



Realising the Vision: Omaka Aviation Heritage Centre's Expansion Project

Feasibility Study

January 2019

Acknowledgements

This report, Omaka Aviation Heritage Centre Feasibility Study, was prepared by TRC Tourism Pty Ltd for Omaka Aviation Heritage Centre. Economic modelling was provided by MCa <Michael Connell & Assocs.>.

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1. Executive Summary

Omaka Aviation Heritage Centre (OAHC) is an established and unique visitor experience based in Marlborough that has successfully implemented and delivered two initial stages of development and is looking to move forward with their next proposed expansion project. As one of New Zealand's leading heritage experiences, OAHC is a stand-out example of how a niche sector such as heritage aviation can be activated to cater to the needs of not only a passionate aviation community, but also to residents and visitors travelling from within New Zealand and further abroad.

OAHC's high quality experience is Qualmark Gold accredited. It has built an international reputation which attracts visitors to the region facilitating regional dispersal into Marlborough. As an all-weather year round attraction it supports off peak visitation.

The proposed expansion project at a total estimated cost of \$^{Commercial Information} will complete the extension to frontage and northern corner of the building to join the two current exhibitions and establish facilities for a café and function space for up to ^{Commercial} people. It will include the fit out of the northern gallery exhibition, retail store and furnishings and the extension of the WW2 exhibition hall.

This expansion will enable OAHC to leverage off the learnings and experience of having successfully implemented two previous development stages.

The broader visitor economy in Marlborough currently benefits from, and has the opportunity to grow further in drawing on OAHC's reputation to attract high-value travellers from luxury cruise ships, upmarket inbound coach tour groups, conference and incentive functions, leisure travellers and the aviation community itself. Evidence also suggests that visitors who go to museums, galleries and heritage sites stay longer and spend more. Visitors to these experiences also have an increased connection to the local area which is associated with increased tourism, local investment and spending.

It will fill a gap that exists in Marlborough for a larger capacity function venue, build on the general public and aviation community awareness of a high-quality facility, increase visitor time and spend in Marlborough. The recent decision by US-based tour operator Tauck to add a second night in Marlborough into their NZ travel itineraries from 2019 specifically to include an evening event at OAHC with a total value of \$^{Commercial Information} to Marlborough is an example of the regional economic benefit that OAHC generates.

The development will facilitate growth in the aviation sector services with OAHC has an opportunity to expand its current presence as an aviation influencer and hub that draws aviation enthusiasts to Omaka. As a catalyst for growth in the region, OAHC has been responsible for, and is expected to drive further momentum in attracting aviation related business and investment to Marlborough, drawing in new residents, creating employment and creating destination awareness and flow-on benefits through the Centre and the biennial Classic Fighters Omaka Air show. It is predicated that the aviation sector services will continue to expand and double aviation industry jobs in and around the OAHC precinct.

The expansion, and the partnership and collaboration opportunities it will present, are well supported by the Community, wider Marlborough tourism industry and the aviation sector.

Omaka Aviation Heritage Centre has already demonstrated that it can sustainably operate on revenue generated through the Centre. The economic analysis indicates that as a result of the proposed expansion over the next 10 years:

- Annual visitors to the Centre would grow to Commercial Information
- OAHC will have generated \$Commercial Information in operating revenue
- Increased visitation would have generated an additional \$Commercial Information of regional revenue.
- Commercial Information direct and indirect/induced tourism related jobs in the region would have been created
- OAHC will not only continue to support operational costs but will deliver an improving surplus

On this basis we recommend that OAHC proceed to prepare a business plan and investment case to secure funding for the Stage 3 development.

PROACTIVELY RELEASED

2. Introduction

The New Zealand Aviation Museum Trust (NZAMT) is a charitable trust that was originally formed by a small group of aircraft owners and aviation enthusiasts to allow their collection of aircraft and memorabilia to be made more accessible to the public in the form of an aviation museum and hub of heritage flying activity.

The resulting OAHC was conceived as a multi-stage development. The first stage, built in 2006 and covering ^{Commercial} square metres of exhibition space, is titled 'Knights of the Sky' and predominantly features Sir Peter Jackson's personal WW1 collection. The second stage, built in 2016 and covering ^{Commercial} square metres of exhibition space, is titled 'Dangerous Skies' and features aircraft and memorabilia from WW2. The aircraft (both static and airworthy) and memorabilia are showcased in creative settings which tell stories of aviation history and the OAHC is internationally recognised for this significant collection.

OAHC has established itself as one of Marlborough's leading visitor attractions and has also been identified as the catalyst for a surge in aviation activity around Omaka Airfield, notably the Classic Fighters Omaka Air Show which is held over three days at Easter on a biennial basis as a major OAHC fundraising event.

The adjacent Omaka Airpark is also managed by OAHC and provides hangars and sites for businesses.



IMAGE 1 YAK 3 AIRCRAFT. SOURCE: SUPPLIED BY OAHC

2.1 Background

2.1.1 Purpose of the Study

A Masterplan for the ongoing development of the OAHC was completed in 2013 with further stages of expansion intended to be built as funding and demand allowed. There is an opportunity to complete improvements to the OAHC and introduce new developments that could drive additional income generation and improve the earning capability of the site.

The OAHC has also specifically identified that the site has the potential to be the catalyst for supplementing the Marlborough region's capacity to attract larger business functions to the region with the provision of a suitably sized evening dining venue, off-site of the purpose-built convention centre and theatre facilities available in Blenheim.

OAHC engaged TRC Tourism Pty Ltd (TRC) to prepare a Feasibility Study to determine the scope and viability of the overall expansion project options and, if deemed appropriate, allow OAHC to move to the next phases of design and sourcing of additional funding.

TRC undertook an assessment of the current situation and tourism context, inspected the site and consulted with stakeholders. Architectural, design, structural and engineering aspects were provided by Jerram Tocker Barron Architects (JTBA), including a Quantity Surveyor assessing construction costs, and economic modelling and forecasting was provided by Michael Connell & Associates (MCA).

The study undertaken by TRC consisted of:

- Analysis of tourism in the Marlborough region
- Understanding the tourism capability of a range of markets
- Identifying target markets
- Identifying opportunities for partnerships
- Consultation and discussion with OAHC, tourism operators, community, local government and other identified stakeholders
- Assessment of likely economic impact of each development option, and if any would make a significantly greater contribution than others
- Conclusion

2.1.2 Definitions

For the purpose of this report, the following definitions have been used:

Groups/Group Tours – an organised tour (whether by coach company, touring company or cruise ship shore excursion) that visits the OAHC during standard visiting times alongside FIT visitors.

Functions/Events – private and exclusive evening dinners at OAHC, usually part of a conference being held in the Marlborough region.

2.1.3 Proposed Expansion Project

The Provincial Growth Fund application submitted by OAHC outlines the proposed expansion project:

- Creation of a northern display hall to link the existing buildings and house the fit-out of a 1920s-1930s Golden Age Hall. Included in this building is a theatre, bathrooms and upstairs classroom and archival space.
- Major frontage building extension including a commercial kitchen, flexible dining/function space, retail and administrative offices.
- Extension to the WW2 exhibition building.

2.1.4 Jerram Tocker Barron Architects Concept Design

The following are extracts from the Omaka Aviation Heritage Centre Concept Design Dec '18 produced by Jerram Tocker Barron Architects.

Extract 1

That extension comprises:

Returning the extension towards the east to create a new exhibition space on the north face of the existing exhibition hangars.

Extending the existing entry building to the north to accommodate a multi-purpose functions and dining space, commercial kitchen, entry and ticketing area, shop, offices, toilets and tiered theatre.

Accommodating on a second floor: office space, archives, library, classroom, meeting room and a mezzanine walkway/dining area that wraps around the west and north side of the functions area below.

Integral to the proposal, the existing entry building is extensively refurbished/repurposed internally on both the ground and first floor to tie into the new extension and the overall functions. Excepting for the existing north wall, which is removed, and an extension of the existing single height annex on the south, the exterior fabric of the existing building is otherwise retained as is.

Supplementary to the proposed extension a second WW2 exhibition hangar, duplicating the existing hangar (completed in 2016) and adjoining it on its eastern side is proposed.

Extract 2

A key component of the proposal is to provide a functions and multi-purpose space. The design seeks to promote this function through a clear span roof structure coupled with an open mezzanine floor that wraps around the ground floor space. For events, this design allows a diversity of settings and scenarios for staging and hosting these events.

The capacity of the space supports seated diners in a banquet and standing guests for a cocktail function. Back of house support to that is included within the design.



IMAGE 2 ARTIST'S IMPRESSION OF THE EXTERNAL APPEARANCE. SOURCE: OMAKA AVIATION HERITAGE CENTRE CONCEPT DESIGN DEC '18

2.1.5 Proposed New Exhibitions

Trailblazers – Aviation Between the Wars

The 1920s-30s have been referred to as the 'Golden Age' of aviation, full of excitement, romance and challenge.

Following the end of hostilities in 1918, wartime pilots returned home to take up peacetime careers. Equipped with new skills and a surplus of aircraft, some looked to the sky and saw endless opportunities opening up before them.

Distant places could be reached by air, records set and races won. It was an era of trailblazing heroes and heroines. Pilots like Charles Lindberg, Amelia Earhart, Charles Kingsford Smith and Jean Batten, flying hitherto unheard of times and distances across the planet.

Aviation captured the public imagination. Thousands of spectators flocked to air pageants to watch daredevil pilots stunt their machines, while and up and down the country, aero clubs sprang up to teach people how to fly.

Not all was plain sailing though. For those entrepreneurs who had set up in private ventures, the sudden economic downturn in the 1930s put many out of business. Despite these setbacks, commercial aviation was underway and nothing could hold it back for long.

Technical innovations saw wood and fabric biplanes evolve into sleek metal monoplanes, with more and more powerful engines able to fly faster and further than ever before.

However, the 'Golden' days of a benign, civilian aviation boom did not last. As the 1930s drew to a close, the spectre of another world conflict loomed darkly ahead and once again aircraft became weapons of war.

To illustrate this era of trailblazing, Omaka Aviation Heritage Centre will feature a range of aircraft, photographic and descriptive displays. Special emphasis will be placed on how New Zealand aviation developed; of the intrepid individuals whose long distance flights brought an end to our isolation; of the rivalry between commercial operators; the creation of a national airline and of the establishment of a New Zealand Air Force, which went on to meet the challenges of the coming decade.

Central to this is the proposed acquisition of the Comet aircraft (as pictured).



FIGURE 1 THE BLENHEIM CROWD WELCOMES HOME OMAKA-TRAINED PILOT ARTHUR CLOUSTON IN HIS DH-88. CLOUSTON ENJOYED A FAMILY REUNION BEFORE TAKING TO THE AIR AGAIN THE NEXT MORNING TO COMPLETE HIS RECORD-BREAKING LONDON-OMAKA-LONDON FLIGHT IN 1938.

Dangerous Skies - WW2 Exhibition Extension

With the expansion of the Omaka Aviation Heritage Centre's highly acclaimed 'Dangerous Skies' exhibition, the intention is to broaden the scope of commemoration of what was the greatest human conflict of all time, the Second World War.

It is acknowledged at the outset that it would be impossible to find a way to encompass all the facets of the global cauldron that was WW2. Any such exhibition would take over a week to visit, such was the vast expanse of that globally devastating conflict. That said, OAHC has endeavoured with the first stage of the *Dangerous Skies* exhibition to put the spotlight on a number of areas that traditionally have been poorly represented in the English speaking world, particularly the conflict on the Eastern Front. OAHC has now identified a range of other areas to provide some attention to.

One of these is the heavily criticised Royal Air Force 'Bomber Command'. Being a member of the RAF's Bomber Command and its campaign of nightly bombing raids over enemy territory, represented the second most dangerous role to play in WW2 (the highest mortality rates were to be found in Germany's U-Boat squadrons). Bomber Command crews were made up of manpower from right across the British Commonwealth including many young Kiwis. Since NZ lost 1850 of our bright young people in this perilous combat arm, the stories of their brave deeds are close to our hearts.

Another arena OAHC wish to explore which was more a case of 'close to home' is the Pacific Theatre of conflict. This witnessed the remarkable progression of Japanese forces from the 'Day of Infamy', 7th December 1941 when Imperial Japanese forces attacked the US Navy at Pearl Harbor, Hawaii, that signaled the opening of a massive new front in what was now a truly global conflict.



FIGURE 2 ARGUABLY THE MOST FAMOUS ACTION UNDERTAKEN BY BOMBER COMMAND WAS THE RAID ON THE RUHR DAMS.

The war in the Pacific saw some remarkable moves by an extremely motivated aggressor as Japanese forces worked their way down the Malaysian peninsular to Singapore, that British enclave formally thought of as an impenetrable bastion, quickly falling as the Japanese forces continued south. Just 10 weeks after Pearl Harbor, Japanese forces were bombing mainland Australia with an even greater force than that which swamped the US Navy forces in Hawaii.

The Omaka AHC'S *Dangerous Skies* halls will convey some of the remarkable stories of struggle that defined this tragic chapter in human conflict, effectively right on New Zealand's doorstep. There are compelling stories that need to be told involving the thousands of New Zealanders who fought, long hard and bravely in the Pacific. OAHC is the perfect place in which to portray them.

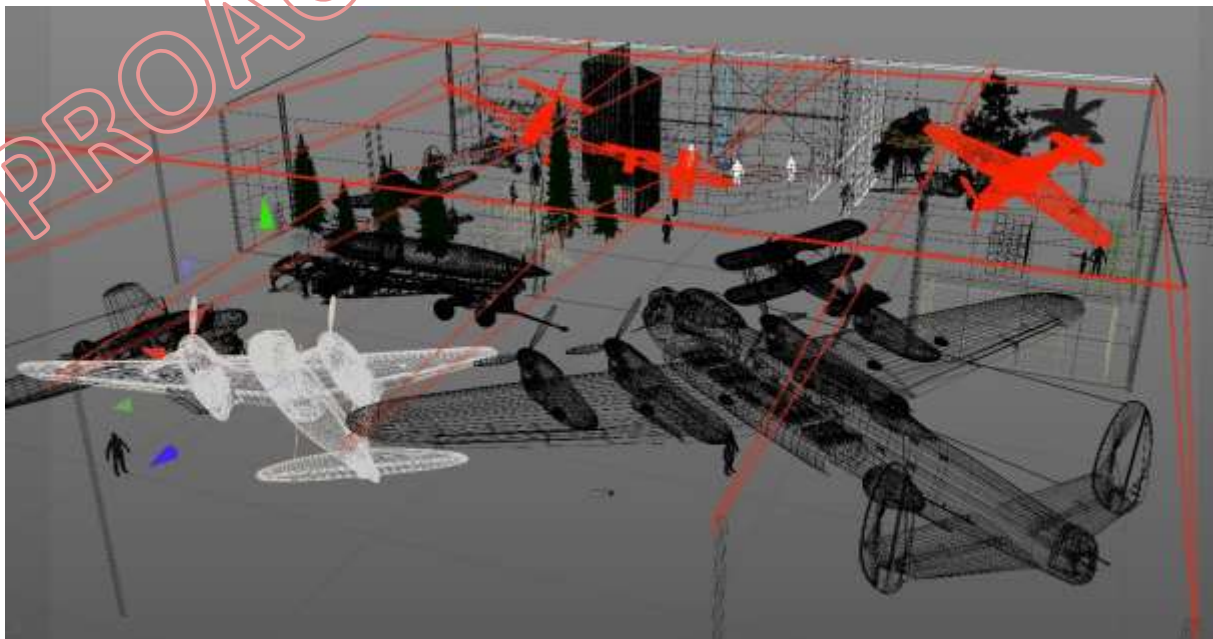


FIGURE 3. 3D IMAGE OF THE EXTENDED WW2 EXHIBITION

2.1.6 Summary of Costs

Capital Cost of Extension to Frontage and North

\$ Commercial Information

(Refer Appendix Commercial Information)

Fit Out of Northern gallery exhibition, shop, loose furniture

\$ Commercial Information

(Refer Appendix B Logical Business Solutions)

Capital Cost WW2 Extension

\$ Commercial Information

(Based on previous tender and allowing for inflation, plus 10% to cover fees.
Fit-out cost is not included and will be funded independently.)

TOTAL Capital Budget:

\$ Commercial Information

2.1.7 Resource Consent

Marlborough District Council in their new District Plan have proposed changing the Aviation Heritage Centre site and other adjoining land from Rural 3 to an Airport Zone. The new plan comes into effect so a Resource Consent application will be treated as a Permitted Use.

To date there have been two stages to the Aviation Heritage buildings. Previous Resource Consent was given by Council as a non-notified application. Council believed only one neighboring property consent was required. That was of the Marlborough Aero Club and that organisation has already given its consent to this new proposal, therefore it is not anticipated that there will be any issue in receiving Council consent.

2.1.8 Community Support and Endorsement

Local iwi

OAHC Management have shared details of the proposed extension with Ngāti Apa, Ngāti Toa, Rangitāne and Ngāti Rarua. A hui has been held with Kiley and Donna Nepia the managers of nearby Omaka Marae to discuss retailing their Manaaki range of products in the catering and retail spaces. There has also been a discussion on how OAHC could work more closely with the Marae to convey to visitors some of the Maori history and mythology associated with the Omaka name and environs. Refer to Appendix C for Commercial Information .

Marlborough District Council (MDC)

MDC have been a significant supporter of OAHC. MDC note the proposed development has close alignment with the emerging Te Tau Ihu economic strategy which has a strong focus on improving key tourism infrastructure to support the growth of the visitor economy as a core economic driver. MDC recognise that OAHC is the largest visitor attraction in Marlborough in terms of number of visitors and is

an iconic drawcard for the Marlborough region and the Top of the South and see the expansion as a compelling new product story for Marlborough. Refer Appendix D for Letter of Support from Marlborough District Council.

Business Events Marlborough

Business Events Marlborough is a business unit of Destination Marlborough and operates as the regional Convention Bureau to attract business events to Marlborough. Marlborough currently has 2% of the business event market. Business Events Marlborough has identified in their letter of support the key reasons the proposed extension would be beneficial. 1. Evening function capacity increase to service existing and attract new larger conferences. 2. Wow factor and point of difference to support attraction of conferences to Marlborough. 3. Fulfil demand for offsite meeting spaces Commercial In people. Refer Appendix E for Letter of Support from Business Events Marlborough.

Destination Marlborough

Destination Marlborough is the regions destination Marlborough agency responsible for marketing Marlborough as a visitor destination. DM endorses and supports the development of the Omaka Aviation Heritage Centre as it provide the agency with a compelling new product story and offering and will provide additional group capacity to support the attraction of domestic and international leisure and business event travellers and encourage them to stay longer. Refer Appendix F for Letter of Support from Destination Marlborough.

Marlborough Tour Company (MTC)

MTC support the development plans. In their letter of Support (refer Appendix M) MTC has outlined the currently unfulfilled and increasing demand there are getting to provide a day dining venue and activity for groups of between Commercial Infor people from cruise ships, international travel trade and other coach operators touring NZ.

Sir Peter Jackson

Sir Peter Jackson partnered with OAHC in the development of the WW1 Knights of the Sky exhibition. Commerc

[REDACTED]

3. Current Situation

3.1 Omaka Aviation Heritage Centre

OAHC is a world-class destination for the appreciation of historic aircraft. Not just for enthusiasts, the centre tells the story of aviation during two World Wars, the time in which the most intense period of aviation development took place. As well as aircraft, there are smaller items including letters, logbooks, clothing, and photographs that help convey the human stories and give the machines their relevance to history.

There are 6 aircraft currently on display in the Dangerous Skies exhibition¹ and 23 aircraft currently on display in the Knights of the Sky exhibition.²

There are 115 vintage, warbird, replica or classic aircraft flying from, being rebuilt at, located in the Omaka precinct (as at 6th Dec 2018).

The exhibits at OAHC are of exceptionally high quality, having had creative input from acclaimed film maker Sir Peter Jackson and WETA Workshop.

OAHC is Qualmark Gold Accredited.

