



Taranaki Maunga reflected in the Pouākai Track tarn July 2018
Credit: Peter Laurensen www.occasionalclimber.co.nz

Taranaki Crossing

Feasibility report and investment proposition

Short partner report—OVERVIEW OF FINDINGS

Prepared for: Ministry of Business, Innovation and Employment

Date: 15 March 2019

Whakatauki

*Pikipiki maunga tāngangae,
 Pikipiki pari tāngangae,
 Hei āhua tāngangae,
 mō tēnei taurira tāngangae
 mō tēnei tauhou tāngangae
 Tahau ora, tahau ariki
 Māu e kai te manawa ora o tēnei tauhou*

This Whakatauki is drawn from a Taranaki ceremonial chant. It inspired and protected the old ocean voyagers from evil influences when travelling across vast oceans into new lands. It is offered in like-manner here, inspiring visitors to ask for protection from evil influence when travelling onto the slopes of our sacred mountain, Maunga Taranaki.

Overview of findings

Taranaki Maunga is perhaps unique in New Zealand in offering an area of public conservation land, ideally suited to walking experiences of varying length and type, located less than 20 minutes drive from a vibrant city, the ocean and strong rural communities.

Demand for use of components of the Taranaki Crossing, particularly the Pouākai Tarns, is clearly apparent and is growing annually. Upgrade is imperative to ensure the quality of current and future visitor experiences are enhanced.

We have assessed the net biodiversity and environmental impacts of the proposed upgrades of components of the Taranaki Crossing as being either neutral or positive i.e. they overcome rather than create environmental impacts.

At other locations such as the area near Boomerang Slip, priority needs to be given to managing safety concerns.

It is many years since the tracks on Taranaki Maunga have had a significant upgrade. At some locations, necessary upgrades must be implemented with urgency to manage the increasing tendency for walkers to avoid muddy and awkward sections of track by walking on adjacent fragile flora.

Significant iwi and wider community, employment and economic and skill-building opportunities will be established as a result of increased visitor use of the proposed upgraded tracks.

By **Commercial** we expect additional regional expenditure by the **Commercial** additional users per annum of components of the Taranaki Crossing, to be \$**Commercial Information** per year. **Commercial Information**

Project managers should be contracted immediately to progress the upgrade of Crossing components. Highest priority is the need to stabilise the Boomerang Slip / Slip Alley area. **Commercial Information**

A new more-direct track is not required across the Ahukawakawa Swamp. Upgrade of the existing route will be far less environmentally impactful. In addition, a new suspension bridge should be

constructed in the Manganui Gorge, noting this is likely to become a visitor attraction in its own right.

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Our research suggests proceeding with the Taranaki Crossing is substantially in-tune with the direction of current Maunga settlement negotiations. Iwi should be provided with greater opportunities than previously to be more actively involved in all decisions about the management, construction and potential ownership of new and upgraded Park assets.

Trial shuttle transport to access points within the Park should be expanded. Increased use of shuttles will have measurable carbon emission-reduction benefits.

With the above points in mind, we recommend the release of \$13,340,000 to complement funds already provided, to make a total of \$**Commercial Information** available for expenditure on creating the Taranaki Crossing experience.

Further feasibility assessment of individual components of the Crossing is not required, except for that needed for final design, consent and the separate consideration of matters related to the North Egmont Visitor Centre.

In summary, our assessment work has confirmed the components of the Taranaki Crossing do satisfy core 'feasibility' assessment criteria, justifying investment to upgrade the quality and market suitability of these components.

The net effect of this investment will be a significant addition to New Zealand's repertoire of premium short and longer walks. With careful application of the findings of our feasibility assessment:

- Cultural values will be protected and enhanced.
- An appropriate balance can be found between the need to protect and preserve the Egmont / Taranaki National Park and the need to provide for its use and enjoyment.
- Environmental impacts can be sustainably managed.
- The smorgasbord of components of the Crossing will be suited to varying parts of the visitor market.
- Safety concerns can be appropriately managed.
- The costs of capital and the opex costs of maintaining the track / facilities and related infrastructure can be met within available budgets **Commercial Information**
- The benefits to the Taranaki, New Zealand and Māori economies outweigh the costs of the creating the experience.

Background

Context

Recent Treaty of Waitangi settlement processes included the proposal that Taranaki Maunga be recognised as a legal personality. Taranaki Maunga is a sacred taonga. It stands sentinel to Taranaki's turbulent past. It has the capacity to be a lynchpin contributing to a new, wide and positive future for the region.

A range of opportunities for increased use and enjoyment of the Maunga have been identified over the last ten years. These need to be carefully assessed, planned and delivered with sensitivity to the paramount importance of heritage, cultural and environmental values. Our report contains recommendations through which this objective may be achieved.

Purpose

The purpose of our report is to assess options for the upgrade of components of a Taranaki Crossing walking experience and to prepare recommendations about the optimal investment proposition to achieve it. A skilled consultancy team, clear governance and a comprehensive terms of reference guided the development of this feasibility study (Figure One).

Our report covers iwi, legal, policy and visitor-sector matters, track and infrastructure conditions and upgrade requirements, environment / ecological / heritage / cultural considerations, costs / benefits and funding requirements / availability.

Scope

Conceptually, the Taranaki Crossing may be viewed as an experience centred around the idea of 'Maunga ki Moana' – mountains-to-sea, extending from Dawson Falls in the south-east of the Maunga to Ōākura in the north-west (Figure Two). The full Taranaki Crossing experience may commence at Dawson Falls, include overnight accommodation at a range of available or upgraded facilities and involve the use of upgraded tracks to finish at the Ōākura seaside, at the end of day two or three. This would be a 20+ hour walk covering 40+ kms.

The market for visitors wanting to experience the full two / three or more days of this Taranaki Crossing experience may be limited but we can see different visitor groups or types enjoying different parts or components of the Taranaki Crossing on different occasions.

In other words, the total Taranaki Crossing experience, with appropriate upgrade, will provide a smorgasbord of short, one-day and or multi-day experience opportunities suited to a wide spectrum of interest groups.

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Available funding

Determining an optimum investment proposition depends not only on the assessment of the identified interwoven themes, challenges and opportunities associated with each component of the Crossing, it also depends on how much money is available to make these features 'market ready'.

In April 2018, the Regional Economic Development Ministers Group approved investment of \$13.34m from the Provincial Growth Fund (PGF) towards the Taranaki Crossing project, subject to their receipt of a satisfactory feasibility report.

