, but at a lower rate and representing lower numbers overall. And although smaller in overall numbers, visits by Korean and Chinese visitors are expected to increase by the greatest percentages.
Figure 14: Past and projected total visits - Northland

Source: Ministry of Economic Development - Regional Tourism forecasts (2010)

Taken together, this large growth in overseas visitor activity does represent considerable visit potential. And although growth in the domestic visit activity is projected to remain largely static, the high numbers of visits involved also represent a considerable market opportunity.

The market opportunity here appears to be more dependent on specifically targeting a share of the existing Northland visit market. In essence intercepting those visitors who are passing and who are predisposed to museum and gallery experiences, and/or the type of wider experience that could be offered in the Town basin precinct.

3.5 Spending Patterns

3.5.1 Estimated Visitor Spend

Analysis of the current available data indicates that:

- The average daily expenditure for an international tourist (per visitor night) in Northland RTO has been forecast to be $88\(^{10}\) in 2009.
- The average daily expenditure of a domestic tourist in Northland RTO has been forecast to be $107\(^{10}\) in 2007.
- It is estimated that 12.5% of the average daily expenditure is spent on food and beverages, 22.4% on retail sales (excluding fuel) and 12.7% on other tourism products\(^{11}\).
- For every $1 in direct tourism spend it is calculated that there is $1.32 indirect tourism added value to the economy\(^{11}\).

Note: Visitor Solutions own data suggests official international daily expenditure data may be being underestimated for a range of reasons. However, in order to be conservative official data has been utilised for the purposes of this report.

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\(^{10}\) Source: Ministry of Tourism, NZ Regional Forecast, 2010 - 2016.

NOTE: The figure is an average for all tourists and includes transportation and accommodation costs.

\(^{11}\) NZ Statistics, Tourism Satellite Account 2010
Implications for Potential Development

- Over 5.8m visitor nights per annum were spent in Northland with the majority (4.1m) being attributed to domestic visitors.
- The largest domestic market is the Auckland region with 2.4m visitor nights per annum.
- Visitor patterns are seasonal, with a peak in the Christmas / January holiday period.
- Visitor numbers to the Whangarei i-Site increased until 2007. As a result of the current economic climate numbers have declined to approximately 200,000 visitors per annum.
- Strong visitor flows to the north of Whangarei with 717,000 international and 3,029,000 domestic road passenger movements per annum.
- While there has been a short-term decline in some key tourism markets the long-term projections are for steady growth, with Australian numbers growing strongly in particular.
- For every $1 in direct tourism spend it is calculated that there is $1.32 of indirect added tourism value to the local economy.

Different visitor groups have different trip patterns, durations, accommodation and travel types, and spending levels. Such variations are not only related to different nationalities, but also to different niche-groups with different interests, preferences and travel styles. In the New Zealand tourism data there are basic descriptive tourist profiles based on nationality and on certain tourism activity types. Among these activity types is ‘Museum Tourism’. Selected key results from the corresponding museum tourist profile are summarised as part of the following sections describing cultural visitor activities in Northland.
Section 4 Cultural tourism activities in Northland

Visitors to Northland undertake a wide range of leisure activities, and indicative details on the types of activities participated in is collected by the Domestic Travel Survey (DTS) for domestic visitors, and the International Visitor Survey (IVS) for overseas visitors. Figure 15 lists the percentages of visitors making visits to different types of cultural and/or heritage tourism attractions in Northland. These survey-based percentages can be applied to the overall estimated numbers of visitors to Northland to give overall estimated participant numbers for the different activities.

Figure 15: Participation in cultural/heritage tourism activities in Northland

<table>
<thead>
<tr>
<th>Visitor Activity types</th>
<th>Overseas % (IVS)</th>
<th>Overseas numbers (estimated)</th>
<th>Domestic % (DTS)</th>
<th>Domestic numbers (estimated)</th>
<th>Total numbers (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heritage Attractions</td>
<td>22%</td>
<td>52,490</td>
<td>2%</td>
<td>81838</td>
<td>134,328</td>
</tr>
<tr>
<td>Museums and Galleries</td>
<td>11%</td>
<td>26,502</td>
<td>2%</td>
<td>94572</td>
<td>121,074</td>
</tr>
<tr>
<td>Entertainment</td>
<td>8%</td>
<td>20,354</td>
<td>2%</td>
<td>80520</td>
<td>100,874</td>
</tr>
<tr>
<td>Cultural Attractions</td>
<td>3%</td>
<td>7,251</td>
<td>0%</td>
<td>7374</td>
<td>14,625</td>
</tr>
<tr>
<td>Gardens</td>
<td>2%</td>
<td>3,870</td>
<td>0%</td>
<td>0</td>
<td>3,870</td>
</tr>
<tr>
<td>Arts And Crafts</td>
<td>1%</td>
<td>1,313</td>
<td>0%</td>
<td>6015</td>
<td>7,328</td>
</tr>
<tr>
<td>Performing Arts</td>
<td>0%</td>
<td>984</td>
<td>1%</td>
<td>37975</td>
<td>38,959</td>
</tr>
<tr>
<td>Major Art/Culture Event</td>
<td>0%</td>
<td>925</td>
<td>0%</td>
<td>5074</td>
<td>5,999</td>
</tr>
</tbody>
</table>

Source: Ministry of Economic Development – Domestic Travel Survey and International Visitor Survey – data year ending December 2010

While only 11 percent of overseas visitors in Northland went to ‘Museums and Galleries’, this actually represented over 26,000 individual visits. And while only 2 percent of domestic visitors in Northland went to ‘Museums and Galleries’ this actually represents almost a further 95,000 individual visits. Combined they totalled over 121,000 individual visits to ‘Museums and Galleries’ in Northland.

Reflecting a similar interest in culture and heritage, around a further 134,000 visits had been made to ‘Heritage attractions’; 100,000 to ‘Entertainment’ attractions; 39,000 to ‘Performing Arts’; 14,500 to ‘Cultural Attractions’; and thousands more visits to ‘Arts and Craft’ attractions, ‘Gardens’, and ‘Major Art/Cultural Events’. While these types of attraction categories have not been defined further, they do indicate a large baseline interest in arts, heritage and cultural activities among visitors to Northland.

When compared to most other Regional Tourism Organisation areas, one activity feature which was relatively unique to Northland was a notably higher proportion of visits to ‘Heritage Attractions’ by overseas visitors (22%). Canterbury had by far the highest level of visits to ‘Heritage Attractions’ (31%). While visits to ‘Museums and Galleries’ were also relatively high in Northland for overseas visitors (11%), Wellington had by far the highest level of visits to these (44%), reflecting the impact of Te Papa. However, museums are an important component of the potential Northland visitor product, with around 22 recorded in the region.12

12 The Museum Tourism Profile (2009) records museum numbers in Canterbury (38), Auckland (36), Wellington (31), and Otago (27). Northland has the next largest number at 22 museums. See full profile at:
4.1 Museum Tourists

Overall, the Museum Tourism Profile\textsuperscript{13} indicated that visits to museums by overseas visitors have increased since 2003. This reflects the overall growth in overseas visitor numbers, with the relative propensity for these overseas visitors to visit museums having stayed relatively constant at around 27 percent. The relative propensity for domestic visitors has also remained constant at around 2 percent. But with a slight decline in domestic visitor numbers the overall visits to museums by domestic visitors has declined.

Any overall growth in visitor numbers should in turn be reflected in increased visits to museums. There may also be some latent demand given the overall overseas visitor propensity to visit museums nationally (27%) is greater than that for Northland (22%). Hence there may be some potential to grow the market should suitably high quality experiences be offered.

Other notable findings about overseas ‘museum tourists’\textsuperscript{14} from the museum tourism profile indicated some distinct characteristics overall:

- 43 percent of ‘museum tourists’ were from overseas (57% Domestic).
- Australians made up the largest overseas market for ‘museum tourists’ (28%), although this reflected their higher visitor numbers overall rather than any higher propensity to visit museums.
- The overseas tourists with highest propensities to visit museums were Germans (48%), British (40%), and Americans (36%). The overseas visitor overall propensity was 27 percent, with Australians having a relatively low propensity (19%).
- Overseas museum tourists were on longer trips to New Zealand and spent more relative to other overseas tourist visitors ($3,517 vs. $2,710 overall), partly reflecting their longer stays. People staying longer and spending more were also likely to have higher propensity to visit museums.
- Only 5 percent of overseas ‘museum tourist’ visitors to New Zealand are actually visiting Northland.
- Overseas Museum tourists were relatively younger than other overseas visitors and were largely independent travellers. By contrast domestic museum tourists were likely to be older than other domestic tourists overall.
- Semi-independent travellers (SITs) had the highest proportion of overseas museum tourists (45%), and had the highest propensity to visit museums (32%). Package travellers were only a small proportion of overseas museum tourists (7%), but had relatively high propensity to visit (30%). Free Independent Travellers (FITs) were a high proportion of overseas tourists (38%) but had relatively low propensity to visit museums (22%).