OAHC had the honour of hosting a visit for the Duke and Duchess of Cambridge during their official tour to Australia and New Zealand in 2014. Since then, OAHC has been visited by NZ, US and British military officials, several foreign ambassadors and former NZ Prime Minister Sir John Phillip Key GNZM AC.

The OAHC currently employs Comm x FTE, Comm x PTE and Comm x volunteers.³

3.1.1 Site

The OAHC site consists of:

- Main building – Entrance and reception/ticketing area with small coffee kiosk, WW1 Knights of the Sky Comm sqm exhibition, retail space/shop and office space (which also includes staff room and storage)
- Second building – WW2 Dangerous Skies Commercial sqm exhibition is housed in a separate building where visitors must currently walk outdoors (uncovered) to access
- Car park and surrounding grounds – the car park has Comm sealed car spaces with additional overflow space on a large grass area alongside
- Omaka Airpark – Commercial wide taxiway provides access onto Omaka Aerodrome, two rows of hangars (some under construction) and currently Comm businesses operating from the Airpark.

3.1.2 Visitor Experience

OAHC is open 7 days a week. From 1st May – 30th November hours are 10am - 5pm (last entry at 4pm) and from 1st December – 30th April hours are 9am - 5pm (last entry at 4pm).

Visitors purchase admission at the reception area and then participate in a self-guided walk through the site. Interpretation and signage are provided throughout the exhibition. A full list of admission and experience fees for OAHC has been included in Appendix G.

A daily ticket allows visitors to come back to the museum again on the same day if they wish to

¹ As per OAHC Exhibition Layout Plan

² As per OAHC Exhibition Layout Plan

³ Figures informed by OAHC as at 20th Nov 2018

break their experience with a visit to one of the surrounding wineries for lunch.

A printed guide/map is included in the admission fee.

The following observations have been made regarding OAHC's appeal as a visitor attraction.

On Trip Advisor OAHC is listed as #1 of 49 'things to do' in Blenheim, with 1,269 reviews and a satisfaction rating of 5/5.⁴ Words used in the review titles include: 'Amazing display', 'Awesome museum', 'Don't miss it', 'Brilliant exhibition – well worth it!', 'Excellent', 'Superb', 'Breathtaking!', 'Amazing experience' and 'World-class must-see attraction'.

Popular reference source Lonely Planet, lists the OAHC as 'Number 1 Top Sight' in Blenheim on their website.⁵

3.1.3 Functions

OAHC currently host functions in a choice of two venues. The *Knights of the Sky* exhibition and reception area can accommodate cocktail functions for up to Comment guests, while *Dangerous Skies* exhibition can host up to Comment guests for cocktails or seated dining.

3.1.4 Classic Fighters Omaka Air Show

Classic Fighters Omaka Air show (the air show) is held over three days from Good Friday to Easter Sunday every alternate year, as a major fundraising event for the Omaka Aviation Heritage Centre.

The air show has been held 9 times with the inaugural event first held in 2001. The next event is due to be held in 2019 and will be the 10th air show.

The air show runs on the opposite year to Warbirds Over Wanaka.

The air show has two main show days over Saturday and Sunday, with the programme running from 10am till 4pm, although activities are also held on the other days. An aviation theme is dominant, however events throughout the weekend offer visitors a diverse range of activities such as food and wine, children's activities, trade stalls, pyrotechnic shows etc.

Each air show is themed, with previous examples including 'ANZACS', 'Aviation in the Movies' and 'Racing through Time'. The upcoming theme for 2019 will be Saluting Women in Aviation, in support of the 125th Anniversary of New Zealand women's suffrage.

Classic Fighters Air show Charitable Trust Inc is set up for the purpose of organising and promoting the biannual air show. In particular, the Trust is expected to:

- Raise funds for air shows through sponsorship and fundraising events
- Arrange for aircraft to participate in the air show
- Organise surrounding activities
- Promote ticket sales
- Run air shows



IMAGE 3 EVENT POSTER. SOURCE: CLASSIC FIGHTERS WEBSITE

⁴ www.tripadvisor.com.au Figures correct as at 20th November 2018

⁵ <https://www.lonelyplanet.com/new-zealand/marlborough-and-nelson/blenheim>

3.1.5 Access

Visitors can arrive by a number of methods to OAHC.

Car – OAHC is located less than a five-minute drive from the town centre of Blenheim and approximately 30-minute drive from Picton for guests arriving by cruise ship or ferry.

There is carparking available for cars and coaches in front of the buildings.

Bus – *Escape to Marlborough* operate a Hop On Hop Off bus which includes OAHC as one of their stops on their regular timetable.

Train – Blenheim Riverside Railway train experiences are publicly available on weekends and regularly over school holidays. This train can be chartered to incorporate into a group event experience.

Plane – small aircraft are able to contact Omaka Aerodrome regarding arriving by this method.

3.2 Regional Aviation Hub

Marlborough has a long history of aviation engineering. The creation of the Aviation Heritage Centre and its Heritage aircraft has provided a unique leverage opportunity to grow both the tourism, education and the aviation industry. It has inspired an aviation cluster.

Aviation contributes \$73.5 million to Marlborough’s GDP equating to 3.1% of total GDP for the region in 2017. There are 933 aviation jobs, or 3.5% of Marlborough total jobs across 45 businesses⁶.

Historically most of the revenue generated by Marlborough aviation engineering was from civil and military airframe, avionics, propeller, engine and component repair.

The arrival of over 100 heritage aircraft to the District has been generated by a combination of

the Heritage Centre, Omaka grass airfield, recently established world – class restoration, maintenance and manufacturing businesses, the benevolent Marlborough climate and landscape and the presence of a wide technical capability gathered in a closely coupled and attractive locality.

There are a growing number of organisations and individuals that exist in the heritage aviation space around OAHC, and who’s activities can be attributed to influencing customers and bringing awareness to heritage aviation needs being able to be serviced at Omaka. (If not with resident aircraft, then through restoration services).

3.2.1 Omaka Airpark

Omaka Airpark is operated by OAHC. Additional aviation businesses are located on the airfield and environs, including specialist machinists, maintenance engineering, helicopter operators, agricultural flying, flight training and heritage scenic charters.

Table 1. Example of Omaka Airpark businesses

Business Name	Operation	Employees
JEM Aviation	Aircraft maintenance and restoration facility (occupies 2 x hangars)	6 x FTE 6 x PTE
Robin Officer	Metal fabrication	Self-employed
Classic Wings	Magazine publishing company	6 x FTE 6 x PTE
Classic Aircraft Sales	Aircraft brokerage and joy flight business (Boeing Stearman aircraft)	6 x FTE 6 x PTE
RR Aviation	Joy flight business (Avro Anson bomber aircraft). About to commence.	6 x PTE
Fighter Flights	Joy flight business (Yak-3 aircraft)	6 x PTE

⁶ Source: Marlborough District Council

Classic Wings Magazine

The first Omas-based business to reach out to the worldwide heritage aviation world in 1994, which conveyed a global overview of the worldwide vintage and warbird restoration scene, but with a balanced weight of coverage given to 'down under' providers. This effectively endorsed a range of companies in Australia and New Zealand and there was an inevitable slant towards the future potential of new operators in Marlborough. Classic Wings was, and is, proud to be able to point to some of the major warbird identities worldwide who have subsequently spent millions of dollars on rebuilds in Australasia, only after being Classic Wings customers first.

Classic Aircraft Sales Ltd

A parallel initiative was Classic Aircraft Sales Ltd. launched in the late 1990s. This entity was created to broker heritage aircraft around the globe, but with the unashamed intention of ensuring 'down under' heritage aircraft were exposed to the regional market first, whilst also being able to flag attractive opportunities for 'down under' buyers to take advantage of, thus bringing some significant types of aircraft to the Antipodes. Omas Airfield has benefitted from this activity and in one very successful case, a sale to an overseas based customer resulted in that individual bringing four significant heritage aircraft, both projects and flyable machines, to the airfield. This individual has brought approx. \$^{Commercial Information} in aircraft value to the field, as well as ^{Commercial Information} dollars of maintenance and restoration work that has provided jobs to the airfield.

Classic Aero Machining Services

Proprietor Tony Wytenburg is a gifted CNC machinist and an innovative problem solver. He started supporting local restoration initiatives by reproducing unobtainable parts for historic aircraft being restored on the airfield. At any given time, Tony has a range of hard-to-get parts

on the shelves and has customers based all over the world.

Tony completed a challenge of building a WW-I V-8 engines RAF 1a from scratch. Although WW-I aviation enthusiasts around the globe had been talking about recreating engines for 1914-18 aeroplanes, Tony was the first in the world to do it. He completed this to a high standard and it was subsequently tested and found to be a very sound unit, recreating the original engine, but with some sensible substitution of modern materials and practices to discreetly improve reliability and performance.

He subsequently developed a re-creation of the WW-I French Gnome Monosaupe rotary aero engine of 100 hp. This engine with subtle improvements has proved very successful with customers in Australia, France the UK and the USA. He has the latest batch of ^{Commercial Information} underway at present.

The business is believed to currently have ^{Commercial Information} full-time employees and ^{Commercial Information} part-time employee.

JEM Aviation

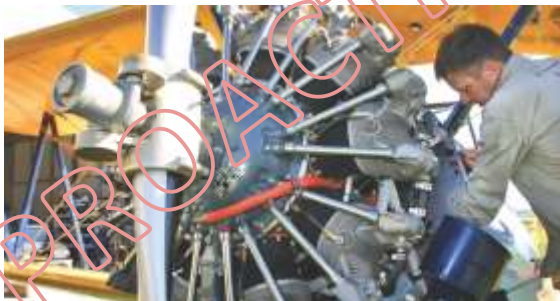
Founded by owner Jay McIntyre, this company has gone from strength to strength, providing restoration and maintenance solutions to owners of heritage aircraft from around New Zealand and from abroad. JEM's original ^{Commercial Information} square metre hangar space has more than doubled in the last five years and staff continues to grow under the high demand of JEM's broad customer base. Apart from very strong New Zealand demand, JEM is also servicing the requirements of restoration clients in Australia, the USA, France as well as a major customer based in Southern Africa.

JEM's work covers two main activities, restoration of period aircraft, and routine maintenance of a range of old and modern general aviation aircraft. Restoration skills cross the gamut from wooden structures with fabric covering to steel tube, sheet metal, welding,

engine work, electrical and there is even an in-house contractor who specialises in creating traditional aluminium compound curve items on the 'English Wheel' to serve as cowlings, fairings etc. Aircraft worked on by the company range from WW-I machines like the Fokker Triplane and Bristol Fighter, through 'golden age' racers etc, and on to WW-II aircraft like the rare German Focke-Wulf Fw190, British Spitfire Mk.XIV, and Russian Yakovlev Yak-3 and also Yak-9V.

Of note, JEM restored a crashed Yak-3 for Kiwi customer Graeme Frew. The aircraft became an award-winning restoration, and more recently was taken to the USA to participate in the National Air Races (where it competed in, and won, multiple races). These achievements have reinforced the Kiwi and Marlborough brand, with passers-by wanting to visit NZ to see the Yak performing at home at Omaka Classic Fighters Air show.

Commercial Information



Classic Aero Photography

Gavin Conroy commenced taking air to air photos within the Omaka flying community once interesting aircraft starting being brought to the field. His mixture of patience, prowess and professionalism and the fact he was a PPL himself, resulted in some exceptional photography. Practicing on local topics with support from the local aviation community has grown his portfolio considerably. Gavin started producing calendars about a decade ago in addition to supplying photography for various

magazines. Today, he is acknowledged as one of the world's best regarded air to air photographers and he provides images for magazines around the globe, whilst also being invited to photograph aircraft at venues around the world.

3.2.2 Aviation Sector Employment

Taking JEM Aviation as an example, the majority of the positions currently held were all created over the past decade as the heritage aviation 'nucleus' formed around the OAHC development. Subsequent companies have formed, like CAMS Ltd, providing support services. At the present time JEM Aviation is demonstrating strong growth, but the airfield could easily host at least another operation of similar size.

As the growth in heritage aviation activity at Omaka continues, so the demand is steadily being created for more engineering support capacity for the booming number of aircraft being attracted. Likewise, growth in interest from afar has seen more overseas customers sending their aircraft to Omaka to have work carried out before being returned to their off-shore owners.

In the meantime, long term restorations are steadily approaching completion, whilst new restoration initiatives are being started, so there is the growing need to provide more support for regular maintenance on the new fleet of machines as they emerge from the shops, requiring ongoing servicing.

In addition, growth is also being seen in experience flights in heritage aircraft and these too are adding further demand for increased maintenance support in order to provide interruption-free delivery of seating capacity for the growing numbers of visitors wishing to add scenic and adventure flights to their Marlborough experience.

It is predicted by OAH Management that the number of people working on the airside of the heritage aviation sector at Omaka will more than Commercial Information over the next Commercial Information. In addition, if the support services needed on the field, including upholstery provision, wooden propeller manufacture, metal propeller overhaul, 3-D printing services, expanded engine overhaul facilities etc. can be added, then this demand for personnel will grow even more.

3.2.3 Commercial Aviation Community

The Omaka heritage aviation hub is part of a wider aviation community within the Top of the South, covering training facilities; maintenance, repair and overhaul; air transport operators; agricultural services; airports and aerodromes.

Some of the key players in Marlborough's aviation industry are the following:

Airbus New Zealand Ltd

After more than 60 years of operation in Marlborough, SAFE Air Ltd was purchased by Airbus in 2015 and has been integrated into the company's global organisation to service the Pacific region. The facility, which is located at Blenheim's main airport, offers aeronautical design, manufacturing, maintenance and overhaul capability for military and civil helicopters and fixed wing aircraft.

Around Commercial Information people are employed at the Blenheim facility, including highly skilled technicians and aeronautical engineers.

Although the RNZAF is its biggest customer, Airbus inherited facilities and equipment which continue to be major assets for heritage aircraft restoration, particularly in relation to heat treatment and cadmium plating, providing a remarkable depth of capability for the industry.

Air New Zealand

The national carrier operates scheduled flights through Blenheim Airport, with direct flights to Wellington and Auckland using Q300s.

Sounds Air Ltd

Founded in 1987 as a low-cost airline flying between Wellington and Picton, this company has expanded into a significant regional airline linking Blenheim with a number of cities in both the South and North Islands.

Sounds Air runs a fleet of five Cessna Caravan's and five Pilatus PC12's.

Sounds Aero Maintenance

Based on Omaka Airfield, this company maintains a large fleet of over 60 aircraft types, including the Marlborough Aero Club's aircraft, helicopters and Sounds Air's C208 Caravan fleet. In addition to its two directors, Sounds Aero Maintenance employs five other full time staff.

Marlborough Helicopters Ltd

Based on Omaka Airfield, this company has been supplying helicopters services to Marlborough for over 30 years. Offers commercial charter, lifting and agricultural aviation.

3.2.4 Aviation Training

Marlborough Aero Club

Having established, owned and operated the Omaka Airfield for the past 80 years, the Marlborough Aero Club has a long and proud history of training commercial and recreational pilots, many of whom have gone on to establish aviation careers around the world. It's large, multi-vector airfield is perfect for primary training and is particularly attractive to early heritage aircraft, which prefer the grass surface.

NMIT Aviation Network

Part of the Nelson Marlborough Institute of Technology, the Aviation Network provides

aviation engineering courses run by qualified aviation engineers with recognised teaching qualifications. NMIT is one of only two such course providers in New Zealand. The engineering programmes are delivered at RNZAF Base Woodbourne.

RNZAF Base Woodbourne

RNZAF Base Woodbourne is located 5km from OAHC adjacent Marlborough Airport.

Woodbourne is the Air Force's training support base. Units at Woodbourne are responsible for the training of recruits, initial officer training, trade training and command training.

Also at Woodbourne is the Air Force's only heavy maintenance facility for the repair of aircraft airframes, engines and avionics systems. This unit was commercialised in 1998 and is now managed by Airbus Ltd.

With a typical student population, Woodbourne has personnel strength of around [Commercial In] and is an important training area for the RNZAF.

3.2.5 Aviation Community

The reputation of the OAHC as an aviation influencer (not only in Australia and New Zealand, but worldwide) has drawn aviation enthusiasts to Omaka demonstrating its role as a contributor for population growth and investment in the region.

There are a number of aviation enthusiasts that have been drawn to Omaka and the surrounding Marlborough region. These individuals and

families have contributed to the region by bringing aircraft (some of which are valued at over \$1 million), building combined homes and hangars (some of which are valued at over \$1 million), buying property, sharing flying and engineering talents, becoming volunteers at OAHC and becoming part of a syndicate which owns a Nanchang and Tiger Moth aircraft. For more details refer Appendix H.

3.2.6 New Zealand Aviation Industry

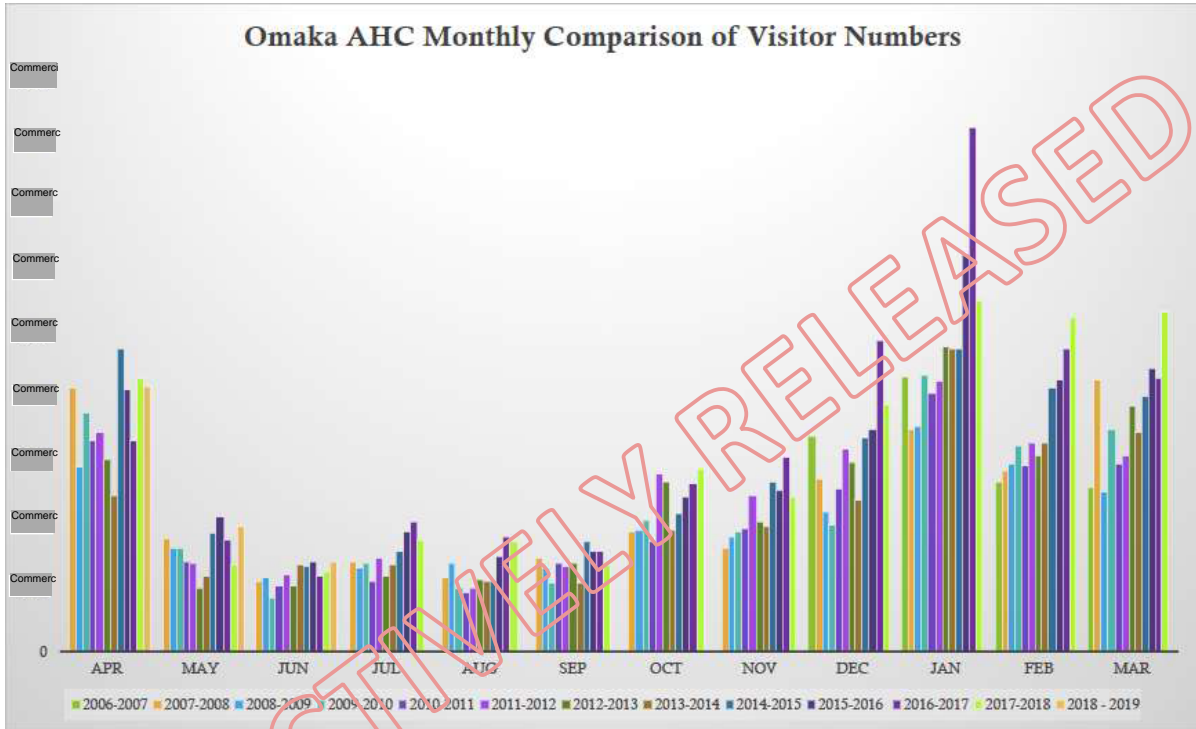
New Zealand has an established aviation industry. It is worth around \$16 billion per annum and contributes approximately \$5 billion per annum in export earnings. The industry is spread throughout the country and plays an important role in tourism, agriculture, regional connectivity, economic development, search and rescue and disaster recovery- supporting social cohesion around the country.