Decisions of the previous government provided an additional \$3.4m, some of which must be set aside for operational expenses.

Further funding has been contributed by Commercial Information the Tourism Infrastructure Fund and the Commercial Information. In total, Commercial Information has been 'earmarked' at various times, for various components of the Taranaki Crossing.

We estimate Commercial Information of this sum is available for investment into future necessary upgrades of the components of the Crossing that are part of the scope of this report.

Iwi considerations

Our conversations with iwi representatives suggested we should lean toward satisfying the following main themes in our assessment of the feasibility of the Taranaki Crossing proposal: protect cultural values; resolve environmental challenges; meet infrastructure needs; provide for appropriate story-telling; align with Maunga settlement processes and decisions; align with the pest management 'Project Mouna' objectives; provide iwi with employment / economic development opportunities and; build the capacity of iwi to participate in these opportunities.

We believe, with careful management and investment, an upgraded Taranaki Crossing experience can be constructed in a way that satisfies these themes. This should include the full involvement of iwi in all future Taranaki Crossing decisions, with particular emphasis toward those associated with the: North Egmont Visitor Centre; the Commercial Information; the provision of interpretation / wayfinding information and the signage required to add depth to the Crossing experience; expanded accommodation options for the Pouākai Range and; opportunities to fully utilise the Dawson Falls Lodge and the Stratford Mountain House.

Iwi should also be invited to fully participate in the employment and economic development opportunities arising from creating all parts of the Taranaki Crossing experience, including project management and operational aspects.

Figure One: Governance, approach and content

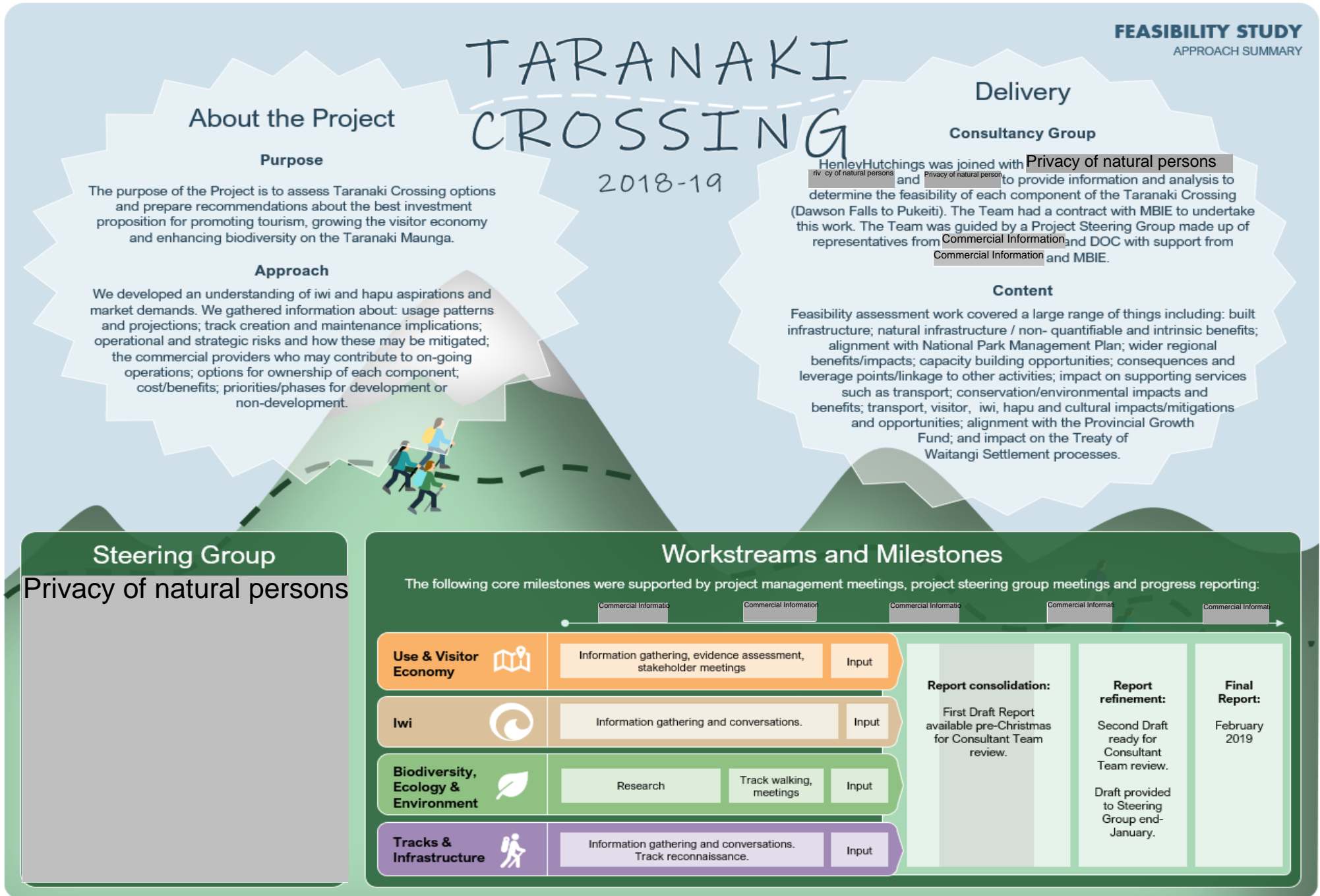
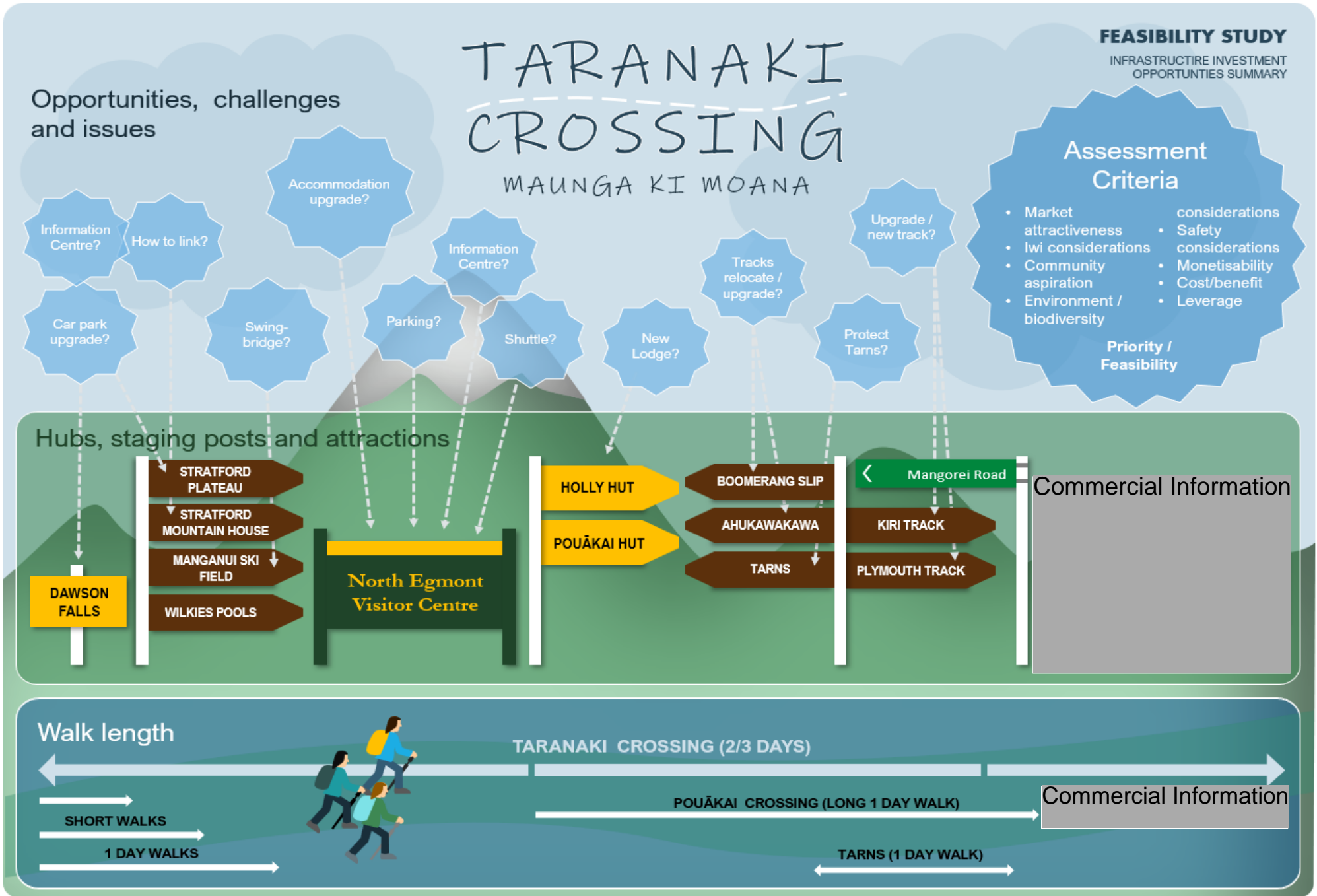


