



EXPRESSION OF INTEREST: PROVINCIAL GROWTH FUND

PROPOSAL NAME: KUPE WAKA CENTRE

1. ORGANISATION OVERVIEW

Name	Arawai Limited
Point of contact	Dr Peter Phillips, MNZPI, Director Arawai Ltd <div style="background-color: #cccccc; padding: 2px;">Privacy of natural persons</div> <div style="background-color: #cccccc; padding: 2px;">Privacy of natural persons</div> PO Box 51 Mangonui, 0442
Overview of the organisation	Limited liability company with charitable status jointly owned by Te Tai Tokerau Tārai Waka Inc. and Hekenukumai Ngaiwi Trust [1.13] ¹

2. PROJECT OVERVIEW

2.1 Where Is the Project to Be Located?

The Kupe Waka Centre is located at 4554 State Highway 10, Taipa in Doubtless Bay [1.2].

2.2 Purpose of Project:

The Kupe Waka Centre is the national school of traditional Polynesian wayfinding and the site of the revival in waka building, ocean voyaging and traditional navigation over the last 30 years led by Sir Hekenukumai Ngaiwi Puhipi KMNZ, MBE, NZCM, PhD h.c.. [Preamble].

The primary purpose of the Centre is education and training including:

1. Training for members of Tārai Waka (open to all-comers interested in waka) in waka construction, maintenance, sailing, paddling, and traditional Polynesian wayfinding at Aurere and on the waka, [3.2.1, 3.2.6.1];
2. Vocational training in whakairo, [3.3], hospitality and wetland restoration [3.4];
3. Formal education training [3.2, 3.2.1] including Learning Experiences outside the Classroom (LEOTC) [3.2.3] and free access for all primary school aged children in Te Tai Tokerau and a separate proposal in development for a kura on the site [3.2.2];

¹ [References to discussion in the Development Plan by section for further information]



4. Personal and professional development through team building [3.2.4] and leadership training [3.2.5]; and
5. Commercial training primarily in emergency navigation and principally targeting the boating community but open to all interested parties [3.2.6].

Development of the Centre began in 2013 with the gazetting of the Te Awapoko Waka Reserve and has continued with the construction of Te Kāpehu Whetū (star compass), the Kura Whakairo, and the building of a now near-complete Whare Wānanga. The next phase of the project, for which funding is now sought, is to develop authentic cultural tourism at the Centre to sustain the education and training and extend its reach both within Aotearoa~New Zealand and across Oceania.

2.3 How the Funding Will Be Used

Arawai is requesting \$4.6m from the PGF for Phase 2 of the development which will establish the cultural tourism operation at the Centre. This funding will be for:

Facilities	Commercial Information
Infrastructure	Commercial Information
HR Development	Commercial Information
Project Management and consenting	Commercial Information
Contingency (Comm %)	Commercial Information
Total	Commercial Information

The major items of expenditure are:

- Planetarium: an integral part of the on-site guided tour providing orientation and an introduction to celestial navigation which is a primary component of traditional wayfinding, (\$ Commercial Information) [5.1.4];
- Central passing bay at junction of access road with SH10 as safety measure for traffic turning into the site primarily in the face of southbound traffic, [5.2.1], (\$ Commercial Information)
- Sealing of access road from SH10 to the Centre with passing bays and carpark [5.2.4] (\$ Commercial Information)
- Entrance/exit/retail shop [5.1.2] (\$ Commercial Information)
- Office and multi-function space initially used for a classroom; breakout spaces for conferences a working area for people producing crafts; and a gallery [5.1.3] (\$ Commercial Information)
- Integrated solar electricity system [5.2.6] (\$ Commercial Information)

The funding sought will add to the contribution already made to the development of the Kupe Waka Centre (co-contribution) in terms of the:

- 2.1ha Commercial Information donated to the Trust by Sir Hekenukumai [1.2];
- Whare Wananga – “Te Marama Whetu”: total contract cost of Stage 1 is \$ Commercial Information for which includes grants from Commercial Information (\$ Commercial Information) (now Commercial Information) (\$ Commercial Information) a koha from the Commercial Information (\$ Commercial Information) and fundraising by and on behalf of Commercial Information [5.1.1];

² All costs quoted are exclusive of Design and Engineering, Contingencies and GST