All of these summary results from the Museum Tourism Profile - indicate that museum tourism interest represents a particular subset of the wider overseas and domestic visitor markets. In particular, the types of overseas visitors likely to visit museums appear to be potentially more ‘valuable’ tourists to New Zealand, tending to stay longer and spend more overall. The challenge to attraction providers in Northland is identifying how to capture not only an increased share of the wider visitor market overall, but also an increased share of the wider ‘museum tourist’ market, many of whom are not currently travelling through Northland.

\textsuperscript{13} Using its tourism statistics, the Ministry of Economic Development have prepared a number of descriptive profiles of different types of tourists, among these is a 2009 profile of ‘Museum Tourism’. See full profile at: http://www.tourismresearch.govt.nz/Documents/Tourism\%20Sector\%20Profiles/Museum\%20Tourism\%202009.pdf

\textsuperscript{14} Note that these ‘museum tourists’ were defined by being recorded as having visited a museum and it does not mean that museums were the focus of their travel. Clarifying this would require more specific research.
### 4.2 Iconic building developments

The type of transformational Hundertwasser development proposed for the old Northland Regional Council building at the Whangarei Town Basin has a number of interesting precedents around the world. There have been a number of examples where art museums or developments associated with specific artists, designers or architects have been created to bring urban regeneration into cities through tourism and related business and investment. Such ‘cultural infrastructure’ is usually based around the creation of an iconic building or facility at the heart of a wider cultural and economic development plan.

Most famous of all these examples is the Guggenheim Museum in Bilbao, which since its construction in 1997 is widely credited with transforming a depressed area of Bilbao, and significantly re-defining the image and brand of the whole city and also the role of museums. Other iconic Guggenheim museums are located in New York, Venice, and Berlin, and a spectacular new development is underway in Abu Dhabi. But the Barcelona example is that most associated with wider objectives to grow tourism, business and economic opportunity. The positive outcomes attributed anecdotally to these types of developments have been most popularly termed ‘the Guggenheim effect’ or ‘the Bilbao effect’; and many other proposals have been made elsewhere in the expectation that similar outcomes could be generated. The limited analysis available suggests there can be benefits, but that these need to be considered on a case by case basis.

A recent economic analysis on the return of investment from the Guggenheim Bilbao concluded that the positive economic returns associated with growing tourism numbers, employment and tourism-related business were proven in this case. However, this paper also concluded that such signature architecture does not guarantee urban re-development, and that while the Bilbao case has been positive, the success of other developments will depend on local conditions and the nature of any other associated planning and development processes. This echoed an earlier review of the Guggenheim Bilbao, which concluded that its success was the outcome of special political and socio-economic circumstances which made it a unique case that should not be replicated uncritically. And this conclusion was also made in a recent review of “Bilbao effects”, which as well as emphasising that the development occurred within a wider context of change, also noted that one of its main effects was in fact to give decision-makers and communities more empowerment and confidence to undertake those other processes of change.

The works of Gaudi have also been used over time in a variety of buildings to progressively redefine the branding of Barcelona and to generate tourism and economic growth. Inspired by this example ‘The Gaudi Centre’ was developed in Gaudi’s home city of Reus in 2008. No other Gaudi architecture was represented in his home city and local authorities considered this represented an opportunity to develop a cultural centre that was also part of a wider marketing strategy. As stated in its initial economic impact analysis, “the aim of the Gaudi Centre is not to generate profits directly as a museum (it is not expected to be profitable) but to achieve global urban benefits (even from activities not directly related to the Gaudi Centre) for the city and its surrounding area”. Taking that into account, this analysis also concluded that subject to data and assumption limitations, the construction, operation and business attraction from the Gaudi Centre would have an important economic effect in the local economy.

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Alignment with Proposed Development

- A significant museum / gallery development can influence visitor patterns and activities as shown internationally by the types of changes sometimes described as the ‘Guggenheim effect’. In New Zealand we could refer to the ‘Te Papa effect’, with 41% of visitors to Wellington having visited the museum or gallery.
- Australians are numerically the largest market for ‘museum tourists’, although Europeans tourists in particular have higher propensity to visit museums and galleries.
- Low levels of visits to Northland by ‘museum tourists’ indicate potential latent demand (potentially in the longer term dependant on a critical mass of quality attractions).
- Internationally the creation of an iconic building or facility at the heart of a wider cultural and economic development has had significant wider positive impacts on the local economy. However, the facilities themselves are not necessarily economically viable on their own without subsidies.
Section 5  Analysis of Other Hundertwasser Developments

Hundertwasser designed developments have been used at different sites to generate positive outcomes for local communities in a variety of ways, including through tourism and business, but fostering an enhanced sense of community, sustainability and improving the quality of the living environment.

These types of examples are not well documented in general, but a few indicative studies have been done and many developments have ongoing websites associated with them. It has been possible to gather some preliminary information about the types of projects undertaken, what they involved, and some of the indicative outcomes for tourism and local communities/economies.

Information identified on other Hundertwasser developments is summarised below.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Tourism context and impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hundertwasserhaus</td>
<td>Converted residential apartment block - This is one of Vienna's most visited sites and is considered part of Austria's iconic cultural heritage. There are businesses around it that benefit from sightseers. The building itself is still residential, incorporating 52 apartments, 4 offices, 16 private terraces and 3 communal terraces. It was not established specifically to attract tourism or economic development.</td>
</tr>
<tr>
<td>1983-1985 Vienna, Austria.</td>
<td></td>
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</tbody>
</table>
| Church of St. Barbara     | Converted town church - This is in a coal mining and glass producing town (population 5,500). The Church is for St Barbara, the patron Saint of Miners, so the Church and the district heritage are closely linked. It was converted predominantly to attract interest to the area. Town authorities say it does attract many visitors annually (40-50,000), and visits are only short (2-3 hours) to look at a set of town attractions.  

There was an initial boost in tourism visitors (300,000) as there was a town/district-themed 'glass and coal' exhibition associated with the church re-opening. Overall, they say that the direct added-value from tourism related directly to the church visits itself is relatively small, but the branding and market value overall has been high (as was initially hoped for).  

They would like to find ways to keep people in Barnbach for longer. Hundertwasser insisted that the surroundings of the church had to be included in the development, which has resulted in a more attractive and interesting outcome. |
| 1987-88 Barnbach, Austria.|
| Village Museum            | Converted village building - This is in a traditional village building altered somewhat by Hundertwasser design in cooperation with the community of this small rural village. It was a community project engaged in by Hundertwasser when he was living in the area.  