Figure Two: Representation of study area and matters to be addressed



Visitor sector dynamics

Visitor numbers

The Taranaki visitor sector has historically grown at a slow rate when compared to other parts of New Zealand - although recent growth in visitation has picked up as a result of growing international visitor interest in enjoying experiences on public conservation lands.

The region accounts for 1.3% of national visitor sector spending and involves visitors staying in the region for about two nights each. 86% are domestic visitors accounting for 80% of spending and 14% are international visitors accounting for 20% of spending.

Regional leaders would like to see existing visitor expenditure double and the number of visitors grow to 1.8m per annum by 2025. Achievement of these objectives will require establishment of a new iconic attraction. The Taranaki Crossing is the favoured investment attraction.

Egmont / Taranaki National Park currently receives about 480,000 visitors per year (Figure Three). Our 2025 estimate of the total increase in user days achievable from use of the combined upgraded components of the Taranaki Crossing (Commercial Information) is between 35,000 and 40,000. Commercial Information of these users may complete the two to three day Maunga-ki-Moana, Taranaki Crossing experience. Commercial Information

Current experiences and attractions

The visitor sector in Taranaki is currently characterised by use of a limited range of commissionable or 'monetised' products, in comparison to places like Rotorua and Queenstown. Taranaki visitors take great advantage of the experiences to be had on public conservation land and from activities such as walking and riding on the New Plymouth Coastal Walkway.

Lonely Planet's award (2016 / 2017) of 'second best region to visit in the world' is a worthy accolade. We consider this to have considerable further 'leverage' potential. With continued product and market development and a clear understanding of the 'destination proposition' offered by the region, Taranaki is a likely region to be given much more consideration as a place for inclusion in future visitor itineraries.

New Zealand's natural environment is the main attraction for international visitors to New Zealand. Components of the Taranaki Crossing are well positioned to contribute to these market demands. In addition, 60% of New Zealanders participate in walking and 80% of New Zealanders visit New Zealand's public conservation land.

The most popular walking experiences sought by both domestic and international visitors (Tourism New Zealand, 2017) are short walks of between half an hour and three hours duration, followed by short walks of under half an hour duration (Figure Four). The proposed smorgasbord of Taranaki Crossing experiences will meet these demands.

Several facilities on the Maunga appear to be a current draw card for visitors (DOC, 2014). Most respondents to DOC's survey who had visited Egmont / Taranaki National Park had visited the visitor centres at North Egmont (70%) and Dawson Falls (56%). More than 40% had visited the cafe / restaurant facilities at North Egmont or the Stratford Mountain House while almost a quarter had visited the Manganui Ski Field. More recently, the Pouākai Tarns has experienced annual growth of 22%. The Tarns may attract Commercial Information users by YE Commercial Information

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addition, a high number of respondents said they had walked the Tongariro Crossing, indicating potential interest in market development based on walking the 'Two T' Crossings - Taranaki and Tongariro.

Carparks

A trial shuttle bus service has recently been completed (January 2019) to test options to ease parking congestion at the North Egmont Visitor Centre. We recommend that shuttle services, possibly with NZTA subsidy, be further explored as a more substantive means of transiting Park visitors from Taranaki towns to the three key points of access and egress from the Park. Increased use of shuttles will reduce greenhouse gas emissions reductions by between Commercial Information and Commercial Information tonnes of CO² annually.

Accommodation

There are eight accommodation options on the Taranaki Crossing. The Dawson Falls Lodge and the Stratford Mountain House provide quality culturally-sensitive accommodation suited to visitors who are about to embark on parts of the Taranaki Crossing.