- Kura Whakairo – Carving Shed: steel structure with concrete floor, solar power and backup generator valued at \$ [Commercial Information] donated by the [Commercial Information] [5.1];
- Te Kāpehu Whetū, which has been referred to by the renowned navigator Nainoa Thompson of the Polynesian Voyaging Society as the “mother” star compass of Oceania. It includes carvings and materials valued at \$ [Commercial Information] and design and construction valued at \$ [Commercial Information] but its cultural value is inestimable [5.1];
- Development plan, financial and risk analysis prepared on behalf of Arawai Ltd valued at about \$ [Commercial Information]

2.4 Key Outcomes of the Project:

The development of the Centre will create jobs, build skills, engage the local community, promote social inclusion, and provide a key link in the chain of cultural tourism attractions along the Twin Coast Discovery Highway [4.4]. Key outcomes include:

- the on-going revitalisation of traditional wayfinding and ocean sailing in waka hourua/navigation;
- a range of educational initiatives formal (NCEA, LEOTC) and informal (Leadership and NEETS) education and training and support to local schools (Taipa, Te Rangi Aniwanuiwa);
- sustainable employment for [Comm] rising to [Comm] people over the planning horizon with base salaries based on the living wage, with on the job training; and
- a new high end tourism destination – providing another market to the navigation themed package in Te Tai Tokerau.

In the future there will be employment opportunities available across all aspects of the business including merchandising, Toi Māori, waka building, hospitality, management, conferencing and administration.

2.5 The Need for the Project

The need for the second phase of the Kupe Waka Centre development stems from:

- a **Cultural** need – reversal of cultural oppression; revival of te reo me ona tikanga’
- an **Economic** need – creating jobs where are few;
- a **Social** need – addressing regional social and economic deprivation and supporting regional NEETS programmes and using kaupapa waka to uplift whānau;
- an **Environmental** need – fostering education of the environment through the health of the moana, using the seasons, stars and natural phenomena through Mātauranga Maori and restoration of wetlands and tree planting.

Analysis of social and economic data [2.1] shows the Far North is a district that is lagging behind on a range of social and economic measures and one which is the lack of job opportunities, low productivity, modest educational achievement and high absenteeism needs a wide-range positive interventions on a significant scale to turn things around.

2.6 Is the Project Part of a Wider Initiative?

The Kupe Waka Centre is central on the theme of navigation which runs through a number of Tai Tokerau tourism ventures. Kupe Waka also supports education using Mātauranga Māori, n and the



revival of te reo. The leadership programme of this project also supports the wider NEETs initiatives that are being run in the North.

2.7 Indicative Project Timeframe:

The project will start ASAP as there is detailed planning, design and securing of suppliers before construction can start. It is anticipated that construction will be staged over 12-18 months, depending on weather, planning and construction season. The focus initially would be on primary infrastructure like safety, access and energy. Ideally the major facilities would be complete for the start of the 2019/20 season on November 15 but this could be varied depending on progress. The key market in this regard would be the start-up of visitors from cruise ships.

2.8 Which Industry or Sector/s is the Project Within?

The project is primarily within (1) Education and training and (2) Tourism.

2.9 How Does Your Proposal Align With Regional Priorities?

The developments at the Kupe Waka Centre are strongly aligned with strategies and plans for Te Tai Tokerau–Northland [2.2] including:

1. *Tai Tokerau Northland Economic Action Plan*, (2016). Arawai has worked with Northland Inc (Paul Davis) on its tourism model. The Plan seeks to develop “..more compelling value propositions based on linking cultural and natural advantages and creating authentic visitor experiences throughout the region which ultimately encourages the visitor to stay longer” Kupe Waka intends to put this into practice.;
2. *He Tangata, He Whenua, He Oranga: An Economic Growth Strategy for Tai Tokerau Māori Economy*, (2015) in terms of shared tikanga principles and values, the focus on education and training for enablement, and the contribution of Matauranga Māori and tikanga mahi in economic development; and
3. *He Whenua Rangatira: A District of Sustainable Prosperity and Well-being* (2016).

Development at the Kupe Waka Centre is also supportive of the educational and skill enhancement goals of “*He kai kei aku ringa: The Crown-Māori Economic Growth Partnership*”³ both through the education and training in aspects of Kaupapa Waka and the business-related skills in hospitality and retail at the Centre.