- Boeing predicts in the next 20 years the Asia Pacific region will require [Commercial In] new aircraft above [Commer] seats, [Commercial Informa] new pilots and [Commercial Informa] new engineers and [Commercial Informa] new cabin crew.
- Airbus predicts Asia Pacific will need [Commercial In] new aircraft, [Commercial Informa] new pilots and [Commercial Informa] new engineers in the next 20 years.
- Honeywell forecasts that the Asia Pacific will require between [Commer] and [Commer] new turbine helicopters in the 5 years to 2021. The total Asia Pacific rotary market is growing by around [Com] % year on year.

3.3 Visitor Numbers and Demographics

3.3.1 Omaka Aviation Heritage Centre

Figure 1. OAHC Monthly Comparison of Visitor Numbers. Supplied by OAHC.



The Omaka Aviation Heritage Centre breakdown between local and international visitors has evolved significantly over the last 10 years in terms of local and international visitors but has stayed somewhat consistent in terms of domestic NZ visitation.

Table 2 Snapshot of OAHC domestic and international visitation breakdown

	2007/08	2017/18
Local (Marlborough)	Comm %	Comm %
Domestic NZ	Comm %	Comm %
Overseas	Comm %	Comm %

Visitation is highly seasonal, as it is generally to Marlborough. The percentage of overseas visitors is as high as [redacted] % in peak months.

Visitation has fluctuated through the years but with an overall growth trend. Spikes in visitation have been due events like the Scout Jamboree in 2016/17 which attracted over [redacted] visitors to the area.

During the financial year 01 April 2017 – 31 March 2018, OAHC captured origin of visitor data from [redacted] respondents.⁷

- [redacted] % of visitors were from Domestic NZ, the largest share from Auckland ([redacted] %) closely followed by Marlborough ([redacted] %). Visitors from the highest domestic catchment area of Auckland represented [redacted] % of total visitors to the OAHC.
- Domestic NZ visitors represented [redacted] % of total visitors to the OAHC.
- Visitors from Australia represented [redacted] % of total visitors.
- Visitors from Overseas represented [redacted] % of total visitors.
- [redacted] % of total visitors responded that they were NZ/Overseas Mixed.

The mixed group would indicate that locals/domestic visitors are accompanying international guests to OAHC as part of their NZ visitor experience.

3.3.2 Classic Fighter Omaka Air Show

Classic Fighters Omaka Air Show attracts approximately [redacted] visitors in total across the 3-day event. Variations in ticketing systems over time have however impacted the ability to obtain and keep accurate records. OAHC are actively looking to improve this aspect of the event for their record keeping.

⁷ OAHC Stock Item Sales Report 18th April 2018

3.4 Revenue

3.4.1 Exhibition Revenue

OAHC is an established museum attraction which supports its operational expenses through revenue generated on site.

Revenue is obtained from exhibition admission tickets, café, merchandise, donations and grants, sponsorship, joy flight operations, membership fees, rental income and events/venue hire.⁸

For the year ending 31st July 2018, income for the OAHC gained from admission ticket sales was \$Commercial Informa, Café sales were \$Commercial Informa, Merchandise sales were \$Commercial Informa, venue hire was \$Commercial Infor, furniture hire was \$Commercial In and WW2 venue beverages provided was \$Commercial Infor.⁹

3.4.2 Airpark

In the year ending 31st July 2018, the airpark generated rental income of \$Commercial Infor and with operating expenses of \$Commercial In generated a nett profit of \$Commercial In.¹⁰

3.4.3 Functions

Dangerous Skies

Venue hire for an event is \$Commercial In plus GST for up to Commercial people (the Anson remains in situ) and \$Commercial In plus GST for numbers above this up to Commercial people. Use of screen, projector, event PA, microphone, presentation lectern, stage and lighting is included FOC as part of the venue hire. Chairs are charged at \$Commercial per chair. Tables are charged at \$Comm per table (seats 10).

Table 3. Admission and revenue breakdown 01 August 2017 – 31 July 2018

Breakdown of combined individual visitors and group tours		
Admission	Visitor Numbers	Revenue
Knights of the Sky	Commercial Infor	\$Commercial Informa
Dangerous Skies	Commercial In	\$Commercial Informa
Combination ticket to both exhibitions	Commercial Infor	\$Commercial Informa
Totals for combined individual visitors and group tours		
Total visitor numbers and revenue	Commercial Infor	\$Commercial Informa
Group tours only		
Revenue generated by group tours		\$Commercial Informa
Group tours revenue associated with cruise ship visits		\$Commercial Infor

⁸ OAHC Profit and Loss Statement 1st Aug 2017 to 31st July 2018

⁹ OAHC Profit and Loss Statement 1st Aug 2017 to 31st July 2018

¹⁰ Airpark Profit and Loss Statement 1st Aug 2017 to 31st July 2018

Currently, the total gross cost for venue, equipment, hire, beverages and catering for Dangerous Skies based on ^{Commercial} attendees (using a per person average estimate for beverages and assumption of a 3-course plated meal) is \$^{Commercial Information} plus GST. This is equal to \$^{Commercial Info} plus GST per person.

Using the same inclusions and assumptions for ^{Commercial} attendees, the total gross cost is \$^{Commercial Information} plus GST. This is equal to \$^{Commercial Info} plus GST per person.

See Appendix I for event income and expenditure estimates supporting these figures (and those of the larger capacities for functions which would result from the proposed expansion) that have been provided by OAHC.



IMAGE 4 EVENT ROOM SETUP EXAMPLE FOR DANGEROUS SKIES - ^{Comm} PEOPLE. SOURCE: SUPPLIED BY OAHC

Knights of the Sky

Venue hire for the event is \$^{Commercial In} plus GST and includes the foyer space. Food and beverages can only be consumed in the reception area, not within the Knights of the Sky exhibition. If clients wish to use the existing café chairs and tables there is no additional cost, otherwise chairs are charged at \$^{Commercial} per chair and tables are charged at \$^{Comm} per table (seats 10).

The maximum capacity of using the area is based on attendees standing. There are no AV equipment options in this area.

When hired in conjunction with Dangerous Skies, this is normally discounted as the use is only for a maximum of 60 minutes (essentially for arrival drinks). The minimum charge is approximately \$^{Commercial} plus GST.

Feast Merchants

Feast Merchants is the catering company that currently work with OAHC for their functions. They have a choice of options from Stand-up Tapas and Canape functions through to Family Style and plated menus ranging from \$[Commercial Information] per person. For more details see Appendix J.

An additional set site fee for all bookings of \$[Commercial Information] pp is charged which includes cutlery, crockery, table cloths, napkins, water carafes, glasses and full offsite commercial kitchen. All pricing is GST inclusive and includes wait staff and chefs. Wine, Beer and Soft drinks are charged on consumption.

From the [Commercial Information] functions held at OAHC from July 2017 until November 2018, the average function size was [Commercial Information] people and average profit was \$[Commercial Information] per event.¹¹ These event sizes ranged from [Commercial Information] attendees to [Commercial Information] attendees.

Of the [Commercial Information] functions quoted to potentially be held between July 2017 until November 2018 that OAHC were unsuccessful in securing, [Commercial Information] of these were due to client budget constraints, [Commercial Information] were lost to other destinations (4 in New Zealand and 1 in Australia) and [Commercial Information] did not have any comment shared by the client to date on why they were unsuccessful.¹²

3.4.4 Classic Fighters Omaka Air Show

The main source of cash and resources is from admission ticket sales, gold pass ticket sales, corporate hosting sites, food and trade stall sites, and sponsorship.

The main methods used to raise funds include selling tickets, corporate hosting sites, food and

trade sites for the Classic Fighters Omaka Air Show and obtaining sponsorship for the event.

The air show is totally reliant on volunteers to assist with the air show and also donated and in-kind goods and services. Without the support of hundreds of volunteers, the event would not take place.

In 2013, MDC commissioned an Economic Evaluation of the Classic Fighters Omaka Air Show to estimate the impact of the event on the Marlborough economy. This involved assessing the extent to which the event grew the economy in terms of direct expenditure and Gross Domestic Product (GDP). This report focused on visitors that specifically travelled to Marlborough to attend the event, excluding visitors who incidentally attended or locals.

A brief summary of the 2013 report includes:¹³

- In 2013, the air show attracted [Commercial Information] visitors to Marlborough. In aggregate these visitors generated [Commercial Information] visitor nights at an average of [Commercial Information] nights per visitor. Total visitor numbers were [Commercial Information] including participants, media and spectators. [Commercial Information] were locals.
- The cost of delivering the air show was \$[Commercial Information] of which \$[Commercial Information] was sourced from within Marlborough, mainly through ticket sales.
- The air show increased Marlborough's regional exports by \$[Commercial Information] (exclusive of GST).
- The return on regional investment in the air show was [Commercial Information] %.

¹¹ OAHC Events Spreadsheet 2017-2021 14th November 2018

¹² OAHC Events Spreadsheet 2017-2021 14th November 2018

¹³ Covc Economic Evaluation of Classic Flights Omaka 2013 – Final Report June 2013

4. Other NZ Museum Experiences

Whilst OAHC is considered a world-class Qualmark Gold accredited visitor experience and one-of-a-kind vintage aviation attraction in New Zealand, there are other museum experiences with a heritage focus that exist across the country that similarly offer general entry, self-guided tours, function spaces and onsite cafes. These have been summarised to provide context.

4.1 Marlborough

4.1.1 Marlborough Museum

Located in Brayshaw Heritage Park the Marlborough Museum features vintage cars, vintage machinery and a replica street scene and is also known for its displays of Wine Exhibition, Te Pokohiwi 1250 A.D., Captain Cook, whaling, gold mining, Victorian Rooms and pottery collections. Admission fee for adults is \$10 and for children and students \$5. Group discounts are available on request.

Marlborough Museum is not currently a Qualmark Accredited visitor experience.

The following table outlines a comparison of visitor numbers over the last 10 years between Marlborough Museum and OAHC which clearly shows a significant difference between the two attractions and the strong appeal and growth of the OAHC.

4.1.2 Omaka Classic Cars

Omaka Classic Cars is a living, working display of approximately 100 vehicles, with 50 vehicles on display at any one time. They represent a part of the New Zealand way of life and cover the period between the pioneering vintage car era through to the cars of today. This self-guided experience is adjacent the OAHC.

Admission is \$15 per adult and children are FOC.

Omaka Classic Cars is not currently a Qualmark Accredited visitor experience.

Table 4. Comparison of visitor numbers

Year (July to June)	Marlborough Museum	OAHC	% Difference
2007/08	Commercial Infor	Commercial Infor	Commerc%
2008/09	Commercial In	Commercial Infor	Commerc%
2009/10	Commercial In	Commercial Infor	Commerc%
2010/11	No data available	Commercial Infor	Comparison not available
2011/12	Commercial In	Commercial Infor	Commerc%
2012/13	Commercial In	Commercial Infor	Commerc%
2013/14	Commercial In	Commercial Infor	Commerc%
2014/15	Commercial In	Commercial Infor	Commerc%
2015/16	Commercial In	Commercial Infor	Commerc%
2016/17	Commercial Infor	Commercial Infor	Commerc%
2017/18	Commercial In	Commercial Infor	Commerc%

4.2 New Zealand

4.2.1 National WOW (World of Wearable Art) Museum & Nelson Classic Car Collection

That National WOW Museum & Nelson Classic Car Collection located in Nelson showcases two very distinct collections – more than 60 wearable art garments alongside over 140 vintage and classic cars. The heart of the ‘Wearable Art’ exhibition is an annual competition that attracts international designers from over 40 countries. The exhibition features up-close experiences with selected pieces from the competition to appreciate the skill, craftsmanship, creativity and innovative design of the garments. The ‘100 years of motoring’ exhibition showcases a world-class private collection that is one of Australasia’s largest and many of the cars on display have undergone extensive restoration. There is also a café onsite.

Admission fees are charged for entry - \$24 adults, \$10 children, \$18 students, \$18 seniors, FOC under 5 years.

The venue is not offered for hire, nor can it accommodate sit-down dinners. After-hours functions delivered in the café area are offered with access to the Museum.

At the time of this report, it has not been possible to obtain data surrounding visitor numbers and the number of functions being held at the venue.

National WOW (World of Wearable Art) Museum & Nelson Classic Car Collection is a Qualmark Silver Accredited visitor experience.

Table 5. National WOW Museum & Nelson Classic Car Collection

Space	Accommodates
WOW Museum	Commercial Information for drinks and canapes

4.2.2 National Army Museum

The National Army Museum in Waiouru showcases New Zealand’s military history, telling the stories of Kiwi soldiers and explores their participation in major conflicts worldwide. They have a permanent collection of historical New Zealand army equipment, photographs and memorabilia. There is also a café onsite.

The Museum is a Registered Charitable Trust Admission fees are charged for entry - \$15 adults, \$5 children, \$10 students, \$10 seniors, FOC under 5 years, \$35 family. Group rates are available on request.

For functions there is a purpose renovated, heritage building (The Headquarters – Building 81) that can accommodate medium-sized theatre style groups with a small meeting room and breakout room also available.

At the time of this report, it has not been possible to obtain data surrounding visitor numbers and the number of functions being held at the venue.

The National Army Museum is a Qualmark Silver Accredited visitor experience.

Table 6. National Army Museum function spaces

Space	Accommodates
Meeting Room	Commercial Information theatre style
Boardroom	Commercial Information boardroom style
Break Out Area	Various

4.2.3 Air Force Museum of New Zealand

The Air Force Museum of New Zealand is the national museum for the Royal New Zealand Air Force (RNZAF) and New Zealand military aviation, and stands on the site of the former air base at Wigram, Christchurch. There is a café with seating for up to [redacted] people which is managed and contracted externally from the Museum. Christchurch-based event management company Vbase have an exclusive contract for event management at the site.

Admission to the museum is free and it is part-funded by the RNZAF and a charitable trust.

There are a variety of spaces available to meet a broad range of function requirements which are outlined in the table below. The venue was also used as the temporary convention centre for Christchurch post the 2016 earthquake.

For the 12 months from Dec 2017 until Nov 2018, there were [redacted] total visitors to the Museum. In addition, [redacted] corporate visitors attended [redacted] functions that were hosted during the 2018 calendar year. An approximate breakdown of these functions is that [redacted]% were

held in the Conference & Events Hall, [redacted]% in the Aircraft Hall and the remaining [redacted]% across the smaller spaces and on the tarmac.¹⁴

The Air Force Museum of New Zealand is not currently a Qualmark Accredited visitor experience.

Table 7. Air Force Museum of New Zealand function spaces

Space	Accommodates
Conference & Events Hall	[redacted] banquet, [redacted] classroom, [redacted] theatre style
Aircraft Hall	[redacted] banquet, [redacted] theatre style
Atrium	[redacted] banquet
Brevet Lounge	[redacted] banquet, [redacted] boardroom, [redacted] classroom, [redacted] theatre style
Donaldson Room	[redacted] boardroom style
Theatre	[redacted] classroom, [redacted] theatre style
Morrison Room	[redacted] banquet, [redacted] boardroom, [redacted] classroom, [redacted] theatre style

¹⁴ Figures advised by Air Force Museum of New Zealand as at 14th Dec 2018

5. Market Analysis

5.1 Marlborough Residents

43,416¹⁵ people usually live in the Marlborough District, with the estimated resident population in 2018 at 46,600¹⁶. (2013 Census information is currently being used by Stats NZ as 2018 Census results are not available at the time of this report and are expected to be released in 2019).

25% of the population growth of 400 people experienced in Marlborough during 2018 can be attributed to natural growth (births minus deaths) and 75% to net migration (arrivals minus departures through both international and interregional migration).¹⁷

5.2 Omaka Landing Residential Development

Consideration of the current Omaka Landing Residential Development has been taken into account due to the proximity of OAHC and the onsite café being a catchment point to attract local residents and the accompanying local resident spend and advocacy creation.

Omaka Landing is located very close to OAHC and will have Commercial Information lots when completed at the Commercial Information.

There are currently 3 stages (6a, 6b and 7) left to complete construction (currently underway) and these final stages comprise of Commercial Information lots to title in Commercial Information.

- Stages 1-5 all have been issued with titles.

- Stage 6a – this includes the larger Commercial Information m2 lots and the smaller Commercial Information m2 sites– these Commercial Information lots would be expected Commercial Information.
- Stage 6b – construction work in Commercial Information – these Commercial Information lots are due to be ready Commercial Information.
- Stage 7 – construction work in Commercial Information – these Commercial Information lots are due to be ready Commercial Information.

Initial indications from the developer are that buyers in the development are a mixture of demographics, however the development does not really appeal to first home buyer market as finished prices are over \$Commercial Information. There are a good number of families along with residents that are looking to downsize. The appeal of the residential development is its reserves and access to river along with an on-site health club and child care centre.

5.3 Visitor Markets

Tourism is the third largest contributor to Marlborough’s total GDP (8.4%), surpassed only by manufacturing (23.9%) and agriculture, forestry and farming (10.5%).¹⁸

Current national datasets for NZ do not provide information on numbers of visitors to a region.

The Ministry of Business, Innovation and Employment (MBIE) provides data on visitor spend at a regional level. Marlborough’s visitor mix is made up of twice as many domestic visitors as international.

¹⁵ 2013 Census

¹⁶ Stats NZ - Subnational Population Estimates as 30 June 2018 Provisional

¹⁷ Infometrics Marlborough Region Economic Profile <https://ecoprofile.infometrics.co.nz/Marlborough%2bRegion>

¹⁸ Infometrics Marlborough Region Economic Profile <https://ecoprofile.infometrics.co.nz/Marlborough%2bRegion>

Marlborough		
Type	YJun 2018 Spend	YTY Growth
Domestic	\$262m	11.3%
International	\$135m	9.9%
Total	\$397m	10.8%

To year end June 2018, spend was split across a number of categories:

- \$129 million on transport, tours and experiences
- \$66 million at restaurants, cafes and bars
- \$59 million in retail stores
- \$49 million on fuel and automotive services
- \$49 million on accommodation
- \$47 million on alcohol, food and beverages.

To year end June 2018, the top five domestic markets spending and % of total domestic spend in Marlborough were¹⁹:

- Canterbury (\$67 million) - 25%
- Auckland (\$37 million) - 14%
- Wellington (\$32 million) - 12.3%
- Nelson/Tasman (\$30 million) - 11.5%
- Waikato (\$16 million) - 5.96%

To year end June 2018, the top five international markets spending in Marlborough were:

- Australia (\$29 million)
- Rest of Europe (\$24 million)
- UK (\$23 million)
- USA (\$19 million)
- Germany (\$16 million)

¹⁹ https://mbienz.shinyapps.io/mrte_interactive_map/#section-regional-explorer

112,191 cruise passengers and crew arrived on board 41 cruise ships that berthed in Picton during the 2017/18 season, estimated to have spent \$18 million in the region.

5.3.1 Visitors to Museums

In a Museums Aotearoa 2017 National Visitor Survey it was identified that the average breakdown of visitors was from overseas (Comm%), this town/city (Comm%), other region in NZ (Comm%) and this region (Comm%). It also highlighted that visitors who go to museums, galleries and heritage properties stay longer and spend more than those who do not.

Responses to the Museums Aotearoa 2017 National Visitor Survey about what visitors got from their time in museums, galleries and heritage properties, aligned to the results of international research showing widespread social and health benefits from museum, gallery and heritage property visits.

- Critical role in providing free choice learning environments.
- An experience which helps visitors feel more connected to other people and places in their lives.
- An increased connection to the area which is associated with increased local investment and spending, increased tourism, and decreased revenue leakage.
- Community benefits are evident in building capacity and identity such as provision of education, additional services such as cafes providing employment and giving a formal means of getting potentially isolated community members out and socialising.

5.4 Business Events

5.4.1 National Overview

The Business Events Activity Survey monitors and benchmarks the performance of more than 300 professional conferencing and meeting venues in New Zealand. In the June 2018 quarter report, information on larger events (501-1000 and 1001+) has been presented for the first time.