Most Taranaki Crossing accommodation has capacity to address the likely demand from users except Pouākai Hut with 6,500 current users per annum. This 15 bed hut is under extreme pressure and urgently needs additional capacity and stronger visitor management.

Visitor Centres

There were 108,000 visitors to the North Egmont Visitor Centre in 2017. The purpose of visits to the Centre varies. Some make the café experience the destination. Some come to read the information displayed at the centre. Some come to seek information about tracks, walks and the weather. The café managers currently also service the adjacent Camp-house.

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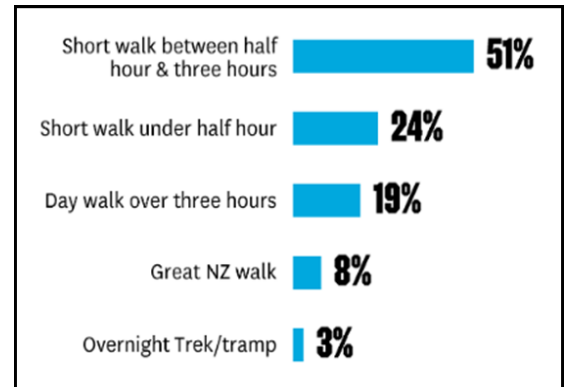
We recognise the North Egmont Visitor Centre is a valued and popular visitor attraction but we

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 _____ . Iwi have a critical role to play in deciding on the detail of a 'culturally-appropriate' design, let alone the preferred role for this facility.

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 _____ Separate consideration will also provide iwi with the opportunity to bring to the Taranaki Crossing experience a significant new cultural and heritage-focused offering, capable of satisfying a wide spectrum of needs and being more reflective of iwi aspirations for the Maunga

Figure Four: Preferred walk times



Use of the [Dawson Falls Visitor Centre](#) has incrementally increased from 37,000 in FY 2012 / 13 to 47,000 in the FY 2017 / 18 years. We see this facility as largely being fit-for-purpose although consideration should be given to greater iwi involvement and longer hours of operation.

Pukeiti Gardens

Pukeiti Gardens has an international reputation as a centre for viewing rhododendrons and other flora. Visitor numbers have grown from 30,000 in 2016 to now (YE 2018) being in excess of 75,000 people per year. This is largely as a result of broadening the range of experiences on offer at the Gardens. The garden manager expects visitor numbers to reach [Commercial Information](#) people by 2020. A total of [\\$](#) i expected to be spent on upgrading the quality of the Pukeiti experience in the period 2016 to 2020. The Taranaki Regional Council are currently just over half way through their development plan.

Tongariro comparison

Some interested stakeholders were concerned the Taranaki Crossing could have similar management issues to those experienced on the [Commercial Information](#) ([Commercial Information](#) users in YE2018). These include: congestion on parts of the track; human waste management; carparking; safety; and cultural impacts on iwi and the Maunga values. In our view, given Taranaki's 'off-the-beaten-track' location, fewer visitors, weather constraints, the market dominance of the Tongariro Alpine Crossing and the intention to apply 'future-ready' and well-thought through track upgrade and user-management practices in Taranaki, it is highly unlikely a developed Taranaki Crossing will experience the problems occurring on the [Commercial Information](#).

Taranaki Crossing track conditions and upgrade requirements

Approach

We assessed existing tracks alongside huts and other infrastructure, to determine their general characteristics, current condition, the stability of the adjacent landscape, current and potential future (upgraded) user needs, environmental impact, market suitability, amenity value, and risks to users. Our on-site assessment was augmented by assessment of topographic data, DOC inspection reporting, specialist reports on specific issues e.g. on Boomerang Slip / Slip Alley, and discussions with several stakeholders and users.

Our premise was this infrastructure should be of a quality, configuration, capacity and nature reflective of the preferences of the visitor market likely to want to use each targeted segment or component of the Taranaki Crossing. Having established the recommended target-user groups for the various sections of the track / infrastructure network, the gap between current track / infrastructure standards, quality and condition and the preferred standard was identified and the cost of upgrading the track and other infrastructure, suited to the market, was calculated.

Current condition of tracks

Most of the walking tracks in the Egmont / Taranaki National Park have been in place for a long period of time. They generally follow ridges directly up the slope of the Maunga or they traverse around the slopes, crossing numerous streams or gullies.

The original tracks were well-formed, well located and established with reasonable gradients. The extremes of rainfall on the Taranaki Maunga have had an ongoing adverse effect on these tracks,

since the time of their original construction.

Their current poor state is not conducive to the attraction of the type or number of visitors needed to realise the economic potential of the Taranaki Crossing for the Taranaki region. Capital upgrades, at varying scales, of virtually all the tracks included in the Taranaki Crossing is required. We draw your attention to five locations needing focused attention.

Manganui Gorge

The existing track sidles into the Gorge and then out to the Manganui Ski-Field. The Manganui Gorge is prone to avalanche risk during winter months, and occasional debris flash flows in high rainfall events. These events damage the track where it crosses the base of the Gorge.

The recommended option for providing safer year-round access across the Manganui Gorge is the construction of a mid-gorge pedestrian suspension bridge. The estimated cost of construction of this pedestrian suspension bridge, with associated improved access upgrades, is [\\$Commercial Information](#). We envisage the proposed new suspension bridge will become a much sought-after short-walk destination from the Stratford Plateau and or the walk from Dawson Falls.

Boomerang and Hidden Valley Slip area

The Boomerang Slip on the Holly Hut Track has been within an active landslide area for at least 70 years. The distance across the slip zone is about 70m, but this can take time for walkers to traverse due to the need to negotiate boulders on the eastern side, and then the need to cross the loose scree on the western side. The most active area of slippage is in the gully near the middle of the slip.

In February 2018, during a period of intense rainfall, a new rockfall occurred approximately 300m west of the Boomerang Slip, in a location known as the Hidden Valley. Technical assessments have been carried out by expert third parties to determine causes and possible remedies.

