

## COVER SHEET

<b>1. Ka Uri: Unearthed PGF Application</b>		<b>For: Approve</b>	
<b>Tier:</b>	<b>1 - Regional</b>	<b>Sector:</b>	<b>Tourism</b>
<b>Background &amp; context:</b>		<b>Recommendation(s):</b>	
<p><b>Applicant Organisation:</b></p> <ul style="list-style-type: none"> <li>Ngati Kuri Trust Board</li> </ul> <p><b>Location:</b></p> <ul style="list-style-type: none"> <li>Northland</li> </ul> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>Three stage development proposal of Ka Uri: Unearthed, a Ngati Kuri owned business. The development of the site, facilities and services of the business to become a quality, go-to destination for visitors to Te Rerenga Wairua/Cape Reinga.</li> </ul> <p><b>Funding Sought:</b></p> <ul style="list-style-type: none"> <li>Total project value: \$ <small>Commercial Information</small></li> <li>PGF Funding: \$ 5,423,735</li> </ul> <p><b>Background:</b></p> <p>Ka Uri is one component, of three, of Te Ara Whanui – a visitor experience that is being developed by Ngati Kuri for the Far North.</p> <p>Ka Uri is a Ngati Kuri owned business, purchased in 2016 and operating from the Ancient Kauri Kingdom site in Awanui.</p> <p>The Bay of Islands predominantly services Te Rerenga Wairua/Cape Reinga through day coach excursions. Ka Uri is an important stop for coaches from the Bay of Islands. It is a key visitor attraction with food and beverage retail offering in Awanui, and acts as the gateway to Te Hiku peninsula.</p> <p>Ka Uri: Unearthed currently employs <small>Comm</small> people throughout the year, a mix of full time and part time, working in retail, food preparation and bespoke</p>		<p><b>We recommend that the IAP:</b></p> <p>a) <b>Discuss</b> the Ka Uri: Unearthed PGF application.</p> <p>b) <b>Note</b> this proposal is one component of a broader programme being developed by Ngati Kuri that is focussed on sustainable tourism and environmental management.</p> <p>c) <b>Note</b> this proposal intends to build on the established tourism business owned and operated by Ngati Kuri Trust Board.</p> <p>d) <b>Note</b> this proposal has three stages of planning and development over <small>Commercial Information</small> and the funding sought is for all three stages.</p> <p>e) <b>Note</b> the funding will cover <small>Comme</small> % of the costs of project management, planning and construction for the development (over a <small>Commercial Information</small> period).</p> <p>f) <b>Note</b> New Zealand Transport Agency (NZTA) and Te Puni Kokiri (TPK) have been consulted, no significant concerns relevant to this proposal were raised.</p> <p>g) <b>Approve \$ 5,423,735</b> <small>Commercial In</small> from the PGF fund towards Ka Uri: Unearthed subject to:</p> <ul style="list-style-type: none"> <li>A detailed project plan and agreed milestones, including further detail about the visitor experience and marketing focus of the project;</li> <li>An agreed procurement approach for the programme of work.</li> </ul>	

production of furniture and kitchenware. At the peak of the most recent season <sup>Comma</sup> staff, including casual, were in employment.

The New Zealand Maori Arts and Crafts Institute's national waka building school, Te Tapuwae o Te Waka is also located at Ka Uri.

The business needs significant investment in the site to become a quality, go-to destination for visitors travelling to Te Rerenga Wairua/Cape Reinga. Ngati Kuri are investing in design and planning for a three-stage development.

The development is aimed at providing an all-weather experience for visitors and will secure employment in hospitality, carving/high-end wood craft, and business management. The development will include:

- 1) Stage one – Upgrade of exterior Construction work will specifically address the existing building as it relates to the highway. This will involve basic upgrades to the property including signage and surrounds to signal to the community and new customers travelling north that work is underway.
- 2) Stage two – The most significant architectural change of the project where the existing café structure and northern exterior of the building is to be demolished allowing for the construction of a purpose-built entrance, exhibition, retail and café space.
- 3) Stage three – will focus on the property as a whole, integrating the buildings and landscape. This will include a large open-air amphitheatre that can host events, including; weddings, concerts, food markets etc. improvement works to the Awanui riverside will also include a new walkway and jetty stretching from the existing building to the river. An outdoor shelter for the waka school and a new dining pavilion and restaurant with visual connection to the landscaped areas and river beyond.