For all conference and convention activity, a total of 558,000 delegates attended 5,200 conferences and conventions in the year ended June 2018, generating 1 million delegate days.²⁰

For all business events (excluding special occasions), a total of 2.4 million delegates attended 36,700 events in the year ended June 2018, generating 3.21 million delegate days²¹

Important to note that while the number of business events (excluding special occasions) decreased by 7% (from 39,500 in the year ended June 2017), both the number of delegates (up 1% from 2.38 million) and the number of delegate days (up 2% from 3.16 million) have increased.²²

There were approximately 4.3 million delegate days in the year ended June 2018. A total of 41% of these were meetings and seminars. The table below shows the split in delegate days for different event types for the last four quarters. Note that due to seasonal factors, the first quarter in each year typically has the lowest number of delegate days.

The Convention Delegate Survey measures the spend of delegates attending multi-day conventions and conferences in New Zealand (single day conventions and conferences are excluded because they generate significantly less additional spend per delegate to the host region).

The strong growth in international convention delegate spend in 2017 was driven by an increase in delegates (up 9%), and length of stay (up 20% to 7.2 nights), but offset by a fall in nightly spend (down 10% from 2016 to \$299).²³

Table 8 Delegate days by event type for each quarter during the year to June²⁴

	2017 Q3	2017 Q4	2018 Q1	2018 Q2	Total
Meetings and seminars	485,835	415,692	370,631	516,329	1,788,488
Conferences and conventions	290,415	250,074	177,306	286,308	1,004,104
Trade shows and exhibitions	44,064	29,245	15,956	53,928	143,194
Special occasions	286,595	438,996	215,705	365,525	1,306,823
Don't know	0	292	862	0	1,155
Total	1,123,467	1,158,326	793,531	1,244,767	4,320,092

²⁰ MBIE Business Events Activity Survey – Year to June 2018 report

²¹ MBIE Business Events Activity Survey – Year to June 2018 report

²² MBIE Business Events Activity Survey – Year to June 2018 report

²³ MBIE Convention Delegate Survey report – Year to December 2017

²⁴ MBIE Business Events Activity Survey – Year to June 2018 report

Despite the fall in average nightly spend in 2017 for international convention delegates this year, it remains over 50% higher than the average nightly spend of all international visitors (\$190, as reported in International Visitor Survey) over the same period.²⁵

Multi-day convention delegates spent an estimated \$Commercial Information within New Zealand and multi-day conventions generated an estimated 1,080,000 visitor nights.²⁶

During 2017, convention and conference delegates spent an estimated \$Commercial Information in New Zealand, down from the 2016 estimate of \$Commercial Information, with international spend increasing but local and other domestic spend decreasing. Domestic delegates accounted for \$Commercial Information (53% of the total amount), local delegates spent \$Commercial Information (17%) and international visitors spent a total of \$Commercial Information (30%). Of the international spend, \$Commercial Information was generated from Australian visitors and \$Commercial Information from other international visitors.²⁷

5.4.2 Business Events in Marlborough

Currently Marlborough has 2% of the NZ Business Events market

In the year ending June 2018 Marlborough hosted a total of 1243 business events (1028 single day events and 176 multi-day events) with a total attendance of 73, 518 delegates and 91,794 delegate days.²⁸

In the year ending June 2018, Marlborough hosted 59 one day, 33 two day and 38 more than two days in duration conferences and

conventions. This resulted in Commercial Information delegate days being attributed to single day conferences and conventions and Commercial Information delegate days being attributed to multi-day conferences and conventions.

Marlborough is an attractive business event region offering a purpose build convention centre with capacity for Commercial Information delegates and a performing arts theatre with a capacity for Commercial Information delegates the region.

Marlborough has a business unit within Destination Marlborough; Business Events Marlborough supported by MBIE to promote the region as a business event destination and lead the submission of regional bids to secure conference business. The majority of larger business events Marlborough successfully attracts are Association Conferences. The primary target has been domestic Associations, in the last two years this has extended to attracting International Associations predominantly out of Australia.

Delegates attending Association Conferences make their own accommodation arrangements and Marlborough has a range of quality accommodation within the Blenheim town that can support these events.

Corporate conference organisers ideally want to have all delegates under one roof and include accommodation into the conference programme. The largest hotel, Chateau Marlborough, has 80 rooms. Combined with the adjacent Scenic Hotel, corporate conference groups of up to 132 can spread across both properties based on total occupancy.

²⁵ MBIE Convention Delegate Survey report – Year to December 2017

²⁶ MBIE Convention Delegate Survey report – Year to December 2017

²⁷ MBIE Convention Delegate Survey report – Year to December 2017

²⁸ MBIE Business Events Activity Survey – Year to June 2018 report

Figure 2. Venue Capacity Chart from Business Events Marlborough – Business Events 2018 Brochure

Venue	Meeting Rooms	Theatre	Cocktail	Banquet	Class Room	Board Room	Rooms	Contact Website
Allan Scott Family Winemakers	Commercial Information							www.allanscott.com
Arbour	Commercial Information							www.arbour.co.nz
ASB Theatre Marlborough	Commercial Information							www.asbtheatre.com
Bay of Many Coves	Commercial Information							www.bayofmanycoves.co.nz
Blenheim Palms Motel	Commercial Information							www.blenheimpalmsmotel.co.nz
Brancoott Estate Cellar Door & Restaurant	Commercial Information							www.brancoottestate.com
Chateau Marlborough	Commercial Information							www.marlboroughnz.co.nz
Cloudy Bay Vineyards	Commercial Information							www.cloudybay.co.nz
Edwin Fox Museum	Commercial Information							www.edwinfoxsociety.com
Lugano Motor Lodge	Commercial Information							www.lugano.co.nz
Marlborough Convention Centre	Commercial Information							www.marlboroughconventions.co.nz
Marlborough Vintners Hotel	Commercial Information							www.mvh.co.nz
Omaka Aviation Heritage Centre	Commercial Information							www.omaka.org.nz
Picton Yacht Club Hotel	Commercial Information							www.pictonyachtclubhotel.com
Port Marlborough Pavilion Endeavour Park	Commercial Information							www.endeavourparkpicton.co.nz
Scenic Hotel Marlborough	Commercial Information							www.scenichotelgroup.co.nz
Spy Valley Wines	Commercial Information							www.spyvalleywine.co.nz
The Function Centre	Commercial Information							www.onpointevents.co.nz
Vines Village	Commercial Information							www.vinesvillagecafe.co.nz
Wither Hills	Commercial Information							www.witherhills.co.nz

Brilliant PLACES TO MEET & STAY

Note: Commercial Information

6. Looking to the Future

6.1 Achieving a World-Class Visitor Experience

Achieving a world-class visitor experience entails more than the provision of attractions and infrastructure – it is about whole destination context. Visitors experience a destination in a holistic sense encompassing all aspects of the trip cycle - before, during and after the trip. In world class experiences, the unique character of a place is imbued seamlessly in all interactions between the visitor and the site or destination – information, trip planning, booking, travelling, arriving, activities, services, infrastructure, stories and memories. Visitors are immersed in the special features of the place at every touch-point and have access to supporting services that enhance their experience.

Creating a world-class experience at OAHC is fundamentally about creating the platform for story-telling and delivery of authentic and immersive visitor experiences. The platform encompasses the range of elements that contribute to the experience of the place and its management.

To be sustainable a world-class experience needs to be developed for the right markets – that is, the visitors who can be expected to visit the place to participate in the experience. This is often a combination of existing markets and new markets (i.e. larger capacity business and conference events) that will be attracted by the experience once it has been developed and is accessible to them.

Qualities of a world class experience include:

- Memorable and special in some way
- Authentic to the place and its values
- Enables visitors to immerse themselves in the character of the place and its people through storytelling and activities
- Supported by appropriate services, infrastructure and accommodation for visitor markets
- Seamless in all interactions between the visitor and the place – information, trip planning, booking, travelling, arriving, activities, services, infrastructure, stories and memories.

6.2 Visitor Forecasts

6.2.1 International Visitor Forecasts into New Zealand

The Ministry of Business, Innovation and Employment (MBIE) produces forecasts annually for a seven-year projection period. The current forecast covers the period to 2024 and provides expectations on the future tourism demand in NZ and are intended to support the tourism sector and government in decision making and planning. The full forecast summary information can be found in Appendix K.

The key messages from the MBIE New Zealand Tourism Forecasts 2018-2024 are²⁹:

- Visitor arrivals are forecast to reach 5.1 million by 2024.
- International spend is forecast to reach nearly \$15 billion by 2024.
- China is expected to become New Zealand's largest market by spend.
- Australia will remain the largest source of visitor arrivals for New Zealand.
- Other Asian markets will continue to grow.
- Average international visitor spend per day is expected to grow from \$190 (2017) to \$208 in 2024.

There is no specific forecast of visitor numbers provided by region.

6.2.2 Domestic Market Potential into Marlborough

There are over 387,000 domestic travellers interested in having a heritage or culture experience in the Marlborough region. They are most likely to be a couple, have a high household income and travel by road to get to Marlborough. Just over one-third of that number would be interested in an overnight trip.³⁰

The most popular visitor origins for domestic visitors that want to 'discover or learn about history or heritage' and 'discover or learn or understand about Maori culture or history' in Marlborough are from Wellington (26.2%), Canterbury (18%), Nelson/Tasman (16.5%) and Auckland (14.4%), with the next largest origin coming from within Marlborough itself (4.1%).³¹

The domestic visitors that visit Marlborough to 'discover or learn about history or heritage' and 'discover or learn or understand about Maori culture or history' are also generally interested in (i.e. not necessarily during their visit to Marlborough but are interested in these activities in their daily lives):³² Public museum or art gallery (27%); Beach (26%); Food and/or wine (restaurants) (24%); Walking (20%); and Live performance of music (20%).

Further details of DGIT research results can be found in Appendix L.

An in-depth study by Destination Marlborough in 2015 of domestic traveller spending habits explored length of stay. During 2014, 56% of all visitors were transiting through the region, 25% stayed 1-2 days and 13% stayed 3-6 days.

²⁹ MBIE New Zealand Tourism Forecasts 2018-2024

³⁰ <https://www.dgit.nz>

³¹ <https://www.dgit.nz>

³² <https://www.dgit.nz>

6.3 Specific Market Growth Potential

6.3.1 Leisure Groups

There is evidence of larger daytime lunch venues being required in Marlborough that have the capacity to take coach tour groups of 30 people or more, that currently cannot be serviced to the standard required by local restaurants and wineries. This is even more apparent for cruise ship groups of 100-200 passengers, where requests from shore excursion agents to accommodate a group of this size for lunch are currently unable to be fulfilled. Refer Letter of Support from Marlborough Tour Company in Appendix K.

There is also anecdotal evidence of requests being made directly to OAHC for the venue to be used for private group breakfast functions. Conference and incentive organisers are being constantly challenged to create unique and 'money can't buy' experiences for their clients, outside of the now reasonably common inclusion of a 'themed gala dinner venue'.

An opportunity also exists to create a unique half-day experience that would include both the Dangerous Skies and Knights of the Sky exhibitions, with an aviation-themed meal before, after or in-between. Half-day options appeal to cruise ship shore excursion agents as it gives their guests the opportunity to experience another tour or some free time in the other half of the day, overall enhancing their experience in port, which is normally an impression that is formed during less than 24 hours in port.

The high-quality and unique experience of OAHC has already been a proven catalyst for growth in leisure groups visiting Marlborough, with a recent contract agreement with US-based upmarket tour operator Tauck to include an exclusive 'Dangerous Skies' dinner event, therefore extending the group's overall stay in the region from 1 night to 2 nights. Further detail is included in the Case Study below.

Tauck Case Study

Background

Tauck is a group travel company operating out of the US. Upmarket in style with all-inclusive tours and using premium accommodation, there are no hidden fees or additional options sold as add-on tours, with all elements of the tour included as one upfront price. Tauck pride themselves on providing unique experiences and exclusive partnerships (e.g. with BBC Earth). Handpicked local guides and experts accompany the groups (with an average group size of 24 guests) along with a Tauck tour director. In addition to land journeys on their world discoveries, Tauck also operate small ship cruising, river cruising, family holidays, and once in a lifetime events built around themes and linked to iconic locations, sporting events or cultural phenomenon.

Tauck guests that book the 20-day Grand Australia & New Zealand itinerary pay between AU\$16,341 - \$27,043 pp twin share, with selected small group departures starting at AU\$22,990 per person twin share

From 44 standard group size departure dates advertised in the 2019 Tauck brochure (departing between 07 Jan 2019 and 24 Dec 2019), [Commercial Information] are fully booked, indicating the popularity of upmarket inbound group travel to New Zealand.³³

Contract Agreement

OAHC currently have dates contracted with Tauck through to [Commercial Information] on [Commercial Information] separate agreements.

[Commercial Information] – encompassing the dates [Commercial Information] – has [Commercial Information] groups of [Commercial Information] pax and [Commercial Information] groups of [Commercial Information] pax booked with OAHC.

[Commercial Information] – encompassing the dates [Commercial Information] – has [Commercial Information] groups of [Commercial Information] pax and [Commercial Information] groups of [Commercial Information] pax booked with OAHC.

Experience

Under the contract agreement, OAHC will provide a private after-hours tour of both the Knights of the Sky and Dangerous Skies exhibition, followed by an exclusive 'Dine with the Warbirds' dinner in the Dangerous Skies exhibition hall.

Charges

The agreed contract rate with Tauck is \$[Commercial Information] per person nett (inc GST) for the private after-hours tour of both exhibitions, services of a host and guide (two guides for groups larger than [Commercial Information] pax), venue director and guide/s to be in costume and exclusive hire of Dangerous Skies Exhibition hall for a seated 3 course dinner.

Economic Benefit

Traditionally, Tauck had visited Marlborough for 1 night. This has been the contracted arrangement for the last 5 years. Recently Tauck extended their stay in Marlborough to two nights, beginning from their 2019 departures which will include an exclusive dinner event in the Dangerous Skies WW2 exhibition at OAHC. This is expected to bring approximately [Commercial Information] additional visitors to the region, with a guaranteed 2-night stay at Chateau Marlborough. The increased stay of 2.5 days in the region is expected to inject \$[Commercial Information] into the local economy annually.

³³ Figures correct as at 9th Nov 2018

6.3.2 Marlborough Cruise Ship Visits

The Marlborough port of Picton has vessels berthing at either Waimahara Wharf in Shakespeare Bay or Waitohi Wharf close to the centre of the township.

There are ^{Comm} cruise ships scheduled to berth in Picton for the upcoming 2018/19 cruise ship season from 12th November 2018 until 21st April 2019. (Excluding any ships listed to arrive at Ship Cove or to be at anchor). Ship passenger capacities (excluding crew) range from 100 passengers to 4,500 passengers and a large proportion of these ships will carry international guests.

Strong long-term growth is forecast to continue in the cruise sector worldwide and this sector is a rapidly growing segment within New Zealand's holiday market. During the 2012-13 season, more than 211,000 passengers and 82,000 crew visited New Zealand on 129 separate cruises, making around 750 port calls. Over the last eight years, cruise voyages have grown at 13% and passengers at 23% each year.³⁴

There are two major trends in the industry that Marlborough have the opportunity to benefit from, namely luxury passengers and the construction of larger ships.

The increase in luxury cruise ships visiting New Zealand reflects travellers referred to in the industry as the 'working wealthy' who are more focused on unique and memorable experiences on their journey. A recent article in the NZ Herald states 'passengers on the smaller luxury ships spend more per person when they're ashore, compared with those on the bigger ships. That fits in well with the country's aim of

attracting more higher value spenders, rather than larger volumes of tourists.'³⁵

In addition to the luxury small ship trend visiting New Zealand, the construction of building larger ships worldwide has continued. Carnival Cruise Line have started construction on their largest-ever cruise ship which will have an expected passenger capacity of 6,500 and crew capacity of 2,000. The ship will go into service in 2020.

Other examples include: Costa Smeralda the largest-ever cruise ship for Costa Cruises, occupancy of 5,200 passengers and expected to launch in late 2019; and MSC Grandiosa, the largest-ever cruise ship for MSC Cruises, occupancy of 4,800 passengers and expected to launch in late 2019. An article in Travel Weekly states that there are '43 cruise ships over 120,000 gross tons on order or about to be delivered'³⁶. (For perspective, the biggest cruise ship in the world for 21 years until 1988 was Cunard's Queen Elizabeth 2, with a size of 70,327 gross tons and in the 20 years since this date there has been a series of newbuilds by various shipping companies that keep topping each other as the 'biggest'.

Data is not currently available on the number and passenger capacity of ships scheduled to visit Picton for the 2019/20 season.

³⁴ Tourism 2025 – Tourism Industry Association New Zealand – March 2014

³⁵ Article NZ Herald 08 Sep 2018
https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12119072

³⁶ Article Travel Weekly 26 Mar 2018
<https://www.travelweekly.com/Cruise-Travel/Insights/The-race-to-build-the-worlds-biggest-cruise-ship-is-over>

6.3.3 Business Events

The region is constrained by a maximum capacity of 350 guests for off-site dining/gala dinner venue to support the plenary session facilities.

Currently there are 3 venues that have the capacity to support up to 350 guests for an evening sit-down dining event. This is only half the capacity of plenary session facilities.

- Omaka Aviation Heritage Centre
- Marlborough Convention Centre
- ASB Theatre Marlborough

Business Events Marlborough report that:

- ASB Theatre Marlborough show/performance commitments mean this venue is often unable to support requests.
- Conference organisers prefer to host their gala dinner in a different location to the main conference venue of either ASB Theatre or Marlborough Convention Centre.
- There is evidence of strong future demand in Marlborough for conferences and events from Auckland, Christchurch and Wellington-based corporate companies, with staff located across the country.
- Anecdotally, there are regularly situations where Marlborough has been eliminated from a conference bid shortlist due to the lack of off-site dining to match plenary session capability.

There are examples where demand exceeded supply and the regional economic benefit was impacted. I.e. Apiculture Conference 2018 with 850 delegates and exhibitors, capped the dinner at 350 attendees; and Bragato 2017 (and will be holding their conference in Marlborough again in 2019) require a venue for 450 attendees, capped at 350 attendees for 2017.

OAHC have collated information that states at least 1/3 of the potential functions they quoted which did not eventuate, were due to client budget constraints. (See above section titled 'Event and Functions Performance').

For functions beyond 350 guests the Marlborough Lines Stadium 2000 in Blenheim can be used. However, this requires the additional cost of pack in/pack out logistics and time, dressing/theming the venue, AV, mobile kitchen and all furniture and catering supplies to deliver the event. These functions are supported by an out of region caterer, Continental, based in Christchurch. An event for 650 guests at Marlborough Lines Stadium 2000 for July 2020 has recently been costed. It is projected to cost a total of \$^{Commercial Informa} which is a per head cost of \$^{Commercial Inform}. Refer to Appendix I for the cost breakdown.

Destination Marlborough report that the Business Events Marlborough conference bids won for the first six months of the 2018 financial year have an estimated economic impact of \$2.1 million for the region (up 23% on the \$1.7 million EEI of bid wins for the whole 2017/2018 financial year).³⁷

³⁷ Destination Marlborough Dmail Newsletter dated 12th Dec 2018

The estimated total gross cost for venue, equipment, hire, beverages and catering for the new function space based on 500 attendees (using a per person average estimate for beverages and assumption of a 3-course plated meal) is \$Commercial Information plus GST. This is equal to \$Commercial Information plus GST per person.

The estimated total gross cost for venue, equipment, hire, beverages and catering for the new function space based on 600 attendees (using a per person average estimate for beverages and assumption of a minimum of 6 canapes per person) is \$Commercial Information plus GST. This is equal to \$Commercial Information plus GST per person.

Using the above inclusions and assumptions for 700 attendees, the total gross cost is \$Commercial Information plus GST. This is equal to \$Commercial Information plus GST per person.

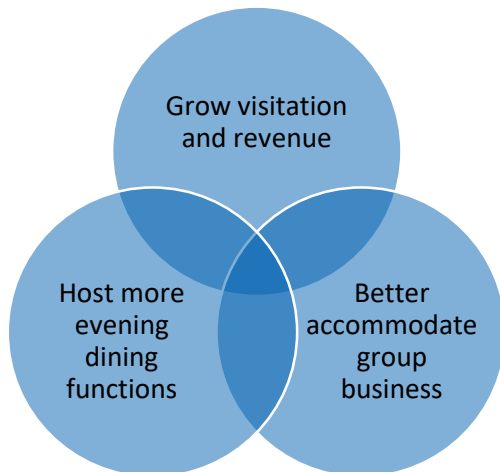
See Appendix I for event income and expenditure estimates supporting these figures which have been provided by OAHC.