The tourism impact is not known at this stage, and no specific information has been found to date. It is only open Friday-Sunday and Public Holidays in Summer months from 2.00-4.30. Entry is 5 Euro for adults (Seniors 4 and Children 2). It is also now part of a Hundertwasser-themed walking track in the immediate area, linking with some Hundertwasser designed fountains built in 1994 in the nearby town of Zwettl, and the converted barn in which he lived. |
<p>| Roiten 1988 Roiten, Waldviertel, Austria.|</p>
<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>District Heating Plant</strong></td>
<td>Converted city heating plant - This is a converted heating plant based on garbage incineration. It is a highly modern, efficient and emission-friendly facility which provides power to around 60,000 Vienna households. This environmental value made it acceptable to Hundertwasser. The purpose of the Hundertwasser conversion was to make the unpopular plant more acceptable to the public. It has succeeded in this, and is also now one of Vienna's iconic buildings. It is also iconic more widely as an example of blended industry, architecture and art. It inspired similar industrial conversion developments in Japan (see Mashima Incineration Plant and Mashima Sludge Centre below). The tourism impact is not known at this stage, and while the principals have been contacted no specific information has been found to date.</td>
</tr>
<tr>
<td><strong>Children's Day-Care Centre Hedernheim</strong></td>
<td>New build of a day care centre - The City of Frankfurt commissioned Hundertwasser to design a day-care facility as part of an initiative to create more facilities in Frankfurt, and as a development project for the northern districts of the City. This was not designed as a tourism attraction. The tourism impact is not known at this stage, and while the principals have been contacted no specific information has been found to date.</td>
</tr>
<tr>
<td><strong>Motorway Restaurant Bad Fischau</strong></td>
<td>Conversion of old restaurant - A restaurant chain asked Hundertwasser to redesign one of their old restaurants in a small spa town on the main highway from Vienna. The objective was to attract more visitors and increase turnover. The tourism impact is not known at this stage, and while the principals have been contacted no specific information has been found to date.</td>
</tr>
<tr>
<td><strong>KunstHausWien</strong></td>
<td>Conversion of old factory - The only Hundertwasser art gallery/museum in a Hundertwasser designed building conversion. It includes a Hundertwasser museum, art galleries, a museum shop and a café/restaurant. It is run as a private business with no public funding. In 2009 it received almost 180,000 visitors. It is now managed as a Private-Public partnership by Vienna Holdings as part of a cultural set of iconic museums in Vienna including the Mozart house, the Jewish Museum and the Vienna House of Music.</td>
</tr>
<tr>
<td><strong>In the Meadows Bad Soden</strong></td>
<td>New build of a residential living complex - A residential complex equal in size to the Hundertwasserhaus in Vienna was built in this German town (population 22,000). It also integrated and refurbished some existing buildings including a historic monument house built in 1722. Like the Viennese project, the complex in Bad Soden was brick-built with concrete ceilings. Five stairwells lead to the apartments situated on nine levels. The apartments, some of which take up several storeys, are designed as &quot;houses within the house&quot;. They have individual ground plans, and every dwelling area has terraces with greenery or roof gardens. The arrangement of the various units of the building, their varying heights and forms, make the complex resemble a fortress. The tourism impact is not known at this stage, and while the principals have been contacted no specific information has been found to date.</td>
</tr>
<tr>
<td><strong>Living Beneath the Rain Tower</strong></td>
<td>Converted residential living complex - Hundertwasser was invited to design improvements to a large residential complex in the German town of Plochingen (population 14,500). While the outside of the complex is relatively conventional (by Hundertwasser standards), the large parts facing the open space enclosed by the building are typical Hundertwasser style. The building is one of the features of the town, and is featured on the homepage of the town’s website. It has not been determined that tourism was a motivation for this development, but it appears the town views it as a key part of their imaging. It is referred to in travel recommendations as one of the main things to see in the town. The tourism impact is not known at this stage, and while the principals have been contacted no specific information has been found to date. There is a cafe included in the complex.</td>
</tr>
<tr>
<td>Project</td>
<td>Location</td>
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<tr>
<td>----------------------------------------------</td>
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</tr>
<tr>
<td>Quixote Winery</td>
<td>Napa Valley, California USA</td>
</tr>
<tr>
<td>Rogner Bad Blumau</td>
<td>Bad Blumau, Austria</td>
</tr>
<tr>
<td>Zwettl Fountain and Walking Track</td>
<td>Zwettl, Waldviertel, Austria</td>
</tr>
<tr>
<td>Kids Plaza Osaka</td>
<td>Osaka, Japan</td>
</tr>
<tr>
<td>Project Name</td>
<td>Details</td>
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<tr>
<td>--------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Martin-Luther-Gymnasium in Wittenberg 1997-1999</td>
<td>Converted old school buildings- This was a preparatory secondary-school conversion in the city of Wittenberg (population 50,000). Hundertwasser was asked to design the conversion and did so for free. Now the school is one of the most popular and most visited places in Wittenberg, and the school has a special visitors centre room which is successfully led by the students. It provides information; sells souvenirs and runs 45 minute booked guided tours of the school to view the buildings. Charges are minimal at around Adults €2.00  Students €1.00. This conversion was done for largely aesthetic reasons and the minor tourism activity is a bonus. The wider tourism impact outside of the school is not known at this stage, and while the principals have been contacted no specific information has been found to date.</td>
</tr>
<tr>
<td>MOP Maishima Incineration Plant 1997-2001 Osaka, Japan</td>
<td>Converted waste incineration plant - Like the plant at Spittelau in Vienna, this project converted an industrial facility. It was done as part of a wider 'Maishima Island Project' and Hundertwasser was invited to design the building conversion, which also includes a technology upgrade to provide the most modern waste management technology available. Part of the motivation was to raise awareness of waste management issues. This project was not done specifically as a tourism or wider economic development project. However, there is tourism and visitor interest, and they run three free booked 1.5 hour tours each day. They report that while some come to view the technology, many also come specifically to experience the unique design. Since opening in 2000, they report they have had over 200,000 visitors. This is an impressive number since they do no tourism promotion.</td>
</tr>
<tr>
<td>The Forest Spiral of Darmstadt 1998-2000 Darmstadt, Germany</td>
<td>New build of a residential living complex - The local building association commissioned Hundertwasser to design a housing complex of 105 residential units in the city of Darmstadt (population 15,000). Hundertwasser's idea was to plan the building so that it rose up on the site in the form of an afforested spiral. The building begins to rise on the south-western corner of the site in a constantly climbing meadow to a final height of nine stories on the south-eastern corner of the site, where a twelve-story tower rises up 41 metres providing a unique accent. The facades were designed by Hundertwasser to represent the earth's sedimentary strata. This project does not appear to have been driven by tourism or economic objectives, although this cannot be confirmed at this time. The wider tourism impact is not known at this stage, and while the principals have been contacted no specific information has been found to date. This building was completed in 2000 - the year Hundertwasser died.</td>
</tr>
<tr>
<td>Project Name</td>
<td>Details</td>
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<td>------------------------------</td>
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<tr>
<td><strong>Altenrhein Indoor Market</strong></td>
<td>New build of a market hall complex - The building was originally designed as a market hall where organic products from the region could be offered for sale. However, now it also serves as a setting for cultural events and is an attraction in itself. It includes event space, restaurant, art shop, gallery and space for film, slide show and audio-visuals. The gilded onion domes, bright colours, curved lines, ‘unlike’ windows, uneven floors, garish ceramic columns, shady covered walks and grassy roofs are the characteristics of Hundertwasser’s architecture. In his design he wanted uniformity, sterility and anonymity all removed. His goal was a people-friendly environment to enable individuals and nature to be together. The building is open 10-5.30 in summer and 1.00-5.30 in winter. Tours and AV shows are available at a cost of 5 Swiss francs (around 3 Euro) and children are free. Tour groups are 70 Swiss francs (around 50 Euro). The wider tourism objectives and impacts are not known at this stage, and while the principals have been contacted no specific information has been found to date.</td>
</tr>
<tr>
<td><strong>Kawakawa Public Toilet</strong></td>
<td>Converted toilet block - The Kawakawa Business and Development Association approached Hundertwasser to redesign a toilet block in the main street. This was done principally to create a tourism feature in the town, and to provide a basis for future development. This appears to have been successful as according to numerous anecdotes the toilets have put Kawakawa on the tourism map. One report indicated that up to 300 tourists were visiting the toilets on the more busy days in 2000. Also in 2000 the toilets were awarded the &quot;Premier Creative Places Award 2000&quot; at the Local Government New Zealand Annual Conference. This project involved many elements of the local community in design, consultation and construction, and town residents have a strong sense of attachment to the facility. A souvenir shop incorporating Hundertwasser designed features was opened across the road and other art, craft and tourism related businesses have developed. It has been felt by people interviewed in a 2002 analysis that while the toilets themselves created no direct income, they did attract much higher visitor numbers and had indirectly been the catalyst to new opportunities and greater confidence in the community. No specific tourism counts or other indicative data have yet been obtained in relation to the Kawakawa toilet project impact, nor has any analysis of tourism and economic effect been found. However, there are strong anecdotal indicators that this has been a successful initiative.</td>
</tr>
<tr>
<td>Project Name</td>
<td>Type</td>
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<tr>
<td>------------------------------------</td>
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<tr>
<td>Hundertwasser Station, Uelzen</td>
<td>Converted railway station</td>
</tr>
<tr>
<td>Maishima Sludge Center</td>
<td>Converted sludge treatment plant</td>
</tr>
<tr>
<td>The Green Citadel of Magdeburg</td>
<td>Converted residential building complex</td>
</tr>
<tr>
<td>Ronald McDonald House, Essen</td>
<td>New build of a Ronald McDonald house - Hundertwasser had drawn sketches for this facility to accommodate families of children undergoing treatment for serious medical conditions at the University clinic in Essen. It is one of 14 Ronald McDonald houses in Germany, and many more worldwide. This facility includes 17 rooms, comfortable common rooms, a large kitchen, game and hobby rooms and a green oasis in the courtyard away from the busy hospital. Each year up to 350 families stay at this Ronald McDonald House. The building is also located within a highly valued natural park in Essen, and the construction and operation of the facility had to meet high standards of environmental protection. The development was not aimed at tourism outcomes, and they consider it does not have a great impact on tourism and the local economy. But it does attract interest from art and architectural tourists and they run regular guided tours to show the architecture and the nature of the work they are doing with the families. Since the house opened in 2005, the facility managers estimate they have had around 25,000 tourist visitors taking tours, and many more viewing the building from the surrounding parklands. They consider that this has bought more people to Essen overall. In addition, they consider that the design does add a dimension to their facility which has allowed them to create more interest and achieve greater funding support.</td>
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<tr>
<td><strong>Ronald McDonald Kids Valley (Kindervallei) Rainbow Spiral of Valkenburg aan de Geul</strong>&lt;br&gt;2005-2007&lt;br&gt;Houthem St. Gerlach,&lt;br&gt;Netherlands</td>
<td>New build of a Ronald McDonald house - This is a second project based around development of a new Ronald McDonald house around a Hundertwasser design. It is the first Ronald McDonald House attached to a rehabilitation center in Europe, and the only Hundertwasser feature in the Netherlands. It is located near the village of Houthem (population 1,500) which is 11km from the City of Maastricht (population 19,000). This project was not done specifically as a tourism or wider economic development project, but they report they do have considerable tourist interest and they run guided tours at a charge of €10 per person. They say that most people visiting tell them of their previous visits to other Hundertwasser sites including the Hundertwasserhaus and KunstHausWien in Vienna; and the Church of St Barbara in Barnbach. They said that they had been told that the Kawakawa toilets in New Zealand were also well known for tourism.</td>
</tr>
</tbody>
</table>
**Kuchlbauer Tower**
1999-2009
Abensberg, Germany

**New build of a tower** - This is the most recent Hundertwasser designed facility to be constructed. It involved construction of a 35m Tower within a historic old brewery complex in the town of Abensberg (population 13,000). This town is in the middle of an ancient beer brewing and hop-growing region, which was not on the main tourism routes in Bavaria (apart from specialist beer tourism).