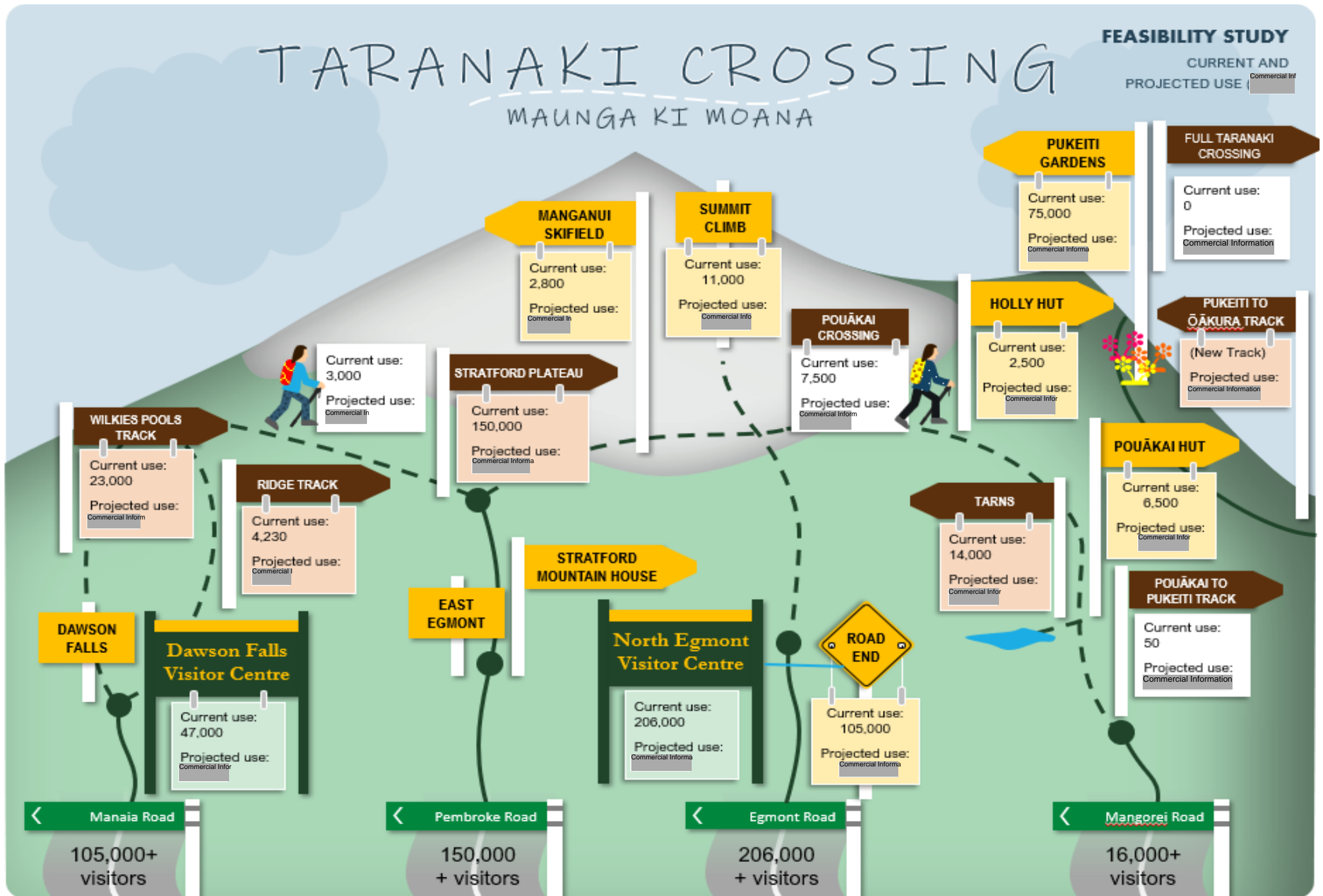
We recommend mitigation of risk by rock removal, track improvement, monitoring etc. and extension of cell-phone coverage rather than track re-alignment. We believe with adoption of these remedial actions, and the installation of instructions and warnings to visitors on how to minimise the risk associated with crossing this section of track, continued use of the original track route, at an acceptable level of risk, is very possible. This work should be carried out with urgency.

Ahukawakawa Swamp

We do not recommend the adoption of an earlier proposal to establish a more direct route across the Ahukawakawa Swamp to the Pouākai Tarns. Our track travel-time estimates indicate the typical walking time for the Pouākai Crossing could be reduced by up to an hour simply by implementing our recommended upgrade improvements to the existing track. These include construction of raised and piled boardwalks on the existing alignment across the wetland. But most importantly, the damage to the fragile and unique swamp, together with the landscape impact of creating a new track, negate any benefits associated with creating a new direct route.



Figure Three: Projected increase in use and user days of components of the Taranaki Crossing



Bells Falls / Te Rere o Tahurangi

There is potential to enhance the Taranaki Crossing and Pouākai Crossing experiences by creating a 0.7km side track from the Ahukawakawa Swamp to the top of Bells Falls / Te Rere o Tahurangi. A platform providing a view of the falls at this location would add a significant 'wow' attraction to the Crossing experience and would add only about 30 minutes to the total journey.

(Continues on page 9)

Pouākai Tarns

The 790m track from the junction above Pouākai Hut to the Pouākai Tarns follows the broad Pouākai ridge crest on alpine-wetland and tussock-land. The strong growth in visitation to this location has prompted DOC to install extensive timber rafting on this track. Unfortunately, this raft construction is beginning to settle in a similar way to the Ahukawakawa Swamp rafts. Some sections are inundated with water for periods of time and most are of inadequate width for the two-way passing necessary as a result of the higher visitor numbers to this site. The sensitive vegetation beside the rafts will be further affected as a result of people stepping off them to pass or to find drier footing. Replacement of most of this section of rafting with a 1.2m wide piled boardwalk is recommended, together with the construction of a wider viewing platform.

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Implementation of upgrade matters

Subsequent to the receipt and adoption of this report by the Ministers of Regional Economic Development and Conservation, our hope and expectation is that design work will commence for priority components in April 2019, some construction will commence by September 2019 and required works will all be committed by July 2020.

Achievement of this goal implies the appointment of two skilled project managers, one of whom will have strong connections to iwi. We also recommend retention of strong governance support based on the skills within the current Project Steering Group. Work should also commence on the provision of expanded way-finding, story-telling and other information, in collaboration with iwi.

Environmental considerations

Infrastructure and facilities—overview

Existing investment proposals for the upgrade of carparks at the Dawson Falls and Stratford Plateau carparks should be completed. Pouākai Hut should also be upgraded. These works should be able to be carried out within the footprint of the current modified landscape. The experience-attraction and safety benefits of the new bridge across the Manganui Gorge outweigh any environmental effects of this structure. In other instances, we propose tracks be upgraded rather than re-aligned, to reduce environmental impacts. We view the net environmental and biodiversity impacts of proposed upgrade works as being positive.