The benefits of OAHC increasing their capacity to Commercial Information cocktail and Commercial Information seated are that:

- Marlborough's Business Event proposition would be significantly more attractive with the inclusion of an off-site dining option that matches plenary session capacity and does not require significant dressing and introduction of out of region caterers and equipment.
- Marlborough could maximise the economic return of Commercial Information guest conferences through not having to cap off site dining events to 350.
- Marlborough already has coach transport capacity to support moving large groups easily, efficiently and in a cost-effective way.
- OAHC is 7-minute drive from the Blenheim CBD.
- Little to no theming is required when using the OAHC.
- The \$Commercial Information per person set site fee would be eliminated from the cost of a function at the site (as the new commercial kitchen would also include a stock of cutlery, crockery, table cloths, napkins, water carafes and glasses to be used onsite and no longer requiring these items to be sourced externally).

6.4 SWOT Analysis of OAHC

In addition to the list of individual opportunities presented below, the stand-out opportunities for the expansion project at OAHC are to:



6.4.1 Strengths

- Well respected and internationally acclaimed aviation collection and visitor experience with growing visitor numbers and established governance structure.
- OAHC successfully manages to resource operating costs through revenue. Museums Aotearoa 2017 National Visitor Survey states the most common issue currently faced by museums, galleries and heritage properties is funding. In particular, the failure of budgets to keep pace with inflation and/or increased operating costs make it impossible to meet expanded expectations of both visitors and funders.
- Association with world renowned film-maker Sir Peter Jackson and Weta Workshop.
- Actively engaged in RTO-led consumer, trade and business event marketing activity and initiatives, with existing trade relationship and contracts.
- Well-attended Classic Fighters Omaka Air Show.

- Proposed expansion aligns with the Marlborough District Council visitor economy core economic driver of the emerging Te Tau Ihu economic strategy, with a strong focus on improving key tourism infrastructure and addressing seasonality.
- 8km from Marlborough Airport.

6.4.2 Weaknesses

- WW2 exhibition is currently half the size of WW1 exhibition, impacting perception of visitor value.
- Congestion between café seating and arrival/reception space, especially when groups arrive
- Current WW2 Dangerous Skies exhibition is separate from rest of facility and visitors must walk outside to reach it.
- Function dining capacity restricted to Commerc guests.
- Limited café offering and no commercial kitchen on-site, which increases cost for functions by \$Comm per person to support provision of mobile kitchen which deters potential clients with budget restraints.

6.4.3 Opportunities

Functions

- Be the catalyst for increasing Marlborough's market share of conference business.
- Destination Marlborough see the development providing a compelling new product story for Marlborough to take to the domestic and international marketplace.
- Addition of facility to support larger functions, but also provide a more cost-effective solution for functions, up to Commerc without compromising the premium Dangerous Skies in exhibit dining offer.

Groups

- Provide a much-needed group lunch venue option for local tour operators and attract group series coach market.
- Ability to collaborate with accommodation, transport and attraction providers to support attraction of group leisure business (refer Tauck example).

Visitor Experience

- Integration of local cultural stories, Maori history and mythology associated with the Omaka name and environs.
- New frontage improves visitor welcome/first impressions and visitor flow.
- Expansion of the exhibitions will increase value of experience and time on-site.
- New exhibit to re-engage locals and the VFR market.
- Northern Hall exhibit space will provide physical link between the two existing exhibitions, not only creating a corridor, but also adding a new exhibition space telling the story of 1920's and 30's aviation.
- Offer small group, special interest, local and community group meeting space without impacting on FIT travellers.
- Develop education resources and delivery capability to proactively attract school groups from around New Zealand and deliver school holiday activity programmes.
- Attract and convert support from aviation philanthropist/s for aircraft exhibit development.
- Build in more utilisation of OAHC facility within Classic Fighters Omaka Air Show event.

Operations

- Relocation and expansion of administrative areas to facilitate smoother operation and better working environment for staff.

Revenue Generation

- Attracting small group meetings with catering, leveraging close proximity to airport.
- Expanded retail area to showcase larger range of local and aviation related products.
- Ability to develop packages that include food and beverage (i.e. WW1/lunch/WW2) and allow add-ons to current experiences (e.g. breakfast and bubbles with scenic flight).
- Attract local residents from Omaka Landing as closest café to development.
- Commercial kitchen onsite will improve visitor experience offering, ability to effectively cater for groups during the day and provide revenue generation potential.
- Employment/Economic Benefits
- Provide additional employment for construction and ongoing maintenance and delivery.
- Support the proposed role of archivist and education specialist on part-time basis.
- Attract more aviation park and airfield related business, services and skills and increase utilisation of OAHC as a venue.
- Support local Marae through integration of Manaaki range of products in café, at functions and in retail space.

6.4.4 Threats

- Aviation museum development in other parts of New Zealand.
- Regional accommodation capacity restricts attraction of larger conferences to Marlborough.

7. Economic Modelling

7.1 Operations – Visitors and Revenue

The following are estimates of future visitor numbers & revenue (Years 1-10) to OAHC following the development of the new facilities.

The estimates are based on various assumptions that are outlined in the analysis. The estimates are designed to be indicative of the increase in visitors that could be achieved with the proposed upgrade of facilities and the new event/café space.

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7.1.1 Visitor Numbers Summary

The table below provides a summary of potential visitor numbers by category. They include estimates of local residents using the new café facility and the number of persons attending events in the proposed new event space and existing event space.

- The analysis shows that total visitors have the potential to increase from Commercial Info in Year 1 to 107,037 in Year 10.

Table 9. Summary OAHC Visitor Estimates Years 1-10

Summary Visitors	Year									
Visitor Category	1	2	3	4	5	6	7	8	9	10
Individual Visitors	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info
Group Tour Visitors (45% of contracted numbers)	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info
Existing Event Space Attendees	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info
New Event Space - Event Attendees	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info
Local Residents - Café Visit	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info
Total	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info	Commercial Info

Source: MCA estimates December 19 2018. Note Year 1 Individual Visitors is a 5% increase on 2017/18 number of 37,108.

7.1.2 Estimation of Visitors

The following table shows how the various visitor categories were estimated. Full details of estimates are in Appendix J.

Table 10. Assumptions and Estimation of Visitor Numbers

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7.1.3 Revenue Summary

Based on the modelling of each of the revenue components, total operations revenue has the potential to increase from \$Commercial Information in Year 1 of the new operations to \$Commercial Information in Year 10. Appendix J shows the calculations of revenue for each activity.

Table 11. Summary of Revenue from Operations

Omaka Heritage Centre Revenue	Year										% share	% share
Following the Development	1	2	3	4	5	6	7	8	9	10	Year 1	Year 10
Revenue (all ex GST)												
Individual Visitors (admission fees)	\$Commercial Info	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	Commer	Commer
Group Tours (Com% of contracted occur)	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Inf	Comm	Comm
New Event Space - Guests (Dinners/events)	\$Commercial I	\$Commercial I	\$Commercial I	\$Commercial I	\$Commercial I	\$Commercial I	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Inf	Comm	Comm
Events in Current Space- Guests	\$Commercial I	\$Commercial I	\$Commercial I	\$Commercial I	\$Commercial I	\$Commercial I	\$Commercial I	\$Commercial I	\$Commercial Info	\$Commercial Inf	Comm	Comm
Café Revenue - Local Residents	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Inf	Commer	Commer
Café Revenue - Visitors	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Inf	Commer	Commer
Retail Revenue (Merchandise) - Visitors	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Inf	Comm	Comm
Total Revenue – Omaka (ex GST)	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	Commercia	Commercia

Source: MCa modelling & estimates December 19 2018

8. Economic Impact Analysis

8.1 Overview

Regional economic impacts were assessed for two phases of the development: the construction of the new facilities; and the operations phase when the expanded facilities are in operation.

The impacts are measured in terms of the increase in jobs (direct and indirect in the region) and regional income (direct and indirect/induced).

The analysis also identifies the sectors in which the jobs are generated – these are mainly in accommodation, food service, recreation services and other retail.

- The regional economic impacts of the upgrade of OAHC arise from the increase in visitors and their spending in the region during their visit. This spending is in several sectors: accommodation (overnight visitors); food and beverages, other retail and other tourism and recreation services.
- To measure the economic impacts 3 groups were analysed: the increase in individual visitors to the centre due to the expansion; the Tauck tour groups visiting the centre; and attendees at major events attracted to the new event space.
- It should be noted that OAHC is not necessarily the primary reason for people to visit the region. However, the economic impact analysis shows the effects that the additional visitors to the Centre have on the regional economy through their spending during their stay.

The impact modelling identifies the number of jobs generated by each category of visitor.

- Total regional jobs (direct and indirect/induced) associated with the increase in visitor numbers to OAHC and their spending in the region range from [redacted] in Year 1; [redacted] in Year 5; and [redacted] in Year 10.
- The major increase comes from the overnight visitors (domestic and internationals), because of their higher levels of spending during their overnight stays.
- Conference delegates/event attendees in the new facilities would boost regional jobs by: [redacted] jobs in Year 1; [redacted] jobs in Year 5; and [redacted] jobs in Year 10.
- Overall increased visitors and their spending would boost regional income by: \$[redacted] in Year 1; \$[redacted] in Year 5; and \$[redacted] in Year 10. The major boost comes from the increased number of persons, who are overnight visitors (domestic and internationals).

8.2 Construction Phase – Economic Impacts

Construction activity was modelled and estimates were developed for onsite construction jobs in the region; professional jobs (architects, engineers etc); and the jobs generated in the supply of materials and equipment to the project. The number of indirect/induced jobs generated through the spending on construction, professional and material supply of employees was also estimated.

Total construction and fit-out costs (including contingencies and professional fees) were estimated at \$Commercial Information. This estimate was used in modelling the construction phase economic impacts.

8.2.1 Economic Impacts

- A total of Commercial direct jobs (FTE) would be generated during the construction period.
- This comprises Commercial onsite construction jobs; Commercial professional jobs and Commercial jobs in the materials and equipment supply sectors. Construction and professional jobs are likely to be held by residents of the region and materials/equipment supply jobs would be spread across New Zealand.
- When the multiplier effects of employee spending are taken into account, total jobs (direct and indirect/induced jobs) are Commercial FTE Commercial direct jobs and Commercial indirect/induced jobs
- The increase in regional income generated by the project during construction was estimated to be \$Commercial Information (\$Commercial Information direct and \$Commercial Information indirect/induced).

Figure 3. Project Construction Jobs

Commercial Information



Source: MCA modelling & analysis, December 19 2018. Note some differences due to rounding.

8.3 Operations Phase – Economic Impacts

8.3.1 Modelling Assumptions

The operations phase measures the impacts of spending by visitors while they are in the region. This spending covers expenditure on accommodation, food, recreation services and other retail.

There is no local area data available on average spending and length of stay in the region by visitors to OAHC. Therefore, estimates were made on the basis of realistic assumptions in relation to average spending person by spending category and the average length of stay to enable a visit to OAHC.

The following spending and stay patterns assumptions were applied to the visitor groups to estimate total spending in the region by each group during their stay.

Table 12. Modelling Assumptions – Visitor Categories

Modelling Assumptions					
Visitor Categories & Spending Type	\$ Spend Per Day (inc. GST)	% Who Spend	Groups & Spending	\$ Spend Per Day (inc. GST)	% Who Spend
Overnight Visitors - Domestic & Mixed			Internationals - Overnight		
Accommodation	\$comm	comm%	Accommodation	\$comm	comm%
Food	\$comm	comm%	Food	\$com	comm%
Recreation Services	\$comm	comm%	Recreation Services	\$com	comm%
Other retail	\$comm	comm%	Other retail	\$com	comm%
Ave length of stay (days)	co days		Ave length of stay (days)	co days	
Day Visitors			Group Tours		
Accommodation	\$co	co	Accommodation	\$comm	comm%
Food	\$comm	comm%	Food	\$com	comm%
Recreation Services	\$comm	comm%	Recreation Services	\$com	comm%
Other retail	\$comm	comm%	Other retail	\$com	comm%
Ave length of stay (days)	co day		Ave length of stay (days)	co days	

Conference Delegates/Event Attendees					
Accommodation	\$ Comm	Comm%			
Food	\$ Comm	Comm%			
Recreation Services	\$ Comm	Comm%			
Other retail	\$ Comm	Comm%			
Ave length of stay (days)	days				

Source: MCa modelling & estimates December 19 2018

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8.3.2 Visitors and Spending in the Region

The following table shows estimates of spending in the region by the visitor groups during their stay. This is spending in the region is in addition to spending at OAHC (which is captured in the centre’s revenue). The visitor numbers for individual visitors (day and overnight visitors) are the increase from the base year visitor numbers (2017/18); group tours are the estimated numbers and growth over the 10 years; and conference delegates are the estimated numbers at events staged in the new facilities.

- The estimates show that total spending in the region associated with the increase in visitors over the 10-year period.
- Total spending increase is \$Commercial Information in Year 1, \$Commercial Information in Year 5 and \$Commercial Information in Year 10.

Table 13. Estimated Annual Spending in Region by Visitor Groups – Years 1-10

Increased Visitors	Year									
Categories & Spending	1	2	3	4	5	6	7	8	9	10
Overnight Visitors - Domestic & mixed	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Accommodation	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In
Food	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In
Recreation	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Other retail	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Total 1 day	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In
Total 2 day stay	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In
Internationals - Overnight Visitors	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Accommodation	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In
Food	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In
Recreation	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Other retail	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Total 1 day	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In
Total 3 day stay	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In
Day Visitors - Domestic	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Food	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial

Recreation	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Other retail	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Total 1 day	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Total 1 day stay	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Group Tours Overnight Visitors	Commer	Commerc	Commerc	Commer	Commer	Commer	Commerc	Commer	Commer	Commer
Accommodation	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Food	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Recreation	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Other retail	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Total 1 day	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Total 2 day stay	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor

Increased Visitors	Year									
Categories & Spending	1	2	3	4	5	6	7	8	9	10
Conference Delegates/Event Attendees (overnight stays) – New Facilities	2900	4100	4100	4100	4100	4700	5200	5900	6400	6400
Accommodation	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor
Food	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Recreation	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Other retail	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Total 1 day	Commercial In	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor
Total 2 day stay	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor
Total Spending in Region - All Groups	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor

Source: MCa modelling & estimates December 19 2018

8.3.3 Economic Impacts – Jobs Generated

The following table summarises the jobs generated in the broader region by the spending of the increase number of persons visiting OAHC following its expansion.

- The jobs are full time equivalent jobs (FTE) and comprise: direct jobs in the businesses/industries where the visitor spending takes place; and indirect/induced jobs which are generated by the consumer spending of those persons in the direct jobs.
- The regional employment multiplier is [redacted] indicating that every direct job arising from the visitor spending creates [redacted] indirect/induced jobs in other sectors of the local economy.

The impact modelling identifies the number of jobs generated by each category of visitor

- Total regional jobs (direct and indirect/induced) associated with the increase in visitor numbers to OAHC and their spending in the region range from [redacted] in Year 1; [redacted] in Year 5; and [redacted] in Year 10.
- The major increase comes from the overnight visitors (domestic and internationals), because of their higher levels of spending during their overnight stays.
- Conference delegates/event attendees in the new facilities would boost regional jobs by [redacted] jobs in Year 1, [redacted] jobs in Year 5; and [redacted] jobs in Year 10.

On an industry basis the jobs generated are in several key sectors: recreation services (e.g. bike hire, local tours and attractions etc); accommodation; food and beverage (restaurants, cafes etc) and other retail.

Table 14. Jobs Generated in Region by Increased Visitors to OAHC – Years 1-10 (FTE no.)

	Years									
Visitor Category	1	2	3	4	5	6	7	8	9	10
Overnight Visitors - Domestic Mixed										
Direct Jobs	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Indirect /Induced Jobs (Expenditure Impacts)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total Jobs	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Internationals - Overnights										
Direct Jobs	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Indirect /Induced Jobs (Expenditure Impacts)	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Commer	Commer
Total Jobs	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer
Day Visitors										
Direct Jobs	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin
Indirect /Induced Jobs (Expenditure Impacts)	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin
Total Jobs	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Commer	Commer	Commer
Conference Delegates - New Space Overnights										
Direct Jobs	Comin	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer
Indirect /Induced Jobs (Expenditure Impacts)	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin
Total Jobs	Comin	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer
Group Tours - Overnights										
Direct Jobs	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin
Indirect /Induced Jobs (Expenditure Impacts)	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin
Total Jobs	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin
Total Jobs Generated										
Direct Jobs	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer
Indirect /Induced Jobs (Expenditure Impacts)	Comin	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer
Total Jobs	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer
Multiplier	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin	Comin

Source: MCA modelling & estimates December 19 2018. Note may be some differences due to rounding.

Table 15. Total Jobs Generated by Industry Sector – Years 1-10 (FTE No.)

	Years									
Industry Sector	1	2	3	4	5	6	7	8	9	10
Accommodation	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer
Food & Beverage	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer

Source: MCA modelling & estimates December 19 2018. Note may be some differences due to rounding.

Other Retail	Comm	Comm	Comm	Comm	Comm	Commer	Commer	Commer	Commer	Commer
Housing	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm
Health	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm
Transportation	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm
Communication	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm
Recreation Services/Other Services	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer
Education	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm
Miscellaneous	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm
Total	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer	Commer

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8.3.4 Economic Impacts – Regional Income Generated

The following table summarises the increase in regional income generated in the broader region by the spending of the increase number of persons visiting OAHC following its expansion.³⁸

Overall increased visitors and their spending would boost regional income by: \$Commercial Information in Year 1; \$Commercial Information in Year 5; and \$Commercial Information in Year 10. The major boost comes from the increased number of persons, who are overnight visitors (domestic and internationals).

Table 16. Regional Income Generated by Increased Visitors (\$)

Regional Income	Years									
	1	2	3	4	5	6	7	8	9	10
Overnight Visitors - Domestic Mixed										
Regional Income - Direct	Commercial In	Commercial In	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor
Regional Income - Indirect /Induced	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Total Regional Income	Commercial In	Commercial In	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor
Internationals- Overnights										
Regional Income - Direct	Commercial In	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor
Regional Income - Indirect /Induced	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Total Regional Income	Commercial In	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor
Day Visitors										
Regional Income - Direct	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Regional Income - Indirect /Induced	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Total Regional Income	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Conference Delegates – New Space Overnights										
Regional Income - Direct	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor

³⁸ Regional income is the total net income generated from the activity and covers wages and salaries of employees and profits of businesses within the region. It includes income generated directly within the business and indirect income, which is generated in other regional businesses (wages and profits) from the multiplier impacts of employee spending on the region. It is a proxy for the local value added in the region, as significant parts of visitor spending, include the value of inputs (goods and services), which are produced outside the Rotorua Region. In the modelling of regional income generated, income tax and GST on spending, are both treated as leakages from the region (although some may eventually come back in government spending in the region).