The owner of the Kuchlbauer brewery persuaded Hundertwasser to create a design for an iconic tower. This was aimed at generating more awareness and interest in the brewery, and local businesses supported the initiative. There was resistance from town authorities and the Tower had to be reduced from 70m to 35m to satisfy heritage concerns in the ancient village. At the end of its first year of opening in January 2011 it received over 150,000 people, although only 50,000 were expected.

In summer it is reported that they often have to turn away visitors and bookings are recommended. Prior to the Tower it is reported that they had one tour a week, and now that they have one every 30 minutes at peak times. They have also developed a special winter market to help increase numbers in the off-peak winter period.

The facility is currently described as the number 1 tourist attraction in Abensberg. Local restaurants are also reported to have had an increase in bookings of around 40 percent since the Tower was completed.

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**Alignment with Proposed Development**

- Hundertwasser buildings have demonstrated the potential to attract significant visitor numbers at various locations throughout the world, predominantly in the Northern Hemisphere.
- The majority of buildings have another function, with the Hundertwasser design adding a significant visual and branding impact.
- The visual impact of the Hundertwasser design has tended to support the primary function of the buildings (such as brewery, spa, commercial accommodation, residential accommodation, retail, industrial plant).
- There are few examples where Hundertwasser and his legacy are the primary purpose / function of the building (e.g. a Hundertwasser specific museum or gallery in a Hundertwasser dressed building). Hundertwasser’s objectives were more aligned with transformation of existing resources to enhance the quality of life, environment and sustainability.
Section 6  Competitor Analysis

A review of competing visitor attractions within the central and upper North Island, and more widely throughout New Zealand, was conducted (Appendix A). A sample of competing or arguably more importantly ‘visitor perception forming’ attractions are outlined below.

In terms of potential iconic profile (although this remains subjective until further information about current proposal is available) the nearest two comparable attractions are the Auckland Art Gallery and the Auckland Museum.

<table>
<thead>
<tr>
<th>Name</th>
<th>Auckland War Memorial Museum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Auckland Domain</td>
</tr>
<tr>
<td></td>
<td>Auckland</td>
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</tbody>
</table>

Auckland War Memorial Museum was established in 1852, moving to the current site in 1929. Auckland Museum is recognised as holding nationally and internationally significant collections and tells the story of New Zealand, its place in the Pacific, and its people.

The Museum is home to millions of objects, provides educational services to over 60,000 school children annually, and is one of New Zealand’s most popular man-made tourist attractions with around half a million visitors every year.

The Auckland Museum offers a range of education programmes for Early Childhood Centres through to Secondary Schools. Fixed date programmes are only available at set times of the year and other programmes are available by request throughout the year.

| Opening Hours               | The Museum is open from 10am to 5pm, 7 days a week. |

| Charges                     | Entry is free for all Aucklanders and a $10 donation is suggested from adults from outside Auckland. Children and students aged 15 years and under are free. Maori cultural performance $25 (Adult – Auckland), $35 (Adult –Non Auckland which includes $10 entry). An additional $10 is charged for a guided gallery tour. Education programmes (minimum 20): Students: $4 - $8 (depending on programme) Teachers and parents: No charge. |
Auckland Art Gallery, Toi o Tāmaki, is the home of the visual arts in New Zealand with a collection of over 14,000 artworks. The Auckland Art Gallery is New Zealand’s oldest established and largest public art gallery. Opening in February 1888, the gallery has increasingly become a focal point of Auckland’s rich and diverse cultural fabric, and now lies at the heart of the New Zealand art experience for both the local community and visitors alike.

The Gallery has an educational programme for primary, secondary, tertiary students and adults, and provides a range of teaching resources.

**Opening Hours**
Open 7 days a week, 10.00am to 5.00pm

**Charges**
No charge. Most education programmes are free of charge, however some are charged at $6 per student.

In terms of the northland local market the competing attractions include the Kauri Museum and on a smaller scale the Clock Museum. Along with the Whangarei Arts museum, the Clock Museum could also be considered a complementary attraction given the close proximity at the Town Basin and the different content focus.

**Kauri Museum**

**Location**
Matakohe

**Marketing Description**
The Kauri Museum in Matakohe, Northland, provides an insight into Northland’s heritage and pioneer past and attracts approximately 70,000 visits per year. The award winning The Kauri Museum, Matakohe, tells the fascinating story of the pioneering days through the use of kauri timber and kauri gum.

There are many displays and galleries inside the museum, from our magnificent collection of antique kauri furniture and the largest collection of kauri gum in the world, to restored machinery, including NZ’s earliest tractor, a 1929 Cat 60, and a turning steam sawmill. At the Kauri Museum you are able to view a two storey life-sized replica Boarding House, a Pioneer School and the historic Matakohe Post Office with a fantastic collection of telephones.

**Opening Hours**
Open from 9.00am to 5.00pm daily.

**Charges**
Adults $17.00 Child (5 to 15yrs) $4.00 Family (2 Adults & Children) 35.00 Seniors (65yrs +) $15.00 Students (with current student I.D) 15.00
<table>
<thead>
<tr>
<th>Name</th>
<th>Claphams National Clock Museum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Whangarei</td>
</tr>
</tbody>
</table>

**Marketing Description**
The Clock Museum is believed to contain the largest collection of clocks in the Southern Hemisphere.

The collection of 400 clocks and music boxes, some extremely rare and most in working order, form the basis of Claphams National Clock Museum today. They became permanently enshrined in local history when in 1961 Archie Clapham sold his collection to the local Council for a nominal sum, effectively gifting this amazing collection to the community he had adopted.

**Opening Hours**
Open from 9.00am to 5.00pm daily.

**Charges**
- Adult $8
- Children $4
- Senior $6
- Family (2 Adult, 4 children) $20

<table>
<thead>
<tr>
<th>Name</th>
<th>Whangarei Arts Museum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Whangarei</td>
</tr>
</tbody>
</table>

**Marketing Description**
The Whangarei Art Museum is the public art museum for the city and district and the only public gallery in Northland. Nearby are the cultural amenities of Forum North exhibition hall and theatre, public library, conservatory and fernery.

It is the home for the city art collection which embraces heritage and contemporary art work and several significant bequest collections. Nationally recognised for the quality of its curatorship, the art museum is also the venue for touring and internally curated exhibitions - designed to showcase the full diversity of creative art practice in Northland and New Zealand.

The art museum fulfils a broader role in researching and documenting the artists of the region, telling the story of the district through its permanent collection, publishing catalogues and a quarterly magazine, and the on-going involvement of schools and educational institutions. Its mission is to acknowledge, preserve and showcase the visual arts history of the region, with a focus on our place in the Pacific and bicultural heritage.

This museum is shifting location to the Whangarei Town Basin to enhance the arts and culture hub that is developing there.

**Opening Hours**
Open from 10am−4pm Monday to Friday, and 12pm−4pm Weekends.

**Charges**
Entry by koha/donation
The wider Auckland attraction market is also an important consideration given that many of the proposed Centre’s visitors are likely to be drawn from the Auckland region or will have passed through. A further breakdown of potential competitor or perception forming attractions is included in Appendix A.

Arguably the most important trend domestically is for museum and gallery style attractions to become low or no cost activities. The Voyager New Zealand Museum (formerly New Zealand Maritime Museum) has recently become free to Auckland residents, while the Auckland War Memorial Museum has recently waived its $5 dollar donation system.

Attractions such as the Auckland Zoo are also heavily orientated towards the domestic market and have established fee structures which are considered appropriate to attract repeat visitation and high annual attendance. The Zoo offers entry fees of $20 for adults and $10 for children (family passes, two adults and two children are $54). The all of the above identified facilities in Auckland receive direct and indirect operational assistance (Appendix A).

Visitor Solutions own research over the past ten years is strongly indicating a very clear split in visitor perceptions. The majority of visitors perceive gallery and museum offerings should now be free or no cost while a far higher willingness to pay still exists for ‘attractions’ (such as zoos, aquariums and theme parks).