Impact of track upgrade works

Track design: Re-shaping and compaction of tracks is required at many locations to re-establish a uniform bench size. Drainage cross-fall, side drains and frequent drainage discharge points are also necessary. In almost all cases, this work will be possible within the original track footprint width. Some of this work could be undertaken by mini-excavator, while in other locations, especially for narrower 'Easy Tramping' tracks, this work would be undertaken with hand tools. Where necessary, the track edges should be supported with low timber retaining walls, or stacked rock-retaining walls.

Steps: Existing random boxed steps need to be replaced with new stringer-type timber boxed steps, constructed to a width to match the preferred track classification. Steps should be constructed with uniform step heights and grade, frequent landings, and good drainage. Steps should be extended where the current track gradient exceeds recommended maximums.

Board-walks: Most existing timber rafts over wetlands should be replaced with piled boardwalks, of the required deck width for the track classification. These boardwalks should be extended to cover all sensitive moss-swamp areas. Piles should be driven to firm ground and the deck installed at a level above the adjacent ground so that there is a gap under the boardwalk joists to allow natural surface water flows and vegetation cover to re-establish under the boardwalk.

Boardwalks, boxed steps, bridges and retaining walls should be constructed predominantly from suitably treated radiata pine timber. This should mainly be sourced from locally grown plantation forests. Appropriately treated timber will have a serviceable life of 50 years when used for bridges, boardwalks and steps in this environment.

Track surface material: Crushed rock surfacing material should be placed on track and boxed step surfaces used as 'Short Walks' and 'Easy Walk' tracks and on many sections of 'Tramping' track. This will provide a durable surface that is resistant to surface water erosion and will provide good firm footing.

Much of the track surfacing material could be sourced from the immediate location of the tracks by using a small mobile crusher to produce the required aggregate size. Where suitable rock is not available from near the track for track surfacing, crushed aggregate will need to be lifted by helicopter to the track sites. It is preferable that this imported aggregate be sourced from andesite rock quarries within the Taranaki ring plain to minimise the mixing of foreign mineralogy with naturally occurring material on Taranaki Maunga.

The use of artificial track surface stabilisation products such as geocells and geo-web should be kept to a minimum. While these products are effective, their widespread use would add significantly to the project cost, and they introduce unsustainable foreign materials.

Ecological considerations

Across the globe, there is increasing appreciation of the positive effect of time spent in nature for people's health and well-being. The accessibility and proximity of the Taranaki Crossing make it an ideal asset to serve this need.

The Egmont / Taranaki National Park provides the only habitat for many of Taranaki's bird species. 28 native and 15 introduced bird species have been recorded in the Park. Threatened species include North Island brown kiwi, fernbird and blue duck. The Park is also home to several unique invertebrate species. In addition, almost half of New Zealand's indigenous fish species are found in or near the Park. Nationally threatened fish species include the giant kokopu, short-jawed kōkopu, banded kōkopu and Kōaro.

The upgrading of existing tracks (including stream crossings) and increased visitor numbers are unlikely to have anything but minor impact on the indigenous flora and fauna of the Park.

We note many existing tracks have been severely entrenched and visitors walk beside the track, encroaching into the vegetation and causing erosion (Photograph One). On many degraded Crossing tracks, some vegetation clearance may be required to install more effective drainage, but this is likely to be mostly to the groundcover species currently widely evident along the sides of the track. We expect these species to recover, although the harsh climate means this sometimes takes time. We recommend work be done in a careful manner and not cause deposit of spoil on the sides of the track. If work is undertaken in this way, track upgrades should have minimal impact on the integrity of the flora and fauna.

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Powelliphanta "Egmont" snails have been found in the area near Holly hut and at only a few other locations in the National Park. It is important that their habitat is protected. We recommend a small raised boardwalk and viewing platform be constructed at the location where they have previously been found, to avoid further trampling of the habitat.

Wetlands have been severely reduced in extent over the last 100 years in New Zealand with only 10% of the previous area now remaining. Montane wetlands such as the Ahukawakawa Swamp, in relatively natural condition, are therefore highly valuable. At this location current boardwalks have sunk, and additional boardwalks have simply been placed on top of them.

The continual sinking of boardwalks is most likely impacting on the functioning of the wetland, with drainage patterns being altered through the boardwalk and water channelling down the track. Differences in water flow affects the acidity and fertility of the substrate and therefore the distribution of some species. These effects should be remedied and avoided by constructing raised and piled boardwalks on or adjacent to the existing track—as suggested above. A new track across the swamp is not recommended.

Economic considerations

Overview

The Taranaki economy has traditionally mostly been reliant on the oil and gas and the dairy sectors. Both sectors face future growth challenges. Tapuae Roa (2018) - the economic development action plan for the region, documented these challenges and urged that focused attention now be given to opportunities to diversify the economy. With the abundance of natural assets and public conservation land in the region, the visitor sector was identified as a critical sector for focused attention.

The things that attract visitors also make a region attractive to new residents. Moreover, the things that make a region attractive also create a sense of pride and long-term Taranaki 'home-location-retention' amongst existing residents. All these factors further add to the value associated with creating and enhancing expanded visitor experiences such as those provided by components of the Taranaki Crossing.

Importance for the New Zealand economy: The tourism sector makes a significant contribution to New Zealand's success. In 2018, New Zealand's tourism industry was valued at \$39 billion. Domestic tourism provides more than half of the sector's economic activity. In 2017, tourism provided jobs for over 230,000 New Zealanders. International tourism is New Zealand's biggest export sector, contributing more than 20 percent of the nation's export earnings. Half of all international visitors to New Zealand travelled to a national park in 2016.

The Crossing would assist to distribute visitor benefits into the regions: As a large area of public conservation land located outside of the main metropolitan centres, the 'halo effects' of a Taranaki Crossing within the Egmont / Taranaki National Park will generate jobs and opportunities for inclusive growth across Taranaki communities.

Business generation: Visitors will contribute by using recreation-based operators and by their spending on fuel, food, accommodation, hospitality and other businesses in nearby communities (Figure Five).

Figure Five: Visitor spend by product (July 2018)



Iwi opportunities: Use and enjoyment of the Taranaki Crossing will bring wider economic, social and cultural benefits for iwi. The Crossing will provide an opportunity for Māori to showcase their cultural heritage and realise their aspirations as a key part of the tourism sector, and to capitalise on employment and investment opportunities.