2.9 Governance, Risk Management and Project Execution:

The structure of governance of Kaupapa Waka at Aurere provides strong underpinning for the good project processes and ensures that those involved have the capacity and capability to deliver the project [1.3]. This structure supported by the financial analysis [6] will sustain the project in the longer term beyond the Provincial Growth Fund’s life. In essence:

- Arawai – provides the governance of operations), will manage the project (to be led by Dr Peter Phillips as project manager) and manage the Centre;
- Tarai Waka – delivers education and training programmes voyaging training and sailing; and

³ Māori Economic Development Panel, (2012), *He kai kei aku ringa: The Crown-Māori Economic Growth Partnership: Strategy to 2040*, 15pp



- Commercial Information

2.10 Project Plan

The development plan [4] on which this project is based was developed using the Logical Framework Analysis (LFA) approach, a project planning and management tool widely used in development planning.⁴ The essence of the logframe approach is that it makes ends and means clear and the way they will be monitored explicit.

LFA combines the classical, top-down approach for identifying the activities in a project, from goal through purposes and expected outcomes to activities, with a rigorous, bottom-up process which checks to ensure that these activity lists are coherent and comprehensive.

The Plan will be operationalized in terms of sequencing and resourcing when confirmation of support has been obtained as this depends on the start date in terms of construction seasons and the tourism season.

2.11 How Will the Project Lift the Productivity Potential of a Region and Contribute To Other Objectives?

The contributions of the project [4.4] to productivity growth and other outcomes include jobs, community benefits, improved use of Māori assets, sustainability of natural assets, and mitigating and adapting to climate change.

Jobs	Commercial FTEs and on site training in waka building, sailing voyaging hospitality, Toi Maori
Community Benefits	Increase job opportunities, support for NEETS training, education to schools, community engagement in Kaupapa Waka and in environmental restoration
Improved use of Maori Assets	Matauranga Maori is an asset, add value to the use of the land in the sense that the property has no productive use in terms of economic activity – Waka centre will be a \$ Commercial p/a turnover
Sustainability of Natural assets	Wetland restoration and tree planting as part of site development
Mitigating and adapting to climate change	Aspiration of extending wetland restoration and tree planting activities from reserve into the broader area of the site Matauranga Maori – learning about the environment through the navigation training skills and education

⁴ Logical Framework Analysis was developed by the German Technical Cooperation Agency, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). The technique is known as Zielorientierte Projektplanung or ZOPP (objectives oriented project planning).



2.12 How Will the Project Add Value by Building On What Is There Already and Not Duplicating Existing Efforts?

The funding support sought from PGF will build on the prior investment in the site as an education and training centre by developing an authentic cultural tourism operation. This will put the education and training on a sound financial basis rather than living hand to mouth on small grants and contracts. Essentially the project adds complimentary facilities to those on site [5.1] and upgrades infrastructure [5.2] to turn it into a viable, self-sustaining economic unit [6, 6.5] which supports a range of education and training programmes as well as a range of social and environmental outcomes.

3 COST INFORMATION

Since the gazetting of the reserve in 2013 investment in Phase One of the development has totalled in excess of \$ [Commercial Information] excluding the value of the land and of Te Kāpehu Whetū.

This application is for Phase Two as set out in the Development Plan. The total request is \$ [Commercial Information] 2.

Capital investment

F1: Whare Wānanga (Stage 2)	\$ [Commercial Information]
F2: Entrance/exit/ retail shop	\$ [Commercial Information]
F3: Office and multi-functional space	\$ [Commercial Information]
F4: Planetarium	\$ [Commercial Information]
F5: Round barn	\$ [Commercial Information]
F6: Plant nursery, equipment, initial stock	\$ [Commercial Information]
F7: Communal facilities and tent platforms for campsite	\$ [Commercial Information]
F9: Cover over working area between Kura Whakairo and round barn	\$ [Commercial Information]
F10: Raised garden	\$ [Commercial Information]
INF1: SH10 at entrance to 4554 SH10	\$ [Commercial Information]
INF2: Site entrance	\$ [Commercial Information]
INF3: Bridge	\$ [Commercial Information]
INF4: Access road and carpark	\$ [Commercial Information]
INF5: Security	\$ [Commercial Information]
INF6: Power (combined for F1-4) separate F6 and F7)	\$ [Commercial Information]
INF7: Wastewater combined for F2-4	\$ [Commercial Information]
INF8: Water supply	\$ [Commercial Information]
INF9: Accessible pathways around the site	\$ [Commercial Information]
INF10: Jetty	\$ [Commercial Information]
INF11: Boardwalk	\$ [Commercial Information]
INF12: Landscaping (contract for supervisor and worker)	\$ [Commercial Information]
P6: Training	\$ [Commercial Information]
Design & Engineering (assumes DT at no cost for balance of work on whare)	\$ [Commercial Information]
Project management	\$ [Commercial Information]
Consent process	\$ [Commercial Information]
Subtotal	\$ [Commercial Information]
Contingency	\$ [Commercial Information] 0%
Land	\$ [Commercial Information]
Total	\$ [Commercial Information]



3.1 Other Sources of Funding

There is some work to complete on Stage 1 of the Whare Wānanga which is being funded separately.