### Implications for Proposed Development

- There are no similar facilities to that of the proposed Hundertwasser Centre within New Zealand or within Australasia.
- Visitors are increasingly basing perceptions about payment (willingness to pay) on facilities such as Auckland Art Gallery, Auckland Museum and Te Papa.
- Following the current trend of many museums and galleries these facilities have no or low fee structures (as that market is more price sensitive).
- The new Centre will need to consider very carefully how it structures its entry fees.
- The new centre will need to consider very carefully how it interacts with other facilities at the Town basin (e.g. Clapham Clocks and Whangarei Art Museum).
Section 7  Support of Hundertwasser Non Profit Foundation

7.1  Commitment of the Foundation

The Hundertwasser Non Profit Foundation is supportive of the development of a Hundertwasser Centre in Whangarei. The Foundation has indicated it wishes to assist in developing a unique permanent exhibition ensuring the artistic potential of the museum and art gallery is maximised and is authentic to the original Hundertwasser ideals and designs.

The Foundation has identified a commitment to curate a comprehensive presentation of Hundertwasser's art and his impact in the fields of art, architecture, ecology and environment through the establishment of a permanent exhibition.

The Foundation indicated that this would include some early works, original paintings, original graphic works, tapestries, architectural models of realised Hundertwasser buildings in the scale of 1:50, Hundertwasser original postage stamp designs, some samples of his book designs, on the ecology side a plant purification installation as well as his humus toilet, his flags designs for New Zealand, Australia, the Middle East, and East Timor.

7.2  Implications for the Centre

In identifying the support for the project the Foundation has suggested a number of areas where a commitment will be required by the centre. These include:

- An allowance for the costs of installation, exhibition tools and showcases.
- Budget for construction of architecture models, framing, production of didactic materials and text to the exhibits.
- Museum shop. The Foundation has indicated that they will ‘guide and maintain a direct involvement to guarantee the fidelity to the quality and reputation of Hundertwasser, his message, his works, his person in publications and merchandise presented in the museum shop’.
- Developing detailed strategic, tactical plan for public relations and marketing with associated budget.
- Costs of insurance for handling, packing and the shipping of the exhibition content from Vienna to New Zealand.
Section 8 Potential Impact of Project Development

8.1 Visitation Numbers

Establishing potential visitation numbers for any new development is difficult, especially where only indirect population, visitor and economic data are available. Considerable effort was taken to estimate as accurately as possible factors such as total potential market and visitor capture rates. These figures were determined by combining data from previous discussions with existing Northland service providers and employers, and conducting secondary research using official population, tourism and business statistical data, and referring to other indicative development examples.

Based on this initial analysis it is estimated that potential visitor numbers to the proposed facility at the Whangarei Town Basin will be between 170,000 to 212,000 in Year One, and increasing to between 175,000 and 220,000 by Year Six (see Chart 1). Note that these figures relate to the probable number of visitors to the facility location in general, some of whom may only view the building from the outside as part of other Town Basin visit activities. These figures do not necessarily indicate the numbers who would go inside the building. This would be subject to other variables, particularly entry pricing policy (see Section 8.2 below).

Chart 1: Potential Visitation Numbers

These estimates have been based on the following assumptions:

1. Local Community Visitation
   - The population of Whangarei District that might visit a museum or art gallery at least once or twice a year is estimated to be 29,500.

2. Potential Annual Tourism Market
   - Domestic visitation to the Whangarei area (based on passenger movements north of Whangarei) is around 3.029m movements per annum.
   - International visitation to the Whangarei area (based on passenger movements north of Whangarei) is around 717,000 movements per annum.

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19 Passenger movements north of Whangarei have been utilised in order to be conservative. We are able to be certain that all these estimated passengers have travelled north passed by the town centre.
3. Annual cultural and heritage tourism market.
   - Recent data estimate 2% (60,580) of domestic visitors in the Whangarei region and 11% (78,870) of international tourists do visit museums and galleries.
   - The potential museum and galleries tourism market in the Whangarei region, based on current visitor patterns, is estimated to be around 139,450 visitors per year.

4. Annual visitation to the Whangarei i-Site is approximately 200,000 visits per annum, with approximately 70% of these estimated to be international visitors.

5. The Hundertwasser Centre will have a potential visitation of 168,950 per annum based on:
   - 100% capture of the estimated total number of visitors to the Whangarei District (139,450) that currently do visit museums and galleries.
   - 100% capture of the local population that do visit museums and galleries per annum (29,500).

6. 50% of all visitors stopping / staying longer in Whangarei as a result of the Hundertwasser Centre will spend 50% of their daily expenditure on food and beverages, retail and other tourism product within Whangarei.

Growth in Visitation

7. Visitor numbers are projected to increase to 174,680 by 2016 based on:
   - Regional Tourism forecasts estimating a 3.2% increase in visitors to Northland by 2016
   - Local population being projected to increase by 4.3% by 2016.

8. There is potential for visitation numbers to increase by a further 25% based on:
   - The significance of the attraction as a unique feature within New Zealand and Australasian tourism markets.
   - The support of the Hundertwasser Foundation.
   - Evidence of other significant international museum and gallery projects generating additional tourism numbers in the right circumstances.
   - Evidence of the impact of other Hundertwasser projects internationally.
   - The proposed ongoing development of the Town Basin and its adjacent waterfront and CBD areas as an iconic and attractive hub within Whangarei.

8.2 Potential Economic Impact

The potential economic impact based on the available information, and the assumptions above, has been estimated to be approximately $3.7m per annum.

This has been calculated as follows:

<table>
<thead>
<tr>
<th>Table 8.1</th>
<th>Capture Rate for Tourist Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Domestic Visitors</td>
<td>60,580</td>
</tr>
<tr>
<td>Total International Visitors</td>
<td>78,870</td>
</tr>
<tr>
<td>Capture Rate</td>
<td>50%</td>
</tr>
<tr>
<td>Domestic Visitors with Expenditure in Whangarei (Number)</td>
<td>30,290</td>
</tr>
<tr>
<td>International Visitors with Expenditure in Whangarei (Number)</td>
<td>39,435</td>
</tr>
</tbody>
</table>

Note: ‘Local’ visitors have been excluded as in the first instance we are focused on new expenditure coming into Whangarei.
Table 8.2 Domestic Tourist Expenditure Estimates

<table>
<thead>
<tr>
<th>Category of Spend</th>
<th>Daily Spend per Visitor</th>
<th>Capture Rate of Daily Spend</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Beverage</td>
<td>$13.37</td>
<td>50%</td>
<td>$202,489</td>
</tr>
<tr>
<td>Retail</td>
<td>$23.96</td>
<td>50%</td>
<td>$362,874</td>
</tr>
<tr>
<td>Other tourism product</td>
<td>$13.59</td>
<td>50%</td>
<td>$205,820</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$771,183</strong></td>
</tr>
</tbody>
</table>

Table 8.3 International Tourist Expenditure Estimates

<table>
<thead>
<tr>
<th>Category of Spend</th>
<th>Daily Spend per Visitor</th>
<th>Capture Rate of Daily Spend</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Beverage</td>
<td>$11.00</td>
<td>50%</td>
<td>$216,892</td>
</tr>
<tr>
<td>Retail</td>
<td>$19.71</td>
<td>50%</td>
<td>$388,632</td>
</tr>
<tr>
<td>Other tourism product</td>
<td>$11.17</td>
<td>50%</td>
<td>$220,244</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$825,769</strong></td>
</tr>
</tbody>
</table>

Table 8.4 Total Direct Tourism Expenditure Estimates

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>$771,183</td>
</tr>
<tr>
<td>International</td>
<td>$825,769</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,596,952</strong></td>
</tr>
</tbody>
</table>

Table 8.5 Indirect Tourism Expenditure Estimates

<table>
<thead>
<tr>
<th>Value</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Expenditure</td>
<td>$1,596,952</td>
</tr>
<tr>
<td>Indirect Expenditure (Direct: Indirect, $1:$1:32)</td>
<td>$2,107,977</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,704,929</strong></td>
</tr>
</tbody>
</table>

8.3 Sensitivity Analysis

In considering the potential economic impact it is essential to consider that the above analysis has been based on the available secondary data. As such there is potential for a margin of error in any of the calculations and associated assumptions. This also accounts for any variation in the capture rate, which although assumed to be around 50%, could be a little higher or lower overall, and which could also be increased as a result of the development itself and from careful marketing and co-developments in the Town Basin area.

It is important to consider a sensitivity analysis of the assumptions used to calculate the potential economic impact which could result in a significant over or under estimate. Table 8.6 indicates the potential impact of a 10% and 25% margin of error in the underlying assumptions.

Table 8.6 Sensitivity Analysis Estimates

<table>
<thead>
<tr>
<th>Scenario</th>
<th>-25%</th>
<th>-10%</th>
<th>Base Assumption</th>
<th>+10%</th>
<th>+25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Expenditure</td>
<td>$1,078,741.36</td>
<td>$1,438,321.82</td>
<td>$1,598,135</td>
<td>$1,757,948.89</td>
<td>$2,197,436.11</td>
</tr>
<tr>
<td>Indirect Expenditure</td>
<td>$1,423,938.60</td>
<td>$1,898,584.80</td>
<td><strong>$2,109,539</strong></td>
<td>$2,320,492.53</td>
<td>$2,900,615.66</td>
</tr>
<tr>
<td>Economic Impact</td>
<td>$2,502,679.96</td>
<td>$3,336,906.61</td>
<td><strong>$3,707,674</strong></td>
<td>$4,078,441.41</td>
<td>$5,098,051.77</td>
</tr>
</tbody>
</table>

See section 3.5
8.4 Around sites vs spend in building

In considering the potential economic impact of the proposed Hundertwasser development it is important to highlight that the previous estimates consider the additional economic impact to Whangarei (for example the Town Basin and wider cafes and retail areas) as well as to the Hundertwasser Building itself.