Regional Income - Indirect /Induced	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Total Regional Income	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor
Group Tours - Overnights										
Regional Income - Direct	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Regional Income - Indirect /Induced	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Total Regional Income	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In	Commercial In
Total Regional Income Generated										
Regional Income - Direct	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor
Regional Income - Indirect /Induced	Commercial In	Commercial In	Commercial In	Commercial In	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor	Commercial Infor
Total Regional Income	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform
Multiplier	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm

Source: MCa modelling & estimates December 17 2018

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8.4 Benefit Cost Analysis

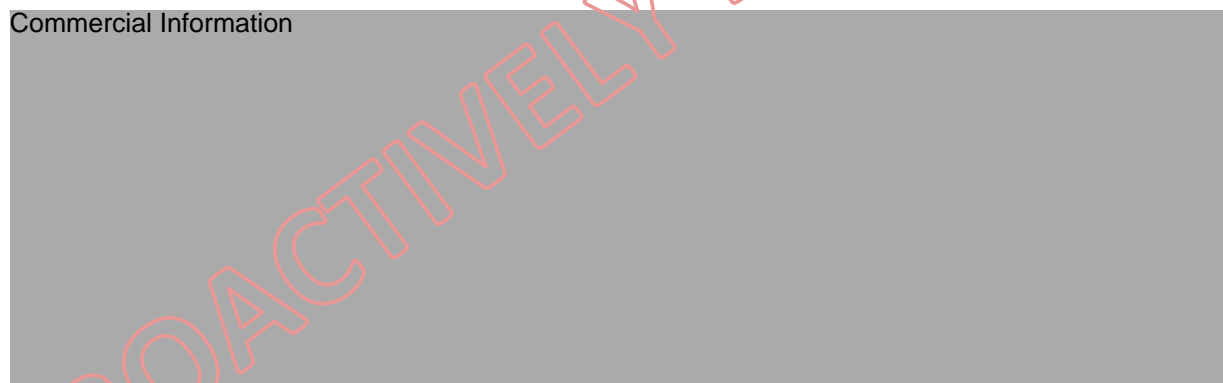
The following table show the benefits and costs associated with the new Centre for a 10-year period of operations, following the expansion of the facilities.

- The benefits measured are: the value to users of the services (measured by user fees paid by all type of visitors) provided by the expanded centre (\$Commercial Information); and the increase in regional income generated by the increase in visitors and their spending in the region (\$Commercial Information) over a 10-year period.
- Project capital costs are the total project costs provided by OAHC (\$Commercial Information ex GST).
- Annual asset maintenance costs are assumed to be Comm% of capital cost (\$Commercial Informa per year = \$Commercial Informa over 10 years).
- Average depreciation = % pa (\$Commercial Informa per year = \$Commercial Information million over 10 years).
- Three discount rates were applied to the benefits of the project (discount rates of %, % and %).

The project delivers positive Benefit Cost Ratios (BCR) for the three discount rates. With a % discount rate the BCR is Commercial and for a % discount rate the BCR is Commercial.

Figure 4. Benefit Cost Ratio for OAHC

Commercial Information



Source: MCA modelling & estimates December 19 2018

Table 17. Benefit Cost Analysis – OAHC Expansion: Operations 10 Years

Omaka Aviation Centre Expansion	Discount Rate	Discount Rate	Discount Rate
Operations Period : 10 Years	0%	0%	0%
Costs			
Capital Costs 2018 (\$)	\$Commercial Information	\$Commercial Information	\$Commercial Information
Costs - Asset Maintenance (Comm. % of capital cost pa)	\$Commercial Information	\$Commercial Information	\$Commercial Information
Depreciation (ave. rate 0% pa straight line)	\$Commercial Information	\$Commercial Information	\$Commercial Information
Total Costs (10 Years)	\$Commercial Information	\$Commercial Information	\$Commercial Information
Benefits			
Direct Benefits (users - fees/charges paid)	\$Commercial Information	\$Commercial Information	\$Commercial Information
Indirect Direct Benefits (increase region income)	\$Commercial Information	\$Commercial Information	\$Commercial Information
Total Benefits (10 years)	\$Commercial Information	\$Commercial Information	\$Commercial Information
Total Benefits (\$) Present Value	\$Commercial Information	\$Commercial Information	\$Commercial Information
Net Present Value (\$)	\$Commercial Information	\$Commercial Information	\$Commercial Information
NPV/ Costs	Commercial	Commercial	Commercial
Benefit Cost Ratio (BCR)	Commercial	Commercial	Commercial

Source: MCA modelling & estimates December 19 2018

9. Operating Costs and Structure

9.1 Introduction

This section provides annual projections for a 10-year period of operations of OAHC, following the development of the new facilities. The analysis is for financial years (July 1-June 30). The assumptions used in operating expense estimates and projections are outlined for each item.

These projections are designed to be indicative of the potential for growth in revenue and financial results, with the completion of the proposed expansion of the facilities at the centre.

- Revenue projections for operations are based on the modelling of operations following the completion of the new facilities. The basis of these estimates is contained in Section 8 (Economic Impact Analysis) of the report.
- The other revenue category is assumed to be constant over the period. Irregular revenue showing in the P&Ls has not been included.
- All revenue and expense items are exclusive of GST.
- The net result shows the operating results with the new facilities.
- In the 10-year projections, Year 1 operating expenses are based on using current cash flow projections for 2018/19 (prepared by Logical Business Solutions) as the base expenditure level and advice on specific expenditure items. These have been subject to annual adjustments of \pm % or \pm %.³⁹ In addition \pm employee positions have been added in Year 3 to service growth in visitor numbers (\pm positions @ average wage of \$ \pm).

- The P&L statements (2014/15-2017/18) and the 2018/19 forecasts have been reconfigured into the expenditure categories as outline in the tables below.
- No account is taken of additional loans that may be required to fund construction. Interest payments are included in the operating expenses (but no account is taken of repayment of loans/payment of principal).

9.2 Financial Projections – 10 Years

The projections show a significant improvement in the operating result for OAHC.

- Total revenue increases from \$ \pm in Year 1 of operations with the new facilities, \$ \pm in Year 5 and \$ \pm in Year 10. This is an increase on the 2018/19 projections of \$ \pm .
- Total expenses increase from \$ \pm in Year 1 of operations with the new facilities, \$ \pm in Year 5 and \$ \pm in Year 10. This compares with the 2018/19 projections of \$ \pm .
- The operating result increase from \$ \pm in Year 1 of operations with the new facilities, \$ \pm in Year 5 and \$ \pm in Year 10. This compares with the 2018/19 projections of \$ \pm .
- This improvement is driven by: the projected growth in individual visitor numbers (admission charges, café revenue and merchandise sales); the new group tours program (Tauck); expanded event capacity (new facilities); and increased use of the café by local residents.

³⁹ Several expenditure items have been held constant.

Table 18. Projections 10 Years

Projections 10 Years		Year										
<All income & expenses exclude GST>	Current	1	2	3	4	5	6	7	8	9	10	Notes
Income												
Operations Revenue (ex GST)												
Museum Admission Fees Total		\$Commercial In	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	Individual visitors & 50% of event attendees – ave. fee \$Comin
Group Tours		\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	Assumes 50% of contracted tours occur)
New Event Space Guests (dinners, events) ex GST		\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	Net Revenue ex GST
Events in Current Space- Guests		\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial In	\$Commercial In	Net Revenue ex GST
Café Revenue - Local Residents		\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	Gross Revenue ex GST
Café Revenue - Visitors		\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	Gross Revenue ex GST
Retail Revenue - Visitors		\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	Gross Revenue ex GST
Total Operations Revenue		\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	
Other Revenue												
Membership Fees		\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	Based on 2018/19 cash forecast
TGP Marketing Grant		\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	Based on 2018/19 cash forecast
Donations		\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	Based on 2018/19 cash forecast
Sponsorships		\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	Based on 2018/19 cash forecast
Rental Income		\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	Based on 2018/19 cash forecast
Total Other Revenue		\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	
Total Revenue												
Total Revenue (ex GST)	Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	\$Commercial Infor	

		Year										
<All income & expenses exclude GST>	2018/19 Projected	1	2	3	4	5	6	7	8	9	10	Notes
Operating Expenses												
Wages & Salaries												
Total Salaries	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	% annual growth & Year 3 increase @ positions @ \$Commercial
Staff Expenses												
Payroll Processing Fees	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Staff Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Volunteer & Membership Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Total Staff/Volunteer Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	
Professional Fees												
Accounting Services	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Audit Fees	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Professional Fees	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Total Professional Fees	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	
Loans & Bank Charges												
Bank Charges	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	Comm % of admission revenue
Commercial Loan Interest	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$	\$	\$	Constant
Interest - Commercial Loan	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$	\$	\$	\$	\$	\$	\$	Constant
Overdraft Interest	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	Constant
Total Bank Loans & Charges	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	
Insurances												
Insurance Building & Contents	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Insurance - Collections	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth

Insurance - other	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Total Insurances	\$Commercial	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	

Operating Expenses	ex GST	Year											
<All income & expenses exclude GST>	2018/19 Projected	1	2	3	4	5	6	7	8	9	10	Notes	
Office Expenses													
Phones & Fax	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Stationary & Postage	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Computer Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Freight Costs	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Subscriptions	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Equipment Cost <\$500	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	Constant
Total Office Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	
Facilities Expenses													
Power	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial In	\$Commercial	% annual growth
Pest Control	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Rates	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Cleaning Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Security	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Total Facilities Expenses	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	
Exhibit Expenses													
Rent	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Plant Hire	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Total Exhibit Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	
Maintenance Expenses													
Maintenance Building & Plant	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth
Maintenance Exhibitions	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	% annual growth

Maintenance Grounds	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	% annual growth
Total Maintenance	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	
Marketing Expenses													
Promotion & Marketing Expenses	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial	\$commercial In	\$commercial In	\$commercial In	\$commercial In	\$commercial In	\$commercial In	% annual growth
Function Expenses													
Function Expenses	\$commercial												Functions Revenue is net of expenses
Function Expenses-WW2	\$commercial												Functions Revenue is net of expenses
Total Functions	\$commercial												

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Operating Expenses	ex GST	Year										
<All income & expenses exclude GST>	2018/19 Projected	1	2	3	4	5	6	7	8	9	10	Notes
Cost of Sales												
Cost of Sales Café 33% revenue	\$Commercial	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	Cost=Com% of sales
Cost of Sales Merchandise (invent purchase)	\$Commercial	\$Commercial	\$Commercial	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	Cost=Com% of sales
Total Cost Sales	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	
Other Expenses	\$Com											
General Expenses	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	Est% annual growth
General Support	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc	Est% annual growth
Total Other Expenses	\$Commerc	\$Commerc	\$Commerc	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	
Total Expenses												
Total Expenses	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	
Result												
Result: Revenue-Expenses	\$Commercial Inf	\$Commercial Info	\$Commercial In	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	

Source: MCa modelling & estimates December 19 2018

9.3 Expenditure Analysis

The following table show the operations expenditure for OAHC for the period 2014/15 to 2017/18 (P&Ls) and projections for 2018/19 (based on cash flow projections by Logical Business Solutions. The expenditure data has been reconfigured into the categories show in the table.

Table 19. Operations Expenditure

	P&L	P&L	P&L	P&L	Based on Cash Flow Projections
Operation Costs					
All Expenses ex GST	2014/15	2015/16	2016/17	2017/18	2018/19
Wages & Salaries					
AHC Wages	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In	\$Commercial In
Salaries -Admin	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Marketing Manager Salary	\$Op	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Total Salaries	\$Commercial Inf	\$Commercial Inf	\$Commercial Inf	\$Commercial Info	\$Commercial Info
Staff Expenses					
Payroll Processing Fees	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc
Staff Expenses	\$Comm	\$Comm	\$Comm	\$Comm	\$Commerc
Staff Training	\$Comm	\$Op	\$Comm	\$Commerc	\$Commerc
Volunteer & Membership Expenses	\$Commerc	\$Commerc	\$Comm	\$Commerc	\$Commerc
Total Staff/Volunteer Expenses	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc
Professional Fees					
Accounting Services	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Audit Fees	\$Commerc	\$Commerc	\$Commerc	\$Commerc	\$Commerc
Legal Expenses	\$Commercial	\$Commerc	\$Op	\$Comm	\$Commercial
Professional Fees	\$Commercial	\$Commerc	\$Commercial	\$Commercial	\$Commercial
Total Professional Fees	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Loans & Bank Charges					
Bank Charges	\$Commerc	\$Commercial	\$Commercial	\$Commercial	\$Commercial
BNZ Loan Interest	\$Op	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Interest - Equus Loan	\$Op	\$Op	\$Op	\$Commercial	\$Commerc
Interest - Other	\$Op	\$Comm	\$Commerc	\$Commerc	
Overdraft Interest	\$Op	\$Commerc	\$Commerc	\$Op	\$Commerc
Rata Foundation Loan Interest	\$Op	\$Op	\$Commerc	\$Op	
Total Bank Loans & Charges	\$Commerc	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Insurances					
Insurance Building & Contents	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Insurance - Business Interruption	\$Op	\$Commerc	\$Op	\$Op	
Insurance - Trustee Liability	\$Commerc	\$Op	\$Commerc	\$Op	
Insurance - Collections	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Insurance - other	\$Op	\$Op	\$Op	\$Commerc	\$Commerc

					\$0
Total Insurances	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Office Expenses					
Phones & Fax	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Stationary & Postage	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Computer Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Freight Costs	\$Commercial	\$Commercial	\$Commercial	\$0	\$Comm
Subscriptions	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Travel & Accommodation	Commer	Comme	Co	Co	\$0
Equipment Cost <\$500	Com	Co	Comm	Comm	\$Commercial
Total Office Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Facilities Expenses					
Power	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Water Rates	\$Commercial	\$Comm	\$0	\$0	\$0
Pest Control	\$Comm	\$Comm	\$Commercial	\$Commercial	\$Commercial
Rates	\$Commercial	\$Comm	\$Commercial	\$Commercial	\$Commercial
Cleaning Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Security	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Total Facilities Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial In

	P&L	P&L	P&L	P&L	Based on Cash Flow Projections
Operation Costs					
All Expenses ex GST	2014/15	2015/16	2016/17	2017/18	2018/19
Exhibit Expenses					
Rent - Corlette Trust	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Rent Skyhawk	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Static Aircraft Hire - Nanchang Experience	\$0	\$0	\$Comm	\$0	
Plant Hire	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Total Exhibit Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Maintenance Expenses					
Maintenance Building & Plant	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Maintenance Exhibitions	\$0	\$0	\$Comm	\$Commercial	\$Commercial
Maintenance Grounds	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Maintenance Plant	\$Comm	\$Comme	\$0	\$Commercial	
Total Maintenance	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Marketing Expenses					
Promotion & Marketing Expenses	\$Commercial In	\$Commercial	\$Commercial	\$Commercial	\$Commercial

Function Expenses					
Function Expenses	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Function Expenses-VW2	\$Op	\$Op	\$Commercial	\$Commercial	\$Commercial
Total Functions	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Cost of Sales					
Cost of Sales Café (58% sales)	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Cost of Sales Merchandise (55% sales)	\$Commercial In	\$Commercial	\$Commercial In	\$Commercial	\$Commercial
Joy Flights	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Total Cost Sales	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info
Other Expenses					
General Expenses	\$Op	\$Op	\$Op	\$Op	\$Commercial
General Support	\$Op	\$Op	\$Op	\$Op	\$Commercial
Total Other Expenses	\$Op	\$Op	\$Op	\$Op	\$Commercial
Total Expenses					
Total Expenses	\$Commercial Informat	\$Commercial Informat	\$Commercial Informat	\$Commercial Informat	\$Commercial Informat

Source: MCA modelling & estimates, December 19 2018. Based on P&Ls and cash flow projections (2018/19) – Logical Business Solutions.

10. Conclusion

The proposed OAHC expansion project has the potential to generate increased visitor numbers, secure larger and more frequent conference functions, better attract and service group visitor markets and increase revenue and contribution to the Marlborough visitor economy.

The 10-year financial projections show a significant improvement in the operating result for OAHC.

- Total revenue increases from \$Commercial Information in Year 1 of operations with the new facilities, \$Commercial Information in Year 5 and \$Commercial Information in Year 10. This is an increase on the 2018/19 projections of \$Commercial Information.
- Total expenses increase from \$Commercial Information in Year 1 of operations with the new facilities, \$Commercial Information in Year 5 and \$Commercial Information in Year 10. This compares with the 2018/19 projections of \$Commercial Information.
- The operating result increase from \$Commercial Information in Year 1 of operations with the new facilities, \$Commercial Information in Year 5 and \$Commercial Information in Year 10. This compares with the 2018/19 projections of \$Commercial Information.
- This improvement is driven by: the projected growth in individual visitor numbers (admission charges, café revenue and merchandise sales); the new group tours program (Tauck); expanded event capacity (new facilities); and increased use of the café by local residents.

The economic analysis indicates that as a result of the proposed expansion over the next 10 years:

- Annual visitors to the Centre would grow to Commercial Information
- OAHC will have generated \$Commercial Information in operating revenue
- Increased visitation would have generated an additional \$Commercial Information of regional revenue.
- Commercial direct and indirect/induced jobs in the region would have been created
- OAHC will not only continue to support operational costs but will deliver an improving surplus

On the basis of this data we recommend that Omaka Aviation Heritage Centre proceed to prepare a business plan and investment case to secure funding for the Stage 3 development.

APPENDIX A – Commercial Information

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APPENDIX G – OAHC ADMISSION/EXPERIENCE FEES⁴⁰

Knights of the Sky WW1 Exhibition

- Adult (15 yrs+) \$25.00
- Child (5-14 yrs) \$12.00
- Infant (under 5) Free
- NZ Student \$23.00
- Seniors (60+) \$23.00
- Family Concession (2 adults, 2 children) \$65.00

Dangerous Skies WW2 Exhibition

- Adult (15 yrs+) \$20.00
- Child (5-14 yrs) \$10.00
- Infant (under 5) Free
- NZ Student \$18.00
- Seniors (60+) \$18.00
- Family Concession (2 adults, 2 children) \$55.00

Both Exhibitions

- Adult (15 yrs+) \$39.00
- Child (5-14 yrs) \$16.00
- Infant (under 5) Free
- NZ Student \$35.00
- Seniors (60+) \$35.00
- Family Concession (2 adults, 2 children) \$99.00

Scheduled Highlight Tours (Please note entry fees are payable in addition to all guided tours)

- Knights of the Sky (30 Mins) - 10am & 1.30pm - \$5 per person/per exhibition
- Dangerous Skies (30 Mins) - 11am & 2.30pm - \$5 per person/per exhibition

Private Guided Tours (Please note entry fees are payable in addition to all guided tours)

- By prior arrangement and subject to availability
- Knights of the Sky (60 mins) - \$10 per person, min 5 pax (or \$50)
- Dangerous Skies (45 mins) - \$8 per person, min 5 (or \$40)

Vintage joy flights

US Army Boeing Stearman

- 10 min joyride 1-2 passengers \$250
- 20 min joyride 1-2 passengers \$380

⁴⁰ Admission/experience fees sourced from www.omaka.org.nz as at 11th November 2018

Yak-3 Russian Fighter

- The Omaka Special 20 mins \$1999
- Fighter Flight 30 mins \$2399
- The Full Monty 45 mins \$2999

Avro Anson Mk1 Bomber

- 20 minutes for \$2970.00 – valid for up to 3 adults

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**APPENDIX H – SAMPLE OF PEOPLE ATTRACTED TO OMAKA’S HERITAGE
AVIATION SCENE**

Withheld In Full Due To Commercial Sensitivity



APPENDIX I – OAHC EVENT INCOME AND EXPENDITURE ESTIMATES

Withheld In Full Due To Commercial Sensitivity



APPENDIX J – FEAST MERCHANTS MENU CHOICES

Commercial Information



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APPENDIX K – MBIE NEW ZEALAND TOURISM FORECASTS 2018-2024

The Ministry of Business, Innovation and Employment (MBIE) produces forecasts annually for a seven-year projection period. The current forecast covers the period to 2024.

expectations on the future tourism demand in New Zealand and are intended to support the tourism sector and government in decision making and planning.

The tourism forecasts are based on econometric modelling, current trends and best available forecasts of international factors and have been developed with input from members of the tourism industry.