3.2 Additional Information:

There has been no previous engagement with the Provincial Growth Fund on this project

3.3 Is There Any Other Information Which Would Be Useful?

3.3.1 Separation of Phases

This application does not include any costs remaining from previous funding contracts with Lotteries and ASB Trust.

3.3.1 Project economics

The required new capital investment for the Kupe Waka Centre is \$ [Commercial Information]. This includes provision for early employment of the environmental restoration landscaping staff and the project manager to oversee the development of the Centre. The fluctuations between 2019-20 and 2020-21 in net operating revenue and NOPAT reflect the impact of the support provided to project management, landscaping, and training which are treated as capital items and appear as non-operating income in the financial analysis. This injection is necessary to ensure that:

- landscaping is undertaken when there is no revenue from the Centre because it is not yet operational;
- that the development of the Centre has proper oversight through a full-time project manager; and
- there is a smooth start-up for operations.

The project would make a positive net operating revenue and NOPAT from the first year of operation in 2019-20, Figure 6.5. Net economic earnings would be positive in 2023/24. This positive return on investment could be considered to illustrate how the initial capital injection is warranted to deliver sustainable jobs that can be maintained into the longer term.

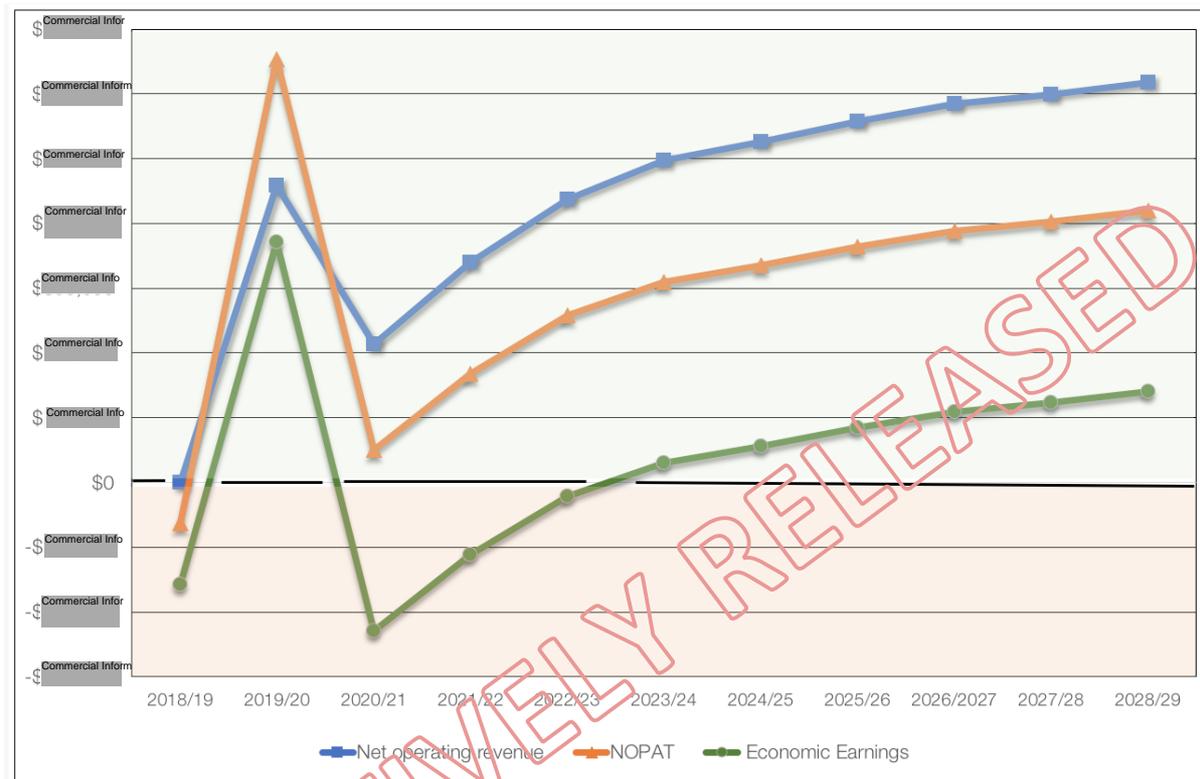
Best endeavours would be made to minimise costs as budgets move from largely provisional sums to firm quotations. This would reduce the provision for contingencies (currently at \$ [Commercial Information] and could reduce the capital investment and with it the capital charge (currently just short of \$ [Commercial Information] a year). This would result in an earlier move to positive economic returns and higher return on investment.