Evidence from other Hundertwasser dressed buildings clearly illustrates their potential to attract high levels of domestic and international visitors to the area. However, the primary purpose appears to be to see the visual impact of each building’s dressed façade and interior, and how it sits within the local environment. The majority of other Hundertwasser buildings have other primary purposes with the Hundertwasser design adding value to their core function by increasing visitor numbers to the immediate area or precinct.

Careful consideration needs to be given to internal design and function of the centre with regard to setting an admissions charging policy. While the development will potentially be iconic, if an admission charge is set a large number of the potential visitors are likely to visit the precinct and the building façade, but choose not to pay to enter.

New Zealand museums and galleries have experienced a sea change in recent years with the quality of facilities, exhibitions and interpretation increasing while access has become free. This is particularly true of our leading facilities such as Te Papa and Auckland Museum. No entry charging or very minimal charging is now the norm.

8.5 Impact on town overall

The initial analysis identifies the potential for the Hundertwasser development to have an overall positive impact on Whangarei. These benefits include:

- The potential for an additional $3.7m of economic impact in the local economy per annum.
- A potentially increased length of stay within Whangarei.
- An iconic development to underpin the ongoing development of the Town Basin.

8.6 Potential requirement for operational subsidy

While there are a number of significant potential economic benefits of the proposed development it is important to consider the ongoing viability of the centre. The centre has the potential to attract a significant number of additional visitors into Whangarei. However, when the wider international trend for visitors to other Hundertwasser buildings and the charging policies of other museum and galleries domestically are considered, there is a high level of uncertainty as to the potential number of visitors who would be prepared to pay to enter a Hundertwasser Museum and gallery itself.

The Hundertwasser Non Profit Foundation has provided support and backing for the project and a commitment to assist with the design, sourcing of material to ensure the authenticity of the design. In addition there is a commitment to provide artistic direction and loan of materials for both permanent and temporary displays.

This commitment will ensure the artistic potential of the museum and art gallery is maximised and is authentic to the original Hundertwasser ideals and designs. It will however likely add to the developments ongoing operational costs in terms of transport, packing, installation and insurance of materials which will need to be factored into business models.
As such, it is considered that the centre is likely to require an ongoing operational subsidy unless alternative income streams can be identified.

The true economic benefit of the proposed Centre is likely to be generated by the building’s façade and potentially the interior dressing, rather than by the gallery / museum itself. Should the project’s primary objective be economic development and operational sustainability (without subsidies) then the gallery / museum should not be considered a cornerstone of the project. The introduction of other commercial activities such as retail and hospitality businesses (as is the case internationally in many other Hundertwasser dressed buildings) takes on a higher importance. This approach need not exclude the Hundertwasser story being told but would require a non-traditional gallery / museum approach.

9.0 Conclusions and Recommendations

The initial market appraisal and preliminary economic impact assessment has concluded that:

1. The proposed Hundertwasser project, if undertaken well, could conservatively generate $3.7M per annum of economic impact in the Whangarei economy.

2. The main economic benefit of the project is likely to be derived from the ability of the building’s façade, interior dressing and overall branding impact to attract visitors to Whangarei and the Town Basin, rather than the pulling power of the museum and gallery as a paid entry attraction itself.

It is recommended that:

1. A detailed holistic feasibility study is undertaken and a business case developed which takes into account the experiences of international Hundertwasser dressed buildings, the nature of the current domestic museum and gallery market, and the wider strategy for the Town Basin precinct.

2. A detailed economic impact study be undertaken following the new holistic feasibility study.
### Appendix A  Other Visitor Experiences

#### Free or Low Cost Attractions

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Location</th>
<th>Opening Hours</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voyager New Zealand Maritime Museum</td>
<td>The Maritime Museum preserves, presents, interprets and celebrates New Zealand’s maritime heritage, in order to educate, entertain and increase public interest in New Zealand and Pacific maritime heritage through innovative exhibitions, displays, demonstrations and educational programmes.</td>
<td>Corner Quay and Hobson Streets Auckland</td>
<td>Open 7 days a week 9.00am to 5:00pm</td>
<td>Free to Auckland residents. Others: Adult: $16.00 Child: $8.00 Senior / student: $12.00 Family Pass: $32.00 Education - Early Childhood: $3 per student. Primary, Intermediate and Secondary: $5.00 per student.</td>
</tr>
<tr>
<td>Auckland Botanic Gardens</td>
<td>Auckland Botanic Gardens is home to over 10,000 plants from around the world; spread over 64 hectares in Manurewa, South Auckland. Auckland Botanic Gardens host a number of different education programmes for school groups and adult workshops.</td>
<td>102 Hill Road Manurewa Auckland</td>
<td>Daylight Saving Hours (mid-October to mid-March): 8am to 8pm Non Daylight Saving Hours (mid-March to mid-October): 8am to 6pm Visitor Centre October to March: 8am to 4.30pm weekdays, 9am to 5pm weekends March to October: 8am to 4pm weekdays, 9am to 4pm weekends Library: Open Monday, Wednesday and Saturday 11am to 3 pm Cafe Miko: Open daily from 8am to 4pm</td>
<td>No charge.</td>
</tr>
<tr>
<td>Name</td>
<td>Arataki Visitor Centre</td>
<td></td>
<td></td>
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<tr>
<td>--------------------</td>
<td>------------------------</td>
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<td></td>
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</tr>
<tr>
<td><strong>Location</strong></td>
<td>Scenic Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Waitakere</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>Arataki Visitor Centre is the gateway to the Waitakere Ranges Regional Park providing interpretation of the park, its history, brochures and general park information. The Centre offers views of the Waitakere Ranges and the Manukau Harbour from the viewing decks, knowledgeable personnel and information pamphlets, maps, souvenirs, and great information displays, including live weta and geckos. Across Scenic Drive, there are walking tracks with informative signs explaining the native flora of the bush.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Opening Hours</strong></td>
<td>1 Sept - 30 Apr (9am - 5pm) (everyday, except Christmas day)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 May - 31 Aug (10am-4pm) (Monday - Friday)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(9am-5pm) (Saturday and Sunday)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Charges</strong></td>
<td>No charge</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Charged Attractions**