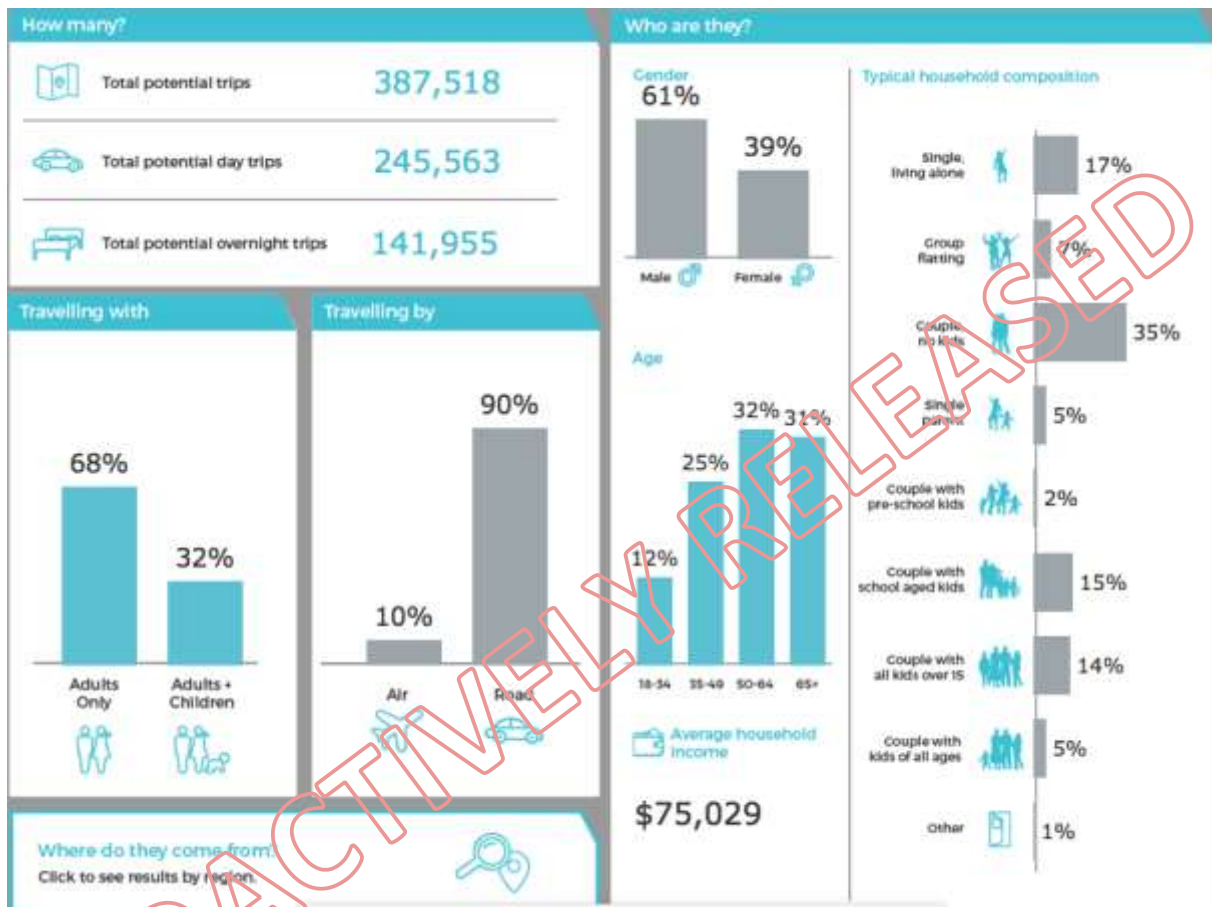
Most of this forecasted growth is expected to come from holidaymakers and those visiting friends and relatives.

The key messages from the MBIE New Zealand Tourism Forecasts 2018-2024 are:

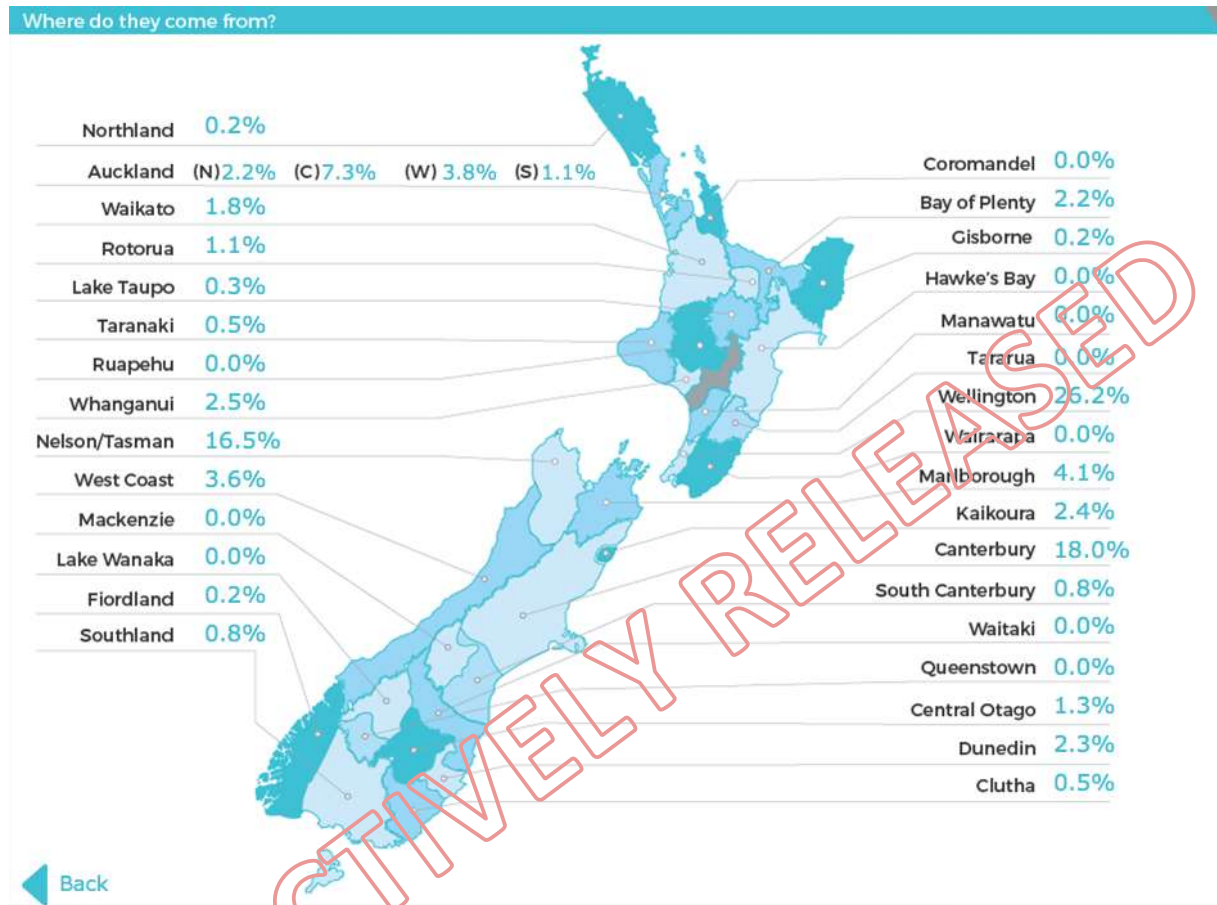
- Visitor arrivals are forecast to reach 5.1 million by 2024.
- International visitor arrivals to New Zealand are forecast to reach 5.1 million visitors in 2024 (from 3.7 million in 2017, up 37.1%). This equates to a growth rate of 4.6% per year.
- Strong short-term growth will be driven by a range of factors, including favourable economic situations, low travel costs, and destination marketing. This growth is forecast to moderate in the medium to long term.
- International spend is forecast to reach nearly \$15 billion by 2024.
- Total annual international spend is forecast to reach \$14.8 billion in 2024, up 39.7% from 2017, equating to a 4.9% growth rate per year. Spend growth is forecast to grow at a slightly higher rate than visitor numbers, suggesting that spend per visitor will increase.
- China is expected to become New Zealand's largest market by spend.
- China is expected to become New Zealand's largest tourism market by spend at the end of the forecast period, reaching \$3.1 billion annually by 2024 (compared with \$3.0 billion for Australia). China visitor numbers are expected to reach 800,000 by the end of the forecast period.
- China is expected to contribute to 27.4% of total international visitor growth from 2017 to 2024, and 38% of total visitor spending.
- Australia will remain the largest source of visitor arrivals for New Zealand.
- Australia is New Zealand's largest visitor market and is forecast to remain so over the forecast period. We forecast that this market will contribute 1.8 million annual visitors to New Zealand by 2024, up 23% from 2017, or 3.0% each year.
- Other Asian markets will continue to grow.
- Increased connectivity and air capacity are forecast to drive short-term growth in visitors from other Asian markets besides China, including India, Indonesia, and Singapore.

APPENDIX L – DGIT STATISTICS

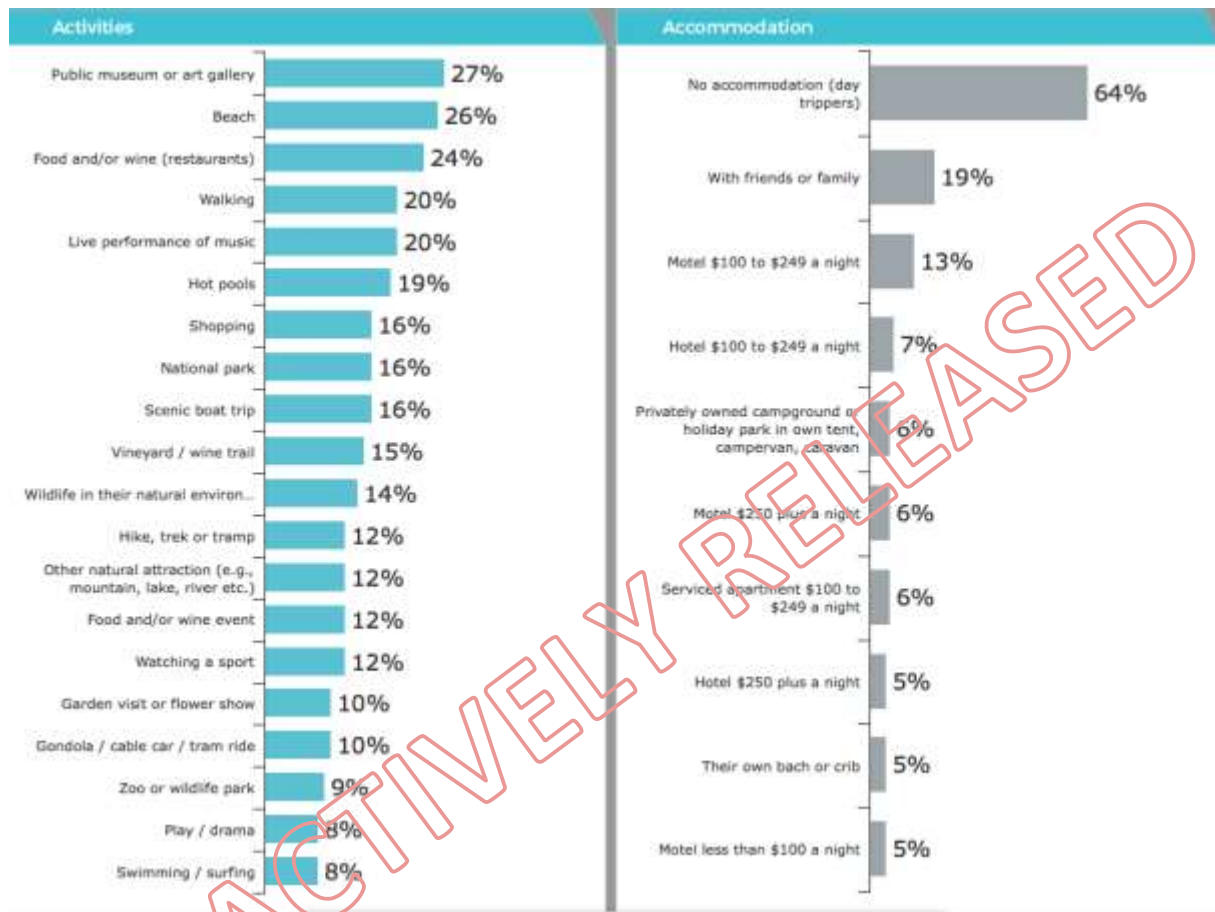
Assessing the Marlborough region and reason for travel (motivation) by using the filters ‘discover or learn about history or heritage’ and ‘discover or learn or understand about Maori culture or history’.



The most popular visitor origins for domestic visitors that want to 'discover or learn about history or heritage' and 'discover or learn or understand about Maori culture or history' in Marlborough.



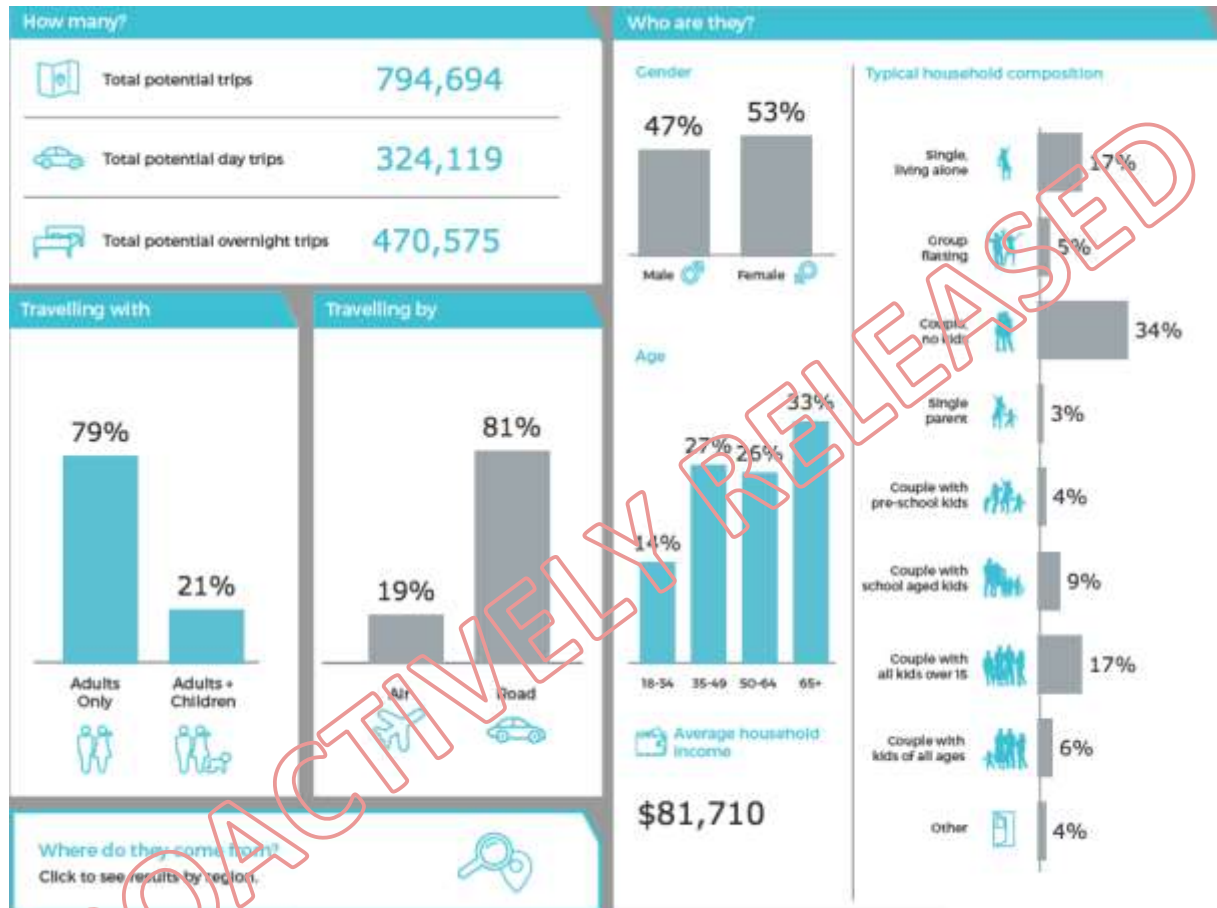
The domestic visitors that visit Marlborough to 'discover or learn about history or heritage' and 'discover or learn or understand about Maori culture or history' are also generally interested in (i.e. not necessarily during their visit to Marlborough but are interested in these activities in their daily lives).