Monetising the Taranaki Crossing experience

Visitor spending flows or 'multipliers' tend to be widely felt throughout the economy. The 'retail sales' category experiences the most visitor spend, followed by 'food and beverage serving services' and 'retail sales - fuel and other automotive products.'

New and expanded opportunities to monetise the Taranaki Crossing include those arising from: hut fees; accommodation at the Dawson Falls Lodge and Stratford Mountain House; a potential new facility on the Pouākai Range; café expenditure at Park road ends; guiding services; shuttle transport services; and from travel itinerary providers who may include the Taranaki Crossing into a package, alongside other Taranaki experiences, transport, food and accommodation.

In addition, direct monetisation opportunities will also arise from the purchase of materials, management, construction and maintenance of the tracks, huts, infrastructure and facilities associated with the Taranaki Crossing. We expect ^{Commercial} full-time equivalent (FTEs) persons to be employed during the ⁹ years of track and bridge construction for the Taranaki Crossing.

Provincial Growth Fund principles

We have closely examined the investment statement and application templates for the Provincial Growth Fund. We have also assessed recent successful applications. These documents state successful projects will help achieve government’s objectives by:

1. Creating jobs, leading to sustainable economic growth.
2. Increasing social inclusion and participation.
3. Enabling Māori to realise aspirations in all aspects of the economy.
4. Encouraging environmental sustainability and helping New Zealand meet climate change commitments (alongside their support of productive use of land, water and other resources).
5. Improving resilience, particularly of critical infrastructure.
6. Diversifying the economy.

The Taranaki Crossing project will make strong contributions to objectives 1, 2, 3, and 6 and moderate contributions to other objectives.

Cost / benefit of investment in Taranaki Crossing

We estimate the increase in visitor user-days resulting from development of the ^{Commercial Info} Crossing to be between ^{Commercial Informa} by ^{Commercia} with a similar additional number using the Pukeiti Gardens to Ōākura track.

Calculating the monetary benefits arising from these visitors is more challenging than calculating the cost of establishing the Taranaki Crossing. There are three matters to consider: first the origin of the visitors; second the quantum of their daily spending and; third, the multiplier that may be applied to daily spending to reflect the benefit of expenditure within the regional economy.

Our assumptions about these three matters suggest expenditure by new users of components of the Taranaki Crossing will be ^{\$Commercial Informa} per year by ^{Commercia}. This is a good return when considered against the cost of creating and sustaining the Crossing. In addition, we expect the Taranaki Crossing to leverage and increase interest in, rather than ‘crowd-out’ interest in other Taranaki experiences.

Providing for capex and opex—priorities for expenditure

We have been informed that, in general terms, there is currently no annual allocation of operational expenditure (opex), when an initial decision is made to invest capital expenditure, to maintain capital assets during their life. If no provision is made for opex then funding for capex for all of the proposed components of the Taranaki Crossing would be available. However, over the subsequent ten years there would be incremental asset depreciation, with consequent impacts on the quality of the visitor experience.

In our view, a preferred approach would be to establish a general requirement for ^{Commi}% of the value of the sum invested as capex (for example, to upgrade the Pouākai hut, all Crossing tracks and to construct the Manganui suspension bridge) to be spent on opex to sustain the asset in as ‘good as

new’ condition over its first ten years of life. The downside of this approach is that some Crossing components would not receive the upgrade they require.

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Components	Expense	Timing
Boomerang and Hidden Valley slip area tracks	^{\$Commercial Infor}	^{Commercial Inform}
Pouākai Hut bunk upgrade	^{\$Commercial Infor}	^{Commercial Inform}
Pouākai Hut to Pouākai Tarns track and viewing platform	^{\$Commercial Infor}	^{Commercial Inform}
North Egmont Visitor Centre to Veronica Lookout track	^{\$Commercial Infor}	^{Commercial Inform}
North Egmont to Kōkōwai Ridge track	^{\$Commercial Infor}	^{Commercial Inform}
Dawson Falls car-park	\$80,000	^{Commercial Inform}
Dawson Falls short walks / tracks	^{\$Commercial Infor}	^{Commercial Inform}
Dawson Falls to Stratford Plateau track	^{\$Commercial Infor}	^{Commercial Inform}
Ahukawakawa Swamp track upgrade	^{\$Commercial Informa}	^{Commercial Inform}
Stratford Plateau to Manganui ski-field track including suspension	^{\$Commercial Infor}	^{Commercial Inform}
Stratford Plateau car-park	^{\$Commercial Infor}	^{Commercial Inform}
Manganui ski-field to North Egmont track	^{\$Commercial Infor}	^{Commercial Inform}
Veronica Lookout to Holly Hut track	^{\$Commercial In}	^{Commercial Inform}
Kōkōwai track as contingency against closure in slip gully area	^{\$Commercial Infor}	^{Commercial Inform}
Bells Falls / Te Rere o Tahurangi track and lookout	^{\$Commercial Infor}	^{Commercial Inform}
Pouākai Hut to Mangorei Road track	^{\$Commercial Informa}	^{Commercial Inform}
Commercial Information ^{\$Commercial Informa}	^{\$Commercial Informa}	^{Commercial Inform}
Project management	^{\$Commercial Infor}	All times
Iwi engagement	^{\$Commercial In}	All times
Signage and interpretation	^{\$Commercial Infor}	^{Commercial Inform}
Contingency @ about ^{0%}	^{\$Commercial Infor}	
Total capex (inclusive of management and contingency)	^{\$Commercial Informa}	
Contribution toward DOC's operational (opex) costs	^{\$Commercial Informa}	
Overall Total	^{\$Commercial Informa}	

Commercial Information

With the upgrade of the North Egmont Visitor Centre treated separately, our estimate of the cost of capital to make the Taranaki Crossing 'market-ready' is \$Commercial Information (Table One).

If Com% of the cost of initial capital expenditure is set aside to cover the cost of operational expenditure over ten years, then \$Commercial Information of funding is required for this purpose. This brings the total cost of the Taranaki Crossing to \$Commercial Information and enables the proposed 'balanced budget' objective to be achieved (Table One).

Implementation

Our preference is to have all track, hut, bridge and ancillary upgrade works committed within two years.