It should be noted that the second largest item of expenditure ([Commercial Information] % of the budget) is the safety-related works that may be required for SH10 at the entrance to the site. The nature and costs of these works and the extent of liability of the Kupe Waka Centre has yet to be determined⁵ and will be the subject of on-going discussions with NZTA.

⁵ The budgetted figure was a preliminary estimate prepared by a roading engineer but needs to be confirmed by NZTA



Financial measures



3.3.2 Risk analysis

There are essentially two types of risk involved in major capital projects undertaken by the voluntary sector:

- (1) normal business risks associated with tourism; and
- (2) institutional risks posed by voluntary governance structures.

The analysis of tourism in Te Tai Tokerau [3.1] shows both the opportunities and constraints of the sector. The risks are mitigated by a number of different tactics including:

- the way that the annual cycle of operations is structured accepting the current reality of the extreme peakiness of visitation and working with it. This is principally done by the seasonal split focusing the visits by cruise ships and FIT's on a 151 day summer season; on custom tours in the shoulders and limited access in the winter;
- ensuring that there is a diverse income stream generating revenue from:
 - Wholesale and retail entrance charges with retail pre-bookings managed via the Arawai website;
 - Food and beverages served in the dining room of the Whare Wānanga;
 - Merchandise with a strong emphasis on items produced on site or in the local area;
 - Activities, workshops, custom services;
 - Venue for conferences, and noho marae; and
 - Events around various celebrations, including Matariki
- Operational flexibility particularly in terms of employment contracts which enable staff to perform various roles and participate in more than one Programme (vitaly important as staff costs are the single largest cost item, typically representing 60% of operating revenue).



The institutional risks posed by projects in the voluntary sector were addressed by Te Tai Tokerau Tārai Waka Incorporated Society and the Hekenukumai Ngaiwi Trust by the formation of Arawai Limited in 2001. This ensure that commercial operations are managed by a board of directors with appropriate experience. In terms of the specifics of the construction of the Whare Wānanga while this has been undertaken by Tārai Waka the Society does not actually own the Whare Wānanga or anything other major asset on the site. These rest with the Te Awapoko Waka Reserve Trust because legally they are "fixtures" on the land. This insulates the building from any issues from the construction, and ensures that any public or private funds that go into the building are not at risk.

There is a third risk which has been fundamental to the design of the tourism programme in terms of the potential for tourism operations to detract from the mana of the site. This has been addressed in a number of ways in the product design in terms of a focus on small group guided tours and limits on the number of visitors both in terms of the number on-site at any one time and the number of tours per day. Consultation with Tārai Waka and with the Polynesian Voyaging Society will establish appropriate protocols on which product design will be based to ensure the mana and sanctity of the site is protected.

In essence, the focus of the development strategy on providing a high quality experiences and protection of the cultural values of the site at Aurere. Combined with the intent to employ as many people as is consistent with economic viability and the wage structure this means that the Centre does not seek to maximise revenue or profits. Rather, the emphasis is on sustainability and meeting economic, social and environmental goals.

3.4 Why Do You Need Government Funding?

This project will deliver a range of economic social and environmental benefits which will be realised by government helping us over the capital hurdle. Tarai Waka, the ^{Comm}% owner of Arawai (along with the ^{Comm}% owned by Hekenukumai Ngaiwi Trust) is a Northland based incorporated society which doesn't charge a membership fee to ensure that it does not exclude people of no or low income from participating in kaupapa waka. These capital costs are beyond its resources but once the project is operational it will be economically sustainable and will generate funds to support education and training in kaupapa waka on a reliable basis rather than the *ad hoc* grants received in the past and the Society's own fund-raising efforts.

Assured funding will also enable the Society to reach out to a wider community of interest and participate effectively in the planned international outreach activities in conjunction with the Ka'iwakīloumoku Hawaiian Cultural Center at Kamehameha Schools. The development of the Centre will realise the wider vision where Kaupapa Waka supports economic and social development and environmental restoration in a manner which ensures that its sanctity, integrity and mana are respected at all times.