<table>
<thead>
<tr>
<th>Name</th>
<th>Auckland Zoo</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>Western Springs</td>
</tr>
<tr>
<td></td>
<td>Auckland</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>Auckland Zoo is recognised as one of the most progressive zoos in the world. A winner of national and international environmental-related awards, it is home to 117 different species and over 700 animals; it is visited by approximately 650,000 people per year. The Zoo is also available for private functions outside of opening hours. The Zoo also runs evening events and Safari Nights throughout the year, and a comprehensive education programme with curriculum focused sessions with qualified educators. Activities include:</td>
</tr>
<tr>
<td></td>
<td>• Discovery learning centre</td>
</tr>
<tr>
<td></td>
<td>• Primary and Secondary School Learning Experiences</td>
</tr>
<tr>
<td></td>
<td>• Early Childhood Education</td>
</tr>
<tr>
<td></td>
<td>• Secondary School work experience</td>
</tr>
<tr>
<td><strong>Opening Hours</strong></td>
<td>1 September to 31 May: 9.30am to 5.30pm, 1 June to 31 August: 9.30am – 5pm.</td>
</tr>
<tr>
<td><strong>Charges</strong></td>
<td>Adults (15 years+) $20 Child (4 – 14 years) $10 Infant (under 4 years) FREE Student (ID required) $16 Senior citizen (ID required) $16 Family passes available Education programme: Students - $7 each, Supervising adults - free of charge.</td>
</tr>
<tr>
<td>Name</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Kelly Tarltons Underwater World</strong></td>
<td>Kelly Tarltons opened in 1985 and has become a world-class visitor attraction, offering a uniquely New Zealand Pacific and Southern oceans experience. The Antarctic Encounter is home to New Zealand’s only sub-Antarctic penguins and is visited by approximately 360,000 visitors per year.</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Tamaki Drive, Auckland</td>
</tr>
<tr>
<td><strong>Opening Hours</strong></td>
<td>Open daily from 9:30am to 5:30pm (last entry at 4:30pm)</td>
</tr>
<tr>
<td><strong>Charges</strong></td>
<td>Adult $33.90  Students (15 years + ID required) $25.90  Senior Citizens (65+ years) $25.90  Community services card holders $25.90  Child (3-14 years) $9.90  Toddler (2 years and under) FREE  Education Programmes (Minimum 20):  Students [5 + years] $9.00  Students with lesson [5 + years] $10.00  Teachers and parents [<em>1 free per 6 students] Free of Charge</em>  Additional adults $26.90  Note: Draws heavily on education market and domestic visitation over school holidays (especially in wet weather)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Whangarei Museum &amp; Kiwi House Heritage Park</strong></td>
<td>The 25 hectare park provides picnic areas, heritage buildings, bush walks, a museum and a kiwi house. Visitors may also enjoy the historic Clarke homestead (1886), and the world famous Native Bird Recovery Centre. The Museum houses an important collection of early Maori and European artefacts from Northland. Special &amp; touring exhibitions are a regular feature at the Museum, past exhibitions have included 'Respect' a travelling hip-hop exhibition from the Dowse Art Museum and recently 'Collectamania' which celebrated the sometimes obsessive world of the collector. One of the most popular visitor attractions at the park is the kiwi house, where you can get up close to a live kiwi. Guided tours explain the habitat and territorial behaviour of kiwi and the impact of predators on this national icon. A well organised shop also offers a range of souvenirs suitable as gifts of mementos, there is a café and train rides. There are also conference and function facilities. And several Whangarei hobby and interest clubs are based in the park.</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Whangarei</td>
</tr>
<tr>
<td><strong>Opening Hours</strong></td>
<td>Hours are 10am - 4pm every day. Closed Christmas Day</td>
</tr>
<tr>
<td><strong>Charges</strong></td>
<td>Adult $10, Child over 3 - 16 years $5, Under 3’s free, Family $25 (2 adults /2 children)</td>
</tr>
<tr>
<td>Name</td>
<td>MOTAT (Museum of Transport and Technology)</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------------------------------------</td>
</tr>
</tbody>
</table>
| Location              | Great North Road  
                           | Western Springs  
                           | Auckland        |
| Description           | MOTAT is New Zealand's largest and leading transport and technology museum set within 40 acres. MOTAT provides for a range of interactive activities and displays of the technological achievements that have helped shape New Zealand. MOTAT offers a wide range of innovative and fun learning experiences across all curriculum areas. Any of the 18 programmes can be tailored to suit groups, specific learning and teaching needs. |
| Opening Hours         | Open daily from 10:00am to 5:30pm (last entry at 4:30pm)  
                           | Open 7 days a week (except Christmas Day). |
| Charges               | $35 family pass  
                           | $14 adults  
                           | $8 children under 16  
                           | $8 students  
                           | Under 5s free  
                           | $7 seniors  
                           | $65 annual family pass (unlimited entry for a year)  
                           | Education Programmes (Minimum 20):  
                           | Students [5 + years] $4.00  
                           | Teachers and parents [*1 free per 6 students]       | Free of Charge* |

<table>
<thead>
<tr>
<th>Name</th>
<th>Howick Historical Village</th>
</tr>
</thead>
</table>
| Location              | Lloyd Elsmore Park  
                           | Howick  
                           | Auckland        |
| Description           | An historic village set on a 7 acre site with gardens and buildings in a Fencible settlement from the 1840 to 1880 period. There are over thirty original colonial buildings collected on site, including schools, a church, forge and general store. The aim of the Village Education Department is to depict life in 19th Century New Zealand through a "Hands On" and "Interactive" programme relevant to the 1840 to 1880 period. The Howick Historical Village offers a unique programme away from the classroom, which is very relevant to the national Social Studies and Technology curriculums. |
| Opening Hours         | Open 7 days a week from 10am-4pm. |
| Charges               | Adult: $14  
                           | Child: $7  
                           | Senior / student: $11  
                           | Family: $36.00  
                           | Education  
                           | Full day visit (10.00am – 2.00pm) = $8.00 per student  
                           | A half day visit (10am - noon or noon - 2pm) = $7.00 per student  
<pre><code>                       |
</code></pre>
<table>
<thead>
<tr>
<th>Name</th>
<th>Stardome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>One Tree Hill Domain</td>
</tr>
<tr>
<td></td>
<td>Auckland</td>
</tr>
<tr>
<td>Description</td>
<td>The Stardome Observatory &amp; Planetarium is a unique and fun learning adventure for the whole family. There are a range of displays, interactive exhibits and shows in our Planetarium every night and weekend afternoons. These talk about space, astronauts, black holes and many other topics. The Stardome provides a range of educational programmes, led by a Stardome Educator, focused on the curriculum area of astronomy, which is part of Planet Earth and Beyond in the NZ Science curriculum. A range of teacher resources are also available.</td>
</tr>
<tr>
<td>Opening Hours</td>
<td>Monday 9am-5pm Tuesday to Friday 9am-9:30pm Saturday &amp; Sunday 1pm-9:30pm</td>
</tr>
<tr>
<td>Charges</td>
<td><strong>Evening Shows</strong> Adult: $16.00, Child (3-15yrs): $8.00, Student / Senior / YHA: $14.00 Family (2a+3c): $35.00  <strong>Weekend Kids Shows:</strong> Adult: $10.00, Child: $8.00 Holiday Sessions Adult: $7.00 Holiday Sessions Child: $10.00 <strong>Education Programmes</strong> Child: $7.00, Students, Home Schools, non LEOTC: $11.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>Butterfly Creek</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Tom Pearce Drive</td>
</tr>
<tr>
<td></td>
<td>Auckland Airport</td>
</tr>
<tr>
<td>Description</td>
<td>Butterfly Creek includes a range of attractions including Australasia’s premier butterfly house; it also has crocodile encounters and an interactive farmyard. Butterfly Creek provides an education programme with real-life experiences for the Science Strand - Making Sense of the Living World. The Tropical Butterfly House, Pirates Below aquaria, Bugs About insects, Crocodile exhibit, Farmyard and the Working Wetlands provides examples of practical technology in action.</td>
</tr>
<tr>
<td>Opening Hours</td>
<td>Summer (Oct - March): 9.00 - 5.30 Winter (April - Sept): 9.30 - 5.00 Open 364 days a year (except Christmas Day).</td>
</tr>
</tbody>
</table>
### Sky Tower

<table>
<thead>
<tr>
<th>Name</th>
<th>Sky Tower</th>
</tr>
</thead>
</table>
| Location   | Sky City  
             Auckland |
| Description| The tallest man-made structure in New Zealand offers breathtaking views for up to 80 kilometres in every direction. The Sky Tower provides a range of educational programmes which include facilitated class tours with experienced Sky Tower Educators. |
| Opening Hours | Sunday - Thursday 8.30am - 10.30pm (last tickets sold at 10pm)  
                        Friday & Saturday 8.30am - 11.30pm (last tickets sold at 11pm) |
| Charges    | Adult: $25.00  
                  Child (6 to 14 years): $8.00  
                  Under 5: $ Free  
                  Senior Citizens: $15.00  
                  Family (2 Adult, 2 Children): $49.00  
                  Education  
                  Pre-school: Free  
                  Primary and intermediate: $6.00  
                  Secondary: $8.00  
                  Tertiary: $12.75  
                  Teachers and adult helpers: $8.00 |

### Rainbow's End Theme Park

<table>
<thead>
<tr>
<th>Name</th>
<th>Rainbow's End Theme Park</th>
</tr>
</thead>
</table>
| Location                  | Corner Great South Road and Wiri Station Road  
                              Manukau |
| Description               | Rainbow's End is New Zealand's premier theme park with rides and attractions for the whole family. |
| Opening Hours             | Open 10.00am to 5.00pm, 7 days a week (except Christmas Day). |
| Charges                   | Adults (14 years +) $47.00  
                              Children (2 – 13 years) $37.00  
                              Senior $24.00  
                              Family (2 adults, 2 children) $156.00 |
<table>
<thead>
<tr>
<th>Name</th>
<th>Te Puia (New Zealand Maori Arts and Crafts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Rotorua</td>
</tr>
<tr>
<td>Marketing Description</td>
<td>New Zealand’s premier Maori culture and geothermal visitor experience. Te Puia has welcomed visitors to hear stories, to enjoy unique culture and to experience firsthand the wonders of Māori arts and crafts. Te Puia is home to the internationally renowned Pohutu geyser, the National carving and weaving schools and the world famous Whakarewarewa guides. Te Puia offers guided tours hourly from 9:00am and daytime Māori Concerts at 10:15am, 12:15pm and 3.15pm</td>
</tr>
</tbody>
</table>
| Opening Hours | Summer: 8am – 6pm (last tour commences at 5pm)  
Winter: 8am – 5pm (last tour commences at 4pm) |
| Te Puia provides a range of educational opportunities through the Carving School, Weaving School and Pounamu School. |
| Charges | Adult | Child | Family |
| Daytime experience | $43.00 | $21.50 | $116.00 |
| Daytime experience (inc performance) | $53.70 | $26.80 | $144.90 |
| Evening experience | $106.00 | $53.00 | $286.20 |
| Evening experience (inc daytime) | $138.00 | $69.00 | $372.60 |
| Note: Approximately 95% of visitors are international |