- The number one priority is to undertake works to secure the health and safety of users of the length of track adjacent to the Boomerang Slip and Slip Alley.
- Equally important is the need to continue with works designed to better manager visitors to the Pouākai Tarns and to provide more beds at Pouākai Hut.
- Second order priorities are the upgrade of most track components and the construction of the swing-bridge across the Manganui Gorge.
- Third order priorities would be the upgrade of other track components including the: track and viewing platform at Bells Falls / Te Rere o Tahurangi; Kōkōwai Track from the North Egmont Road to the Holly Hut Track (contingency against possible closure of the track adjacent to slip alley) and; the track between the Commercial Information .

We would also like to see the North Egmont Visitor Centre progress over the next two years in parallel but separate to other Taranaki Crossing components.

The quality of the wayfinding signage and interpretation of the cultural, ecological, geomorphological and other components of the Taranaki Crossing is vital. Iwi should be invited to take an upper hand in helping to develop this material.

The project is of a size that engagement of a full-time or near full-time Project Manager is justified at an early stage of project implementation i.e. immediately after acceptance of this Feasibility Report. A local manager with strong awareness of cultural and environmental matters should also be engaged on a part-time basis. This person would lead engagement with iwi and build their capability to undertake future project management tasks.

The Project Managers would:

- Develop the final construction and upgrade programme.
- Regularly engage with the proposed Steering Group.
- Tender for, arrange, brief, contract and monitor / audit delivery by Taranaki-based (by preference) construction procurement teams for the various project components.
- Achieve consent / concessions for the required works.
- Commission detailed design.

- Complete an opex / maintenance schedule, with cost estimates, to sustain the quality of the new and improved assets over the subsequent ten years of their life.

Project governance is important. Having made decisions on this report, the current Project Steering Group is well positioned, assuming appropriate costs are covered, to provide membership to continue to lead the implementation of the Taranaki Crossing project.

Conclusion

A reminder about our assessment criteria

At the start of our report, we suggested the feasibility of the Taranaki Crossing would be confirmed, if:

- Cultural values were protected and enhanced.
- An appropriate balance was found between the need to protect and preserve Taranaki National Park and the need to provide for its use and enjoyment.
- Environmental and ecological impacts were sustainably managed.
- Components of the Crossing were able to be made suitable for the visitor market.
- Safety concerns could be appropriately managed.
- The cost of capital and the costs for maintaining the track / facilities and related infrastructure could be met from funds earmarked for these purposes.
- Benefits to the Taranaki economy outweighed the costs of the investment required to create the experience.

Our findings

With the adoption of our recommendations, the Taranaki Crossing proposal satisfies the above criteria. Sufficient revenue / funds (\$Commercial Information) has been earmarked to create and sustain a substantive set of experiences, with suitably graded tracks, necessary supportive facilities, appropriate infrastructure and provision for adequate 'opex' to maintain these for ten years.

The proposed capital expenditure can be undertaken in a way that improves rather than creates environmental effects. Positive benefits will arise for the Taranaki economy and most importantly, cultural and biodiversity values will be protected and enhanced.

We recommend the release of \$13,340,000 from the Provincial Growth Fund to complement funds already provided, to make a total of \$Commercial Information for expenditure on the Taranaki Crossing.

Our substantive partner report to this short report documents the extensive feasibility work we have already carried out. Further feasibility assessment of individual components should only be that required for the final design and consent associated with project management.

Other key points

We have made several important discoveries in our 'feasibility assessment' journey. These include:

- The Taranaki Crossing will provides a **sought-after and unique outdoor, nature-based experience** near New Plymouth and other Taranaki towns, with substantial potential flow-on-benefits to the broader Taranaki economy.
- The components of the Taranaki Crossing provide a **'smorgasbord' of experiences** ranging from short to three-day walks. These experiences are suited to a wide variety of market segments.
- Demand for use of components of the Crossing is clearly apparent and is growing annually. **Upgrade is imperative** to ensure the impacts of visitors are managed and the quality of the experience is enhanced.
- Highly experienced **project managers** should immediately be engaged to lead and drive the delivery of the upgrades required to establish all components of the Taranaki Crossing. We recommend engagement of two project managers, one with deep experience managing the delivery of complex projects like the Taranaki Crossing and a second person from iwi, to take

advantage of capacity-building opportunities and to support iwi engagement.

- The objective should be to have all earmarked funding **committed by** Commercial Information.
- The **Steering Group** established to govern our feasibility assessment work should be the base group to provide appropriate oversight to project delivery.
- Iwi have a critical role to play in deciding on 'culturally-appropriate' design and improved **information sharing** services.
- A recommendation to proceed with the Crossing is substantially in-tune with the direction of Maunga **settlement negotiations**.
- The **Pouākai Hut** is under pressure. Health and safety implications arise. It should immediately be placed within the DOC booking system. Priority should be given to increasing its bunk capacity.
- **Iwi** should be provided with expanded opportunities to be more actively involved in decisions about the management, construction and potential ownership of new and upgraded Park assets.
- Early consultation indicated the **Taranaki Whanganui Conservation Board** were broadly supportive of the Taranaki Crossing proposal. Now that our findings have been refined, they should be further briefed.
- The concept of the Taranaki Crossing is founded on a Maunga ki Moana / mountains-to-sea experience. Commercial Information
- A new track is not required across the **Ahukawakawa Swamp**. The landscape and ecological implications associated with construction of this would not be appropriate. Focus should be directed toward the upgrade of the existing track, with a piled boardwalk replacing the existing floating raft system.
- Nor is a new track required as the means to reduce safety risks in the **Boomerang Slip** area. Less impactful methods and warning signs would significantly reduce current risks without the environmental and ecological risks associated with a track realignment at this location.
- A suspension bridge should be constructed across **Manganui Gorge**. This will overcome safety concerns and become a walk-attraction experience in its own right.
- The **North Egmont Visitor Centre** is a valued and popular visitor attraction. Commercial Information
- Iwi have a critical role to play in deciding on the preferred role for this facility and in defining the scale of investment required to achieve this objective. Commercial Information
- The Pouākai **Tarns**, courtesy of Facebook and Lonely Planet exposure, are the current 'sought-after' short or one day walk experience. Priority focus is needed to manage the environmental impact of the growing number of walkers to this site, by establishing additional boardwalks and an expanded viewing platform.
- **The trial of shuttle transport** of visitors to the Park should be extended, with the potential help of subsidies. This has a lower carbon and ecological footprint than providing for more use of cars and carparks within the Park.

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