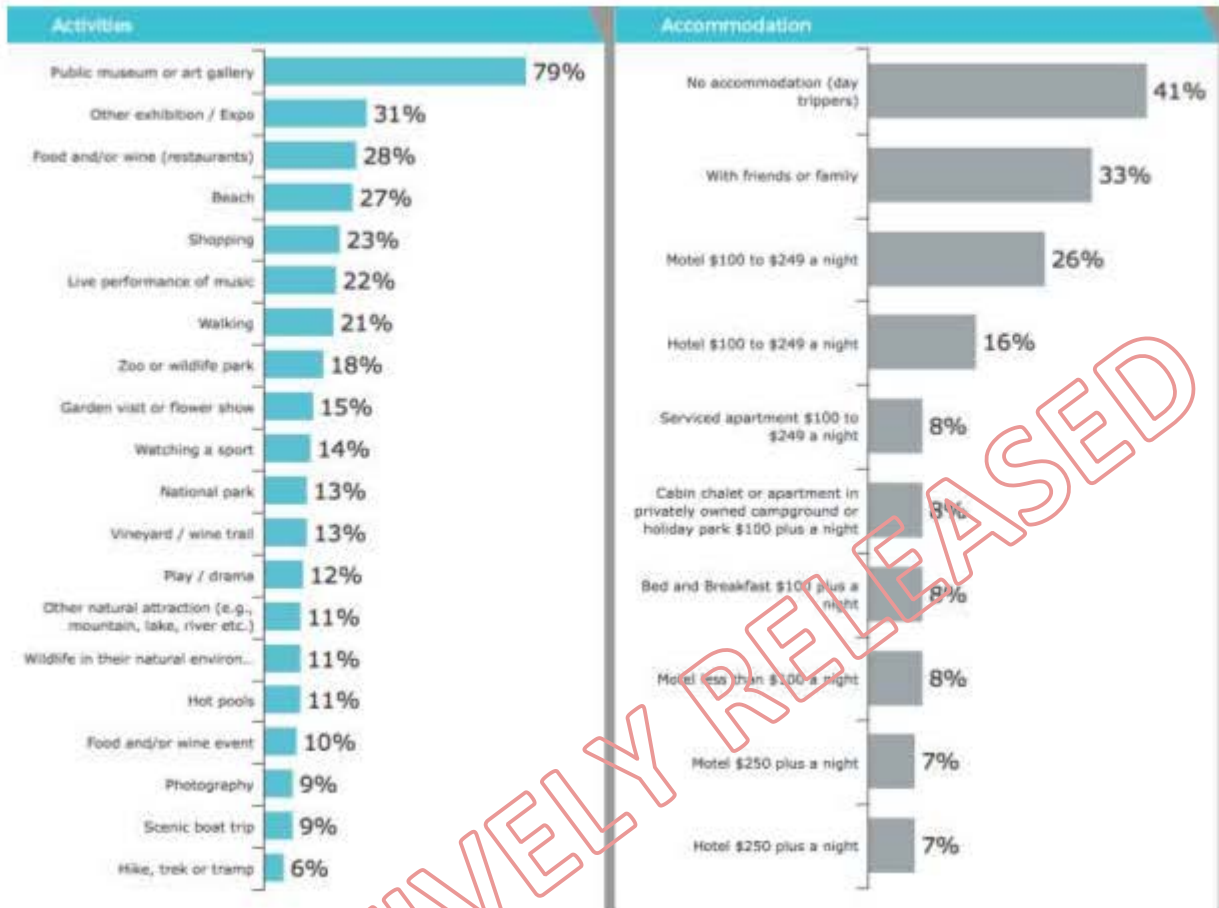


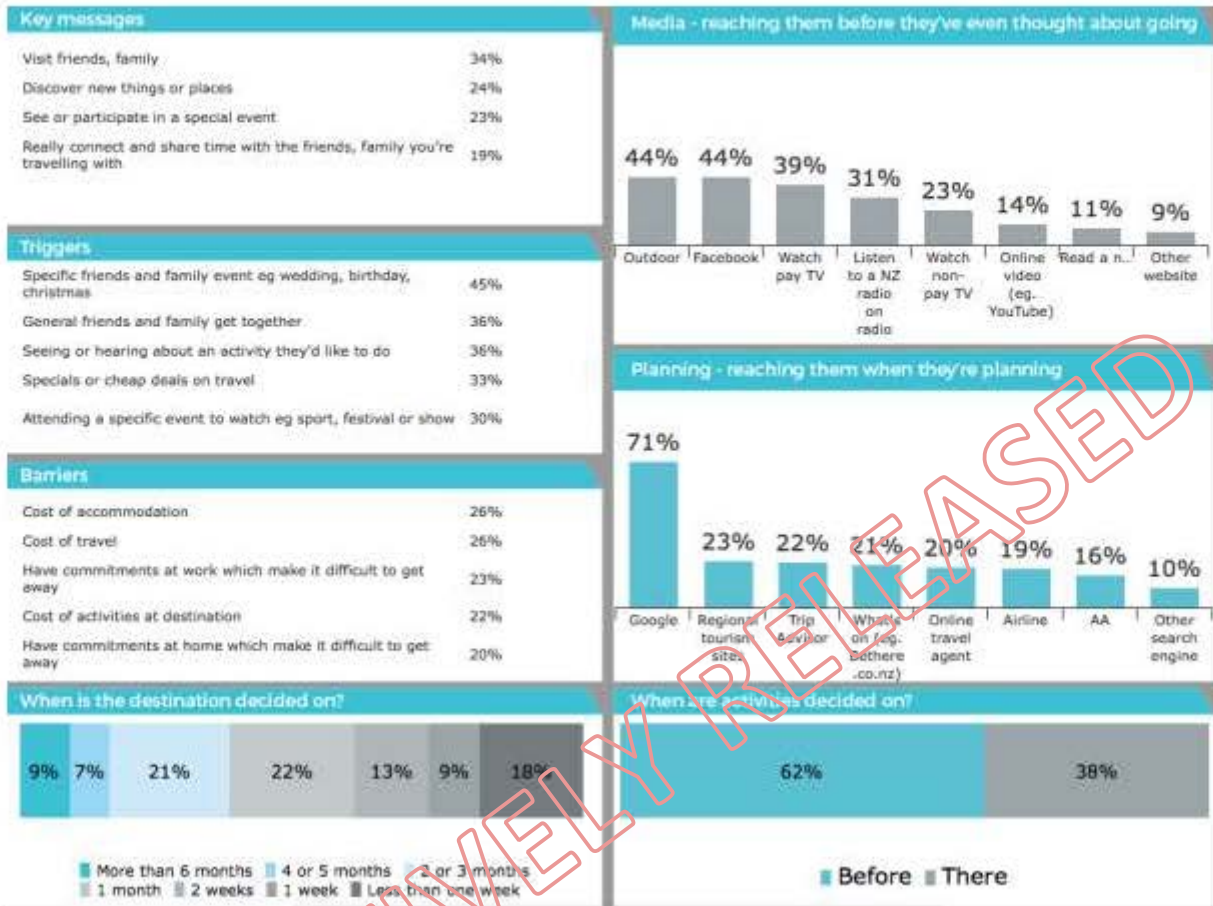
The domestic visitors that visit Marlborough to 'discover or learn about history or heritage' and 'discover or learn or understand about Maori culture or history' are also mostly reachable through the following forms of communication in the various stages of their visitor experience.



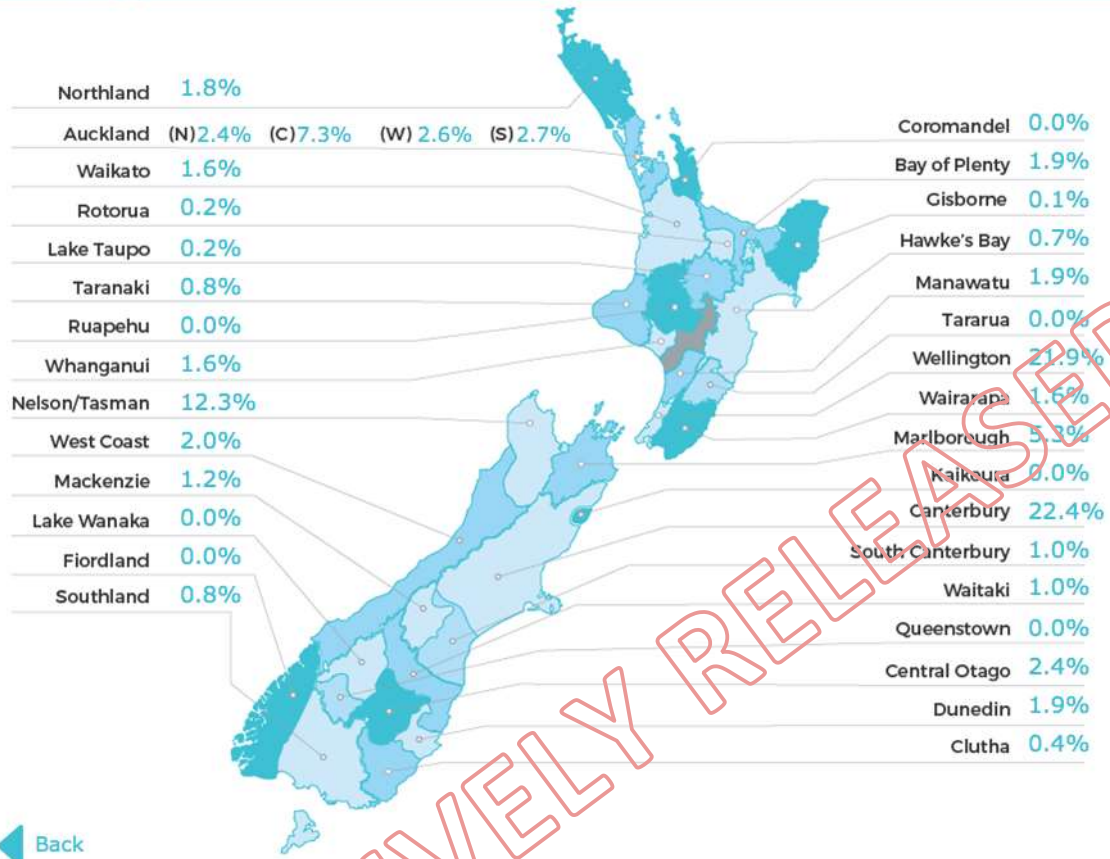
The visitor profile filters ‘Marlborough primary target (interested and can get there easily)’, ‘Marlborough secondary target (not interested but can get there easily)’, ‘Marlborough secondary target (interested but can’t get there easily by road)’ and ‘Marlborough secondary target (interested but can’t get there easily by air)’ combined with the special interest filters of ‘other exhibition/Expo’ and ‘Public museum or art gallery’.







Where do they come from?



◀ Back



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APPENDIX O – ESTIMATION OF VISITOR NUMBERS AND REVENUE

J.1 Business Events – New Space

The following are the assumptions used in the estimates.

- Event sizes: [Comment], [Comment], [Comment] persons
- Assumed number of events years 1-10.
- Net revenue per person (incl. GST) covers income to OAHC (for room hire, furniture, facilities, beverages). Catering revenue not included as caterer is paid directly by client.

Table 21. Revenue to OAHC from Events

Event Size (Guests)	Event type	Net Revenue (incl. GST) to Omaka	Net Revenue per Person (incl. GST)
[Comment]	Cocktails	Commercial	Commercial
[Comment]	Cocktails	Commercial	Commercial
[Comment]	Dinner	Commercial	Commercial

Source: Event information from Omaka Centre, December 14 2018

Table 22. Estimates of Business Space Attendees & Revenue

Business Events - New Space	Year									
	1	2	3	4	5	6	7	8	9	10
Event Size										
[Comment]	Co	Co	Co	Co	Co	Co	Co	Co	Co	Co
[Comment]	Co	Co	Co	Co	Co	Co	Co	Co	Co	Co
[Comment]	Co	Co	Co	Co	Co	Co	Co	Co	Co	Co
Total Events	Co	Co	Co	Co	Co	Co	Co	Comm	Comm	Comm
No of Attendees										

Comme	Comme	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc
Comme	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc
Comme	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc
Total Attendees	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc	Commerc
Revenue to Omaka										
Comme (cocktails = \$Commercial per person)	\$Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial
Comme (cocktails = \$Commercial per person)	\$Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial
Comme (dinner = £Commercial per person)	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial
Total Events Revenue (incl. GST)	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial Info	£Commercial Inf	£Commercial Info	£Commercial Info	£Commercial Info
GST =15%	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial
Business Event Revenue Omaka (New Space)	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial	£Commercial Inf	£Commercial Info	£Commercial Info	£Commercial Info

Source: MCA modelling & estimates December 19 2018

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J.2 Business Events - Space Current

The following shows the estimated guest numbers and revenue from the current premium events space.

- Years 1 and 2: are based on current events estimates of ^{Comm} events per year with an average of ^{Comm} guests.
- Revenue is that to OAHC and is based on average of \$^{Comm} per person and this is held constant over the 10 years (covers room hire, facilities, beverages). Revenue does not include catering charges which are paid direct to caterer by client.
- Years 3-10: for growth of event size, 5% annual growth in number of event guests per year is assumed

Table 23. Estimates of Current Event Space – Guests & Revenue

Events in Current Space (Premium Space)	Year									
Revenue to Omaka Centre	1	2	3	4	5	6	7	8	9	10
			Increase 5%	Increase 5%	Increase 5%	Increase 5%	Increase 5%	Increase 5%	Increase 5%	Increase 5%
Total Event Guests	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}
Overnight visitors	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}
Locals	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}	^{Comm}
Total Event Space Revenue (ave. per person =\$46)	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Informa}	\$ ^{Commercial Informa}	\$ ^{Commercial Informa}	\$ ^{Commercial Informa}	\$ ^{Commercial Informa}
GST	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}
Revenue Omaka (current space)	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Infor}	\$ ^{Commercial Informa}	\$ ^{Commercial Informa}

Source: MCA modelling & estimates December 19 2018. Event revenue information (average \$ per person) from OAHC, December 14 2018.

J.3 Individual Visitors

The following table shows the estimation of visitors and revenue over a 10-year period. It is assumed that the combination of new facilities and active marketing will generate growth in exhibition visitors over the 10-year period.

- 2017/18 has been used as the base year with Commercial Inform visitors.
- Assumed growth rates in visitors: Year 1 = 15% growth on base year (2017/18); years 2-3 = 10% growth per year; years 4-10= 5 % growth per year.
- The average admission fee is kept constant at \$Comm per person (OAHC advice).

Table 24. Estimates of Individual Visitors & Revenue

Assumptions											
2017/18 (Aug 2017-July 2018)		Year									
Base Visitors	Exhibition Visitors	1	2	3	4	5	6	7	8	9	10
Commercial Inform	Increase	20%	10%	10%	5%	5%	5%	5%	5%	5%	5%
	Exhibition Visitors										
	Tourist Visitors	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform
	Event Attendees (20% pay exhib fee of \$25) New Space	Comme	Comme	Comme	Comme	Comme	Comme	Comme	Comme	Comme	Comme
	Event Attendees (20% pay exhib fee of \$25) Existing Space	Comme	Comme	Comme	Comme	Comme	Comme	Comme	Comme	Comme	Comme
	Total Museum Visitors (Individual & Events)	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform
Average fees per visitor \$Comm	Total Revenue (inc.GST)	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform
	GST	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Inf	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info
	Admission Revenue Omaka	\$Commercial Inf	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform	\$Commercial Inform

Source: MCA modelling & estimates December 19 2018

J.4 Group Visitors

The following shows how Tauck tour group numbers and revenue were estimated.

- For Year 1 – contracted group tours number used; Years 2 -3 contracted group tours number used; Years 4-10 5% growth in group tour participant numbers.
- Tour participant numbers for revenue modelling – it is assumed that only 80% of tours actually take place.
- Per person revenue to OAHC: contracted rates Year 1 = \$ Commercial Inf Year 2-3 = \$ Commercial Inf and Years 4-10 = \$ Commercial Inf.
- It is assumed that all tour participants are domestic or international overnight visitors.

Table 25. Estimates of Group Visits

Tauck Contracted Groups	No of persons in groups	No of Groups	Total Visitors	Assume 45 % take place
2019				
Groups	Com	Contim	Commerc	
Groups	Com	Contim	Comme	
Total Visitors 2019		Contim	Commerc	Commerc
2020				
Groups	Com	Contim	Commerc	
Groups	Com	Contim	Comme	
Total Visitors 2020		Contim	Commerc	Commerc

Source: OAHC advice – numbers & rates specified in contracts (2019 & 2020).

Table 26. Number of Group Visitors and Revenue

		Year									
		1	2	3	4	5	6	7	8	9	10
Assumptions	Group Tours	2019 Contract	2020 Contract	2020 Contract	5% annual growth from year 4						
	Tauck Groups										

	Visitors											
Assumed all are overnight visitors	Domestic & International Overnights (contracted tours)	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Assume only $\frac{\text{Commercial}}{\text{Commercial}}$ % of contracted tours take place	Domestic & International Overnights ($\frac{\text{Commercial}}{\text{Commercial}}$ % of tours take place)	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
	Revenue to Omasaka											
Year 1 = \$ $\frac{\text{Commercial}}{\text{Commercial}}$ per person Year 2-10 = \$ $\frac{\text{Commercial}}{\text{Commercial}}$ per person	Total Revenue (inc. GST) (assumes only $\frac{\text{Commercial}}{\text{Commercial}}$ % of tours take place)	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info
	GST	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int
	Tour Revenue - Omasaka	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Int	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info	\$ $\frac{\text{Commercial}}{\text{Commercial}}$ Info

Source: MCA modelling & estimates December 19 2018

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J.5 Local Residents – Café Visits

The following shows the estimates for café use by local residents. These are based on assumptions in relation to the number of local customers on weekdays and weekends and average spending.

- Number of local customers Year 1: number of customers ^{Comm} per day weekdays (^{Commerc} weekdays in year); number of customers weekends ^{Comm} per day (^{Commerc} weekend days).
- Years 2-10: 5% annual growth in customer numbers is assumed.
- Average spend is \$^{Comm} per person – held constant over the period.

Table 27. Local Residents Café Use – Customers & Revenue

		Year										
Assumptions		1	2	3	4	5	6	7	8	9	10	
Annual days		Locals Café Use	5 % growth per year									
		Local Customers										
Year 1	Locals per day	Café Customers (Locals)	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}
^{Comme}	^{Comm}	Weekdays	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}
^{Comme}	^{Comm}	Week ends	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}
		Total	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}
		Revenue (Gross)										
	Ave spend \$20	Total Gross Revenue	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}
		GST	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}
		Gross Café Revenue (locals) Omaka	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}	^{Commerc}

Source: MCA modelling & estimates December 19 2018

J.6 Centre Visitors using the Café

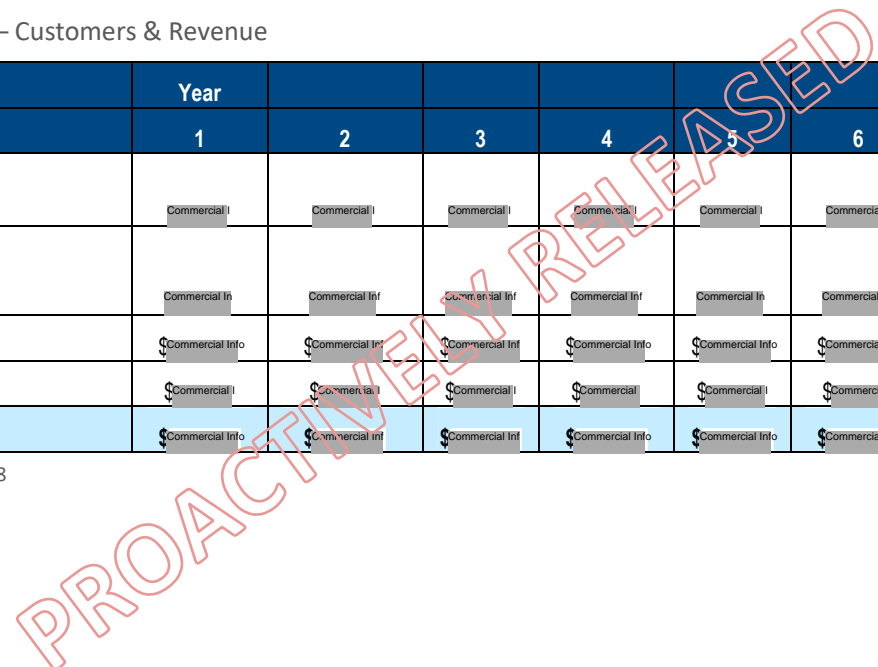
For visitor use of the café it is assumed that [Commercial] of visitors use the café.

Average spend per person of \$ [Comm] is maintained through the 10-year period.

Table 28. Café Use Individual Visitors – Customers & Revenue

	Year									
Café Use Individual Visitors	1	2	3	4	5	6	7	8	9	10
Total Individual Visitors to Centre	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]
% using café =30%										
& Ave spend =\$25 per person	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]	[Commercial]
Total Gross Revenue	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]
GST	[\$Commercial]	[\$Commercial]	[\$Commercial]	[\$Commercial]	[\$Commercial]	[\$Commercial]	[\$Commercial]	[\$Commercial]	[\$Commercial]	[\$Commercial]
Gross café Revenue (visitors) Omaka	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]	[\$Commercial Info]

Source: MCA modelling & estimates December 19 2018



J.7 Retail – Merchandise Sales

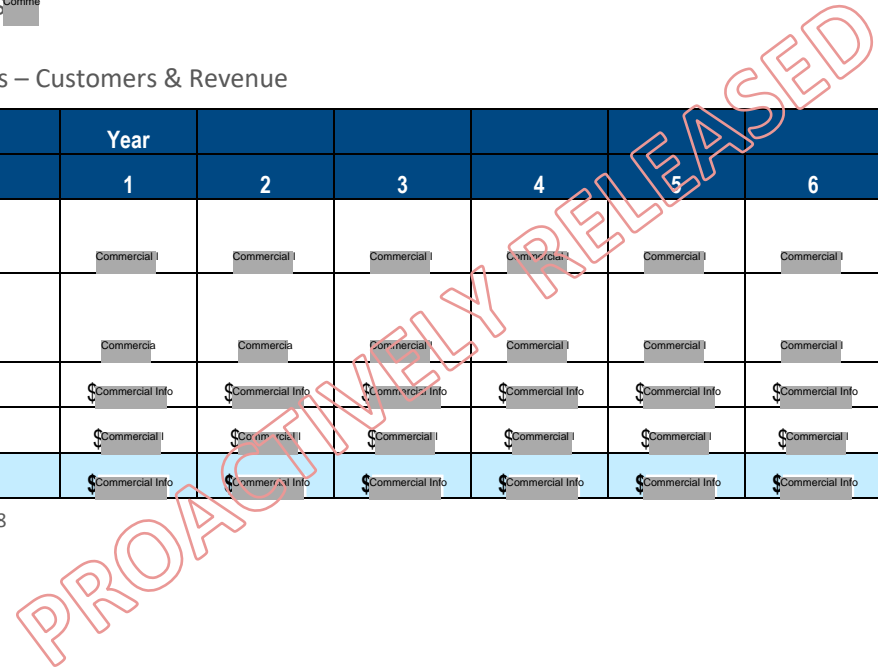
For merchandise sales revenue it is assumed:

- \square of individual visitors buy merchandise.
- Average value of spend per person is \$ \square

Table 29. Merchandise Sales Estimates – Customers & Revenue

	Year									
Merchandise Sales	1	2	3	4	5	6	7	8	9	10
Total Individual Visitors to Centre	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Visitors buying merchandise (Com%)										
Average Spend per person \$ ^{Com}	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Total Gross Revenue	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info
GST	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial	\$Commercial
Gross Merchandise Revenue (Visitors) Omaka	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info	\$Commercial Info

Source: MCA modelling & estimates December 19 2018



APPENDIX P – STAKEHOLDER CONSULTATION

Withheld In Full Due To Commercial Sensitivity



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