ARAWAI LIMITED

ORGANISATION DETAILS

Organisation Name: Arawai Limited
Postal Address: PO Box 51 Mangonui 0442
Physical Address: 4554 SH10 Taipa
Email: Privacy of natural persons
Phone: Privacy of natural persons

Directors

Privacy of natural persons

[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

PRIMARY CONTACT

Name: Dr Peter Phillips
Role: Project Manager
Email: Privacy of natural persons
Phone: Privacy of natural persons

LEGAL STATUS

What is your legal status? Limited liability company with charitable tax status
Date of Incorporation: Commercial Information
Certificate of Incorporation Number: Commercial Information
Is your organisation GST registered? Yes
Charities Registration Number: Commercial Information



BACKGROUND

On 8th December 1985, *Hōkūle'a*, a replica of an ancient Hawaiian double-hulled canoe, arrived at Waitangi after a 16 day journey from Rarotonga. For Sir Hekenukumai Ngaiwi Puhipi (also known as Hector Busby), his wife Ngahiraka (Hilda) Rangi Busby, and a small group around them, this was the start of their own journey of rediscovery. This has included the building of two waka hourua as well as over 30 waka taua, waka tete and waka tangata; the revival of traditional knowledge of wayfinding (including celestial navigation); the training of literally hundreds of people in Kaupapa Waka; and voyaging as far as Hawai'i and Rapanui (Easter Island)

In 1984 Sir Hekenukumai told Nainoa Thompson, the navigator for *Hōkūle'a* when he was planning to sail to Aotearoa-New Zealand: *"In this land, we still have our canoe buried. In this land, we still have our language and we trace our genealogies back to the canoes our ancestors arrived on. But we have lost our pride and the dignity of our traditions. If you are going to bring Hōkūle'a here, that will help bring it back. Whatever you need to do, I am with you all the way."*

The renaissance of the building of waka hourua, ocean voyaging and traditional wayfinding led here by Sir Hekenukumai is directly linked to the Voyage of Rediscovery by *Hōkūle'a*.⁶ Deeply inspired by *Hōkūle'a*'s historic landfall in December 1985, Sir James Henare laid down a challenge for Māori to follow suit with their own waka. This became a personal calling for Sir Hekenukumai. Sir James also initiated a process which led in 1990 to the extended family of the Polynesian Voyaging Society being recognised as "*Ngāti Ruawāhia*", the sixth tribe of Te Tai Tokerau. The relationship with the Hawaiians remains fundamental to the on-going development of Kaupapa Waka in Aotearoa-New Zealand

Sir James' challenge was met by the construction in 1991/2 of the waka hourua, *Te Aurere*, and its maiden voyage of reconnection to Rarotonga in October 1992 for the Sixth Pacific Arts Festival. *Te Aurere* has since gone on to sail over 20,000 nautical miles of blue water sailing including voyages from the Marquesas to Hawai'i and back to Aotearoa via the Cook Islands, to New Caledonia, to Norfolk Island, as well as four circumnavigations of Te Ika a Maui (North Island). More recently, *Te Aurere*, accompanied by *Ngahiraka Mai Tawhiti*, sailed to Rapanui thereby completing the reconnection of the three points of the Polynesian Triangle from Aotearoa.⁸

The Kupe Waka Centre at Aurere was first mooted in 2005 as an initiative to promote social and economic development in Te Tai Tokerau. The land for the Centre was secured in a Māori reserve in 2013. The 2.1 ha Centre now comprises the unique Te Kāpehu Whetū (star compass), a near complete Whare Wānanga, a Kura Whakairo and the round barn in which the waka were built.

Completing this development plan for the Centre will generate significant economic and social value through programmes in culturally appropriate tourism, education, carving and related Toi Māori, and environmental restoration. It will build on existing Māori assets physical and intellectual assets and tangible and intangible culture to create sustainable jobs, build skills, engage the community in a way which will promote and inclusion, and help promote environmentally sustainable development.

6 Nainoa Thompson, *Hawaiian Voyaging Traditions: Recollections of the Voyage of Rediscovery: 1985-1987*, http://archive.hokulea.com/holokai/1985_1987/nainoa.html

7 Ruawāhia is the Māori name of the star known as Arcturus, which is *Hōkūle'a* in Hawaiian

8 *Hōkūle'a* sailed to Rapanui from Hawai'i in 1999