Ngati Kuri emphasise the importance of skill development as part of this proposal. Ka Uri does this through the training provided for the hospitality

function of the facility and through the high end wood crafting work that is retailed on site. Furthermore, the intentional location of the carving school that focusses on waka building and traditions.		
<b>PGF criteria that this proposal supports:</b>		
This proposal has been identified as a key priority for Northland and will contribute to the potential lift of productivity in the region by focussing on increased visitor activity (stay and spend) in the Far North. The development of the site, facility and services as a whole is intended to increase visitor numbers to the Far North by Ka Uri acting as a go to/gateway destination for visitors travelling to Cape Reinga. This will take pressure off other busy destinations, like the Bay of Islands, and diversify the visitor experience that the Far North currently offers.		
<b>PGF Criteria</b>	<b>Assessment Commentary</b>	<b>Rating (1✓ to 5✓)</b>
<b>Link with fund and government outcomes</b>		
Creates permanent jobs	<ul style="list-style-type: none"> <li>The applicant commissioned a benefit report from <sup>Commercial Info</sup> – the following was identified: <ul style="list-style-type: none"> <li>- <sup>Comm</sup> FTE increase in employment in <sup>Commercial Inf</sup></li> </ul> </li> </ul>	✓✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> <li>Building capability that will support Ngati Kuri uri (and the local community) to develop their skill base, moving from low skilled to skilled employment i.e. NZQA accreditation in food and beverage, partnering with local employment agencies to pathway trainees into employment or other training.</li> <li>Transition of &gt; <sup>Comm</sup> employees to their own enterprises or a Joint Venture; and,</li> <li>Support for a \$ <sup>Com ercial</sup> increase in tourism spend</li> </ul>	✓✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> <li>Enhancing Ngati Kuri identity and presence in Te Hiku through knowledge sharing of traditions, stories, place names and the relationship of Ngati Kuri with the art of traditional waka building and celestial navigations</li> <li>Diversification of the Ngati Kuri portfolio – increased use and return on iwi owned assets while also building local capability/capacity</li> </ul>	✓✓✓✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> <li>Not evident</li> </ul>	
Mitigation of climate change effects	<ul style="list-style-type: none"> <li>Not evident</li> </ul>	
<b>Additionality</b>		
Adding value by building on what is already there	<ul style="list-style-type: none"> <li>Upgrade the facilities and services as a “gateway/go to” destination for visitors heading further North to</li> </ul>	✓✓✓

	<p>Te Rerenga Wairua/Cape Reinga to encourage a round trip journey.</p> <ul style="list-style-type: none"> <li>Commercial Info Report identifies over a ten-year timeframe, accelerated development of Ka Uri will result in increases of: <ul style="list-style-type: none"> <li>- The number of visitors by Comm %</li> <li>- The conversion of road traffic to Ka Uri foot traffic to Comm %</li> <li>- The yield per visitor from \$<sup>Com</sup> to \$<sup>Comm</sup></li> <li>- Employees by <sup>Com</sup> FTE per \$<sup>Commercial Informat</sup></li> <li>- Comm new enterprises per year (focused on food, accommodation and experiences) Ka Uri provides opportunity through cadetship, training and engagement with the wider tourism ecosystem</li> </ul> </li> </ul>	
<p>Acts as a catalyst for productivity potential in the region</p>	<ul style="list-style-type: none"> <li>Building cultural capital (whakapapa/identity of Ngati Kuri) and increasing visitor access to a culturally enriched product ie. waka carving school, exhibition space and the associated navigational stories of Ngati Kuri to the Kermadec Island Group</li> </ul>	<p>✓✓✓</p>
<p><b>Connected to regional stakeholders and frameworks</b></p>		
<p>Alignment with regional priorities</p>	<ul style="list-style-type: none"> <li>Good alignment with Northland’s Regional Economic Action Plan</li> </ul>	<p>✓✓✓✓</p>
<p>Support from local governance groups (inc. Councils, Iwi/Hapu)</p>	<ul style="list-style-type: none"> <li>Support from Northland District Council, Northland Inc. – has also been identified as a Tourism priority for the region</li> </ul>	<p>✓✓✓✓</p>
<p><b>Governance, risk management and project execution</b></p>		
<p>Robust project management and governance systems</p>	<ul style="list-style-type: none"> <li>Yes, governance and project management model is sufficiently outlined.</li> </ul>	<p>✓✓✓</p>
<p>Risk management approach</p>	<ul style="list-style-type: none"> <li>Sufficient – key risks are identified with suggested mitigation approach.</li> </ul>	<p>✓✓✓</p>
<p>Future ownership / operational management</p>	<ul style="list-style-type: none"> <li>Sufficient</li> </ul>	<p>✓✓✓</p>
<p><b>The purpose of this briefing is to consider recommending/ declining PGF funds to the:</b></p>		

**Eligibility points of note:**

- *Due diligence*:- Full due diligence has been completed.
- *Conflict(s) of interest*:- Based on the information provided no conflict of interest is evident.
- *Illegal Activity*:- Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans*:- see commentary above.
- *Commercial funding availability*:- Given the nature of the project, and that Ngati Kuri are only as little as five years settled after their historic claims process, Commercial Information

**Consultation undertaken or implications:**

<b>Legal</b>	N/A	<b>HR</b>	N/A	<b>Finance</b>	N/A	<b>MBIE policy</b>	N/A	<b>Other</b>	NZTA, TPK, MBIE Tourism
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<b>Supporting proposal:</b>	Yes
<b>Appendices:</b>	Yes - Applications and supporting letters are as annexes <span style="color: red;">Letters withheld - Commercial Information</span>
<b>Sponsor(s):</b>	N/A
<b>Manager/Author of paper:</b>	Staci Hare, Senior Investment Analyst, Paul Swallow, Investment Director – Investment Team