---

<table>
<thead>
<tr>
<th>Name</th>
<th>Waitomo Caves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Waitomo</td>
</tr>
<tr>
<td>Marketing Description</td>
<td>Waitomo Glowworm Caves are a must see for any traveller. Enjoy the world famous boat ride under thousands of magical glowworms and become a part of over 120 years of cultural and natural history. Tours of the caves are available in combination with Ruakuri cave, Aranui cave and black water rafting.</td>
</tr>
<tr>
<td>Opening Hours</td>
<td></td>
</tr>
</tbody>
</table>
| Charges | Single cave entry charges start at: Adult: $46.00 Child (4 – 14): $21  
Blackwater rafting: Black Labyrinth tour: $115.00 Black Abyss tour: $220.00  
Multiple different combinations are available up to a triple cave combo:  
Adult: $118.00 Child: $48.00 Family: $280.00  
Note: The majority of visitors are international (heavy coach traffic) |

Note: Approximately 95% of visitors are international
<table>
<thead>
<tr>
<th>Name</th>
<th>Zealandia / Karori Wildlife Sanctuary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Wellington</td>
</tr>
</tbody>
</table>

### Marketing Description

ZEALANDIA is a unique eco-attraction. New Zealand's incredible natural history and our world-renowned conservation movement are brought to life with a state-of-the-art indoor exhibition at the entrance to the Karori Wildlife Sanctuary. The sanctuary comprises 225 hectares (approximately one square mile) of regenerating lowland forest and wetlands protected by a unique 8.6 km predator-proof fence, specially designed to exclude non-native mammals ranging from hedgehogs to possums. It is the most accessible of New Zealand's celebrated mainland conservation islands and is a safe haven for some of our most iconic and endangered native animals, including tuatara, little spotted kiwi, saddleback, hihi and the giant weta. Zealandia provide a range of environmental education programmes linked to the National Curriculum for early childhood and from Years 1 through to 13. Programmes are provided at the sanctuary and through school visits.

### Opening Hours

Open from 10.00am to 5.00pm daily.

### Charges

<table>
<thead>
<tr>
<th></th>
<th>Zealandia</th>
<th>The Sanctuary Valley</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult</td>
<td>$18.50</td>
<td>$18.50</td>
<td>$28.50</td>
</tr>
<tr>
<td>Child (5-14 years)</td>
<td>$9.00</td>
<td>$9.00</td>
<td>$14.50</td>
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<tr>
<td>Family</td>
<td>$46.00</td>
<td>$46.00</td>
<td>$71.50</td>
</tr>
<tr>
<td>Seniors</td>
<td>$16.50</td>
<td>$16.50</td>
<td>$25.50</td>
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<tr>
<td>Students</td>
<td>$12.00</td>
<td>$12.00</td>
<td>$18.50</td>
</tr>
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</table>
9. Elected Member Remuneration

Reporting officer  Jazz Singh (Democracy and Legal Services Manager)

Date  5 April 2011

Vision, mission and values
Consistent with our values of excellence and visionary leadership.

Local Government Act 2002 – The four well-beings

Cultural  No link

Economic  Prudent economic management

Environmental  No link

Social  Achieving and maintaining effective and efficient leadership

Introduction

The Remuneration Authority has reviewed the pool for local government remuneration for the period from July 2011 to June 2012 and has now provided the indicative pool for elected member remuneration for that period.

Current Position

The Remuneration Authority issued the Local Government Elected Member Determination (2010/2011) (Certain Local Authorities) Determination 2011, which recommended the full amount of the pool and mayoral remuneration be distributed as follows:

- His Worship the Mayor  $111,495
- Deputy Mayor  $ 51,434
- Committee Chairs (3)  $ 51,434
- Councillors  $ 41,147.

This has maintained the 1 : 1.25 ratio between the remuneration for Councillors compared to the Deputy Mayor and Committee Chairs as determined in the Council meeting of 15 December 2010.

There has been no change to the standing committees for Council. Council at its meeting on 15 December 2010 resolved not to set aside any part of the pool for hearing fees for hearings on Council initiated plan changes.

Recommended Changes for 2011/2012

The Remuneration Authority has now recommended (as per Attachment 1) that the overall pool (nationally) for Elected Member remuneration should be held at 2010/2011 levels. Therefore, this pool is the same ($576,063) as for the current period.

This does not include the gross and net Mayoral remuneration levels which the Remuneration Authority has recommended be increased to a gross level of $118,800.

The Remuneration Authority uses its own models and basis to determine the pools and mayoral remuneration which does not have any input from Council. It should be noted that they use different methodologies for mayoral and councillor remuneration pools.
Conclusion

Council should ratify the recommendations of the Remuneration Authority to retain the status quo in relation to the remuneration of councillors, the Deputy Mayor and Committee Chairs.

Recommendation

That Council accept the recommendation of the Remuneration Authority and that elected member remuneration levels for the period from July 2011 to June 2012 are set at:

<table>
<thead>
<tr>
<th>Position</th>
<th>Remuneration</th>
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<tr>
<td>His Worship the Mayor</td>
<td>$118,800</td>
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<tr>
<td>Deputy Mayor</td>
<td>$51,434</td>
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<tr>
<td>Committee Chairs (3)</td>
<td>$51,434</td>
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<tr>
<td>Councillors</td>
<td>$41,147</td>
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</tbody>
</table>

Attachment

Letter from Remuneration Authority
24 March 2011

To: Mayors, Chief Executive Officers and Community Board Chairs
(Excluding Auckland)

INDICATIVE POOL - JULY 2011 TO JUNE 2012

The enclosed tables set out:-

- the indicative pool (excluding mayoral position) for the 12 month period to 30 June 2012, and separately
- the gross Mayoral remuneration levels for the same period, which do not form part of the pool.

Where the pool levels would have reduced the indicative pool has been maintained at 2010/11 levels.

The Authority has applied a 2% increase to the base lines in the model used to determine pools.

Mayoral salaries are based on a 1.5% increase in our 2010 payline.

Would you please now consider the new figures and forward to the Authority, by 6 May 2011 your recommendations for the distribution of the indicative pool. (Forms enclosed.) Your assistance in meeting this deadline will enable the early issue of the final determination for this year.

Mayoral Cars

The Authority needs to obtain confirmation of details of any vehicle currently allocated to the Mayor. (Form enclosed.) It is important whenever a change in the Mayoral vehicle is authorised by council that the Authority be advised immediately in order that appropriate adjustments, up or down, can be made to the Mayoral net salary. This adjustment can only be validated through the issue of a determination.
2012 Onwards

The Authority is planning to undertake some broader work in the area of council/community board remuneration during this year, with the view to any changes being implemented in 2012 - 2013. As this work progresses, the Authority will engage with Local Government New Zealand and councils to seek their views.

Yours sincerely

John Errington
Chairman

Enc.
## 2011/12 Territorial Residual Pool Determination

<table>
<thead>
<tr>
<th>Council</th>
<th>2010 residual pool</th>
<th>Residual pool 2011/12 (min 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashburton District</td>
<td>253,416</td>
<td>266,019</td>
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<tr>
<td>Buller District</td>
<td>152,380</td>
<td>155,290</td>
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<tr>
<td>Carterton District</td>
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<td>120,048</td>
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<tr>
<td>Central Hawkes Bay</td>
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<td>190,225</td>
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<td>Central Otago District</td>
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<td>224,618</td>
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<td>Christchurch City</td>
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<td>1,510,828</td>
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<tr>
<td>Clutha District</td>
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<td>227,696</td>
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<td>834,789</td>
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<td>Far North District</td>
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<td>497,003</td>
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<td>Gore District</td>
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<td>155,828</td>
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<td>883,575</td>
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<td>Council</td>
<td>2010 residual pool</td>
<td>Residual pool 2011/12 (min 2010)</td>
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<tr>
<td>-------------------------</td>
<td>--------------------</td>
<td>----------------------------------</td>
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<td>530,552</td>
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<tr>
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<td>374,347</td>
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<td>Waimate District</td>
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<td>149,161</td>
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<td>298,501</td>
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### 2011/12 Mayoral Salaries
#### Territorials and Unitaries

<table>
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<tr>
<th>Council</th>
<th>2010/11 actual salary</th>
<th>2011/12 salary</th>
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</thead>
<tbody>
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<td>84,000</td>
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<td>62,300</td>
<td>64,800</td>
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<td>55,200</td>
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<td>Kawerau District</td>
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<td>71,700</td>
</tr>
<tr>
<td>Rotorua District</td>
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<td>110,600</td>
</tr>
<tr>
<td>Ruapehu District</td>
<td>67,300</td>
<td>70,200</td>
</tr>
<tr>
<td>Selwyn District</td>
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<td>96,800</td>
</tr>
<tr>
<td>South Taranaki District</td>
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<td>72,100</td>
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<td>South Wairarapa District</td>
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<td>61,800</td>
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<td>Southland District</td>
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<tr>
<td>Council</td>
<td>2010/11 actual</td>
<td>2011/12 salary</td>
</tr>
<tr>
<td>--------------------------------</td>
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<td>Stratford District</td>
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<td>Tasman District</td>
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<td>112,800</td>
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<td>91,900</td>
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<td>89,100</td>
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