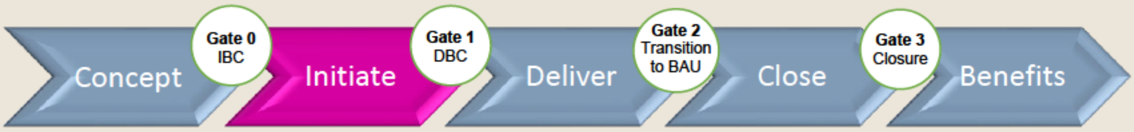
Te Hāwere-a-Maki /Goat Island IVL Project - Stage 1

Detailed Business Case

File ref: DOC-10706159



Department of Conservation
Te Papa Atawhai

New Zealand Government

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Approval

This project has been assessed via the Complexity Assessment Tool (CAT) as a Complex project

Please refer to Complexity Guidance for the appropriate level of authorisation, endorsement and assurance.

It is recommended that the Project Sponsor:

- Approves the delivery of this project, with Total Project Capital Costs of **$771,000 (Including contingency of $71,000)** to undertake stage 1 of visitor facility upgrades and include implementation of paid parking.
- Approves non-project operating costs (depreciation) annually of $48,000 annually from Financial Year 27/28.
- Approves the Funding Sources and Funding Allocations for this project as identified in the Financial Questions section of this Business Case.
- Notes that Write Off costs of $0 (nil).
- Notes that a DBC for stage 2 will be prepared for future planned capex expenditure.
- Notes that the DBC includes pre-construction funding for Stage 2 of the project for design of a new lower carpark, assessment and design of paid parking trial equipment.
- Notes that Revenue for the paid parking trial will be estimated in the Stage 2 DBC, once design has been confirmed.
- Notes that this project is funded by IVL $2m Tranche 5 -Cape Rodney-Okakari Point Marine Reserve(Goat Island/Te Hawere-a-Maki) – Investment ID - IVL T5 VisitorCapeR
- Notes that we are seeking $771,000 new capital funding from IVL funding for construction of stage 1 and pre-construction of stage 2, including contingency
- Notes the OBU 2026 Baseline actions required to swap IVL funding to Capex $771,000 and ongoing Opex & Depreciation of $173,000 through to 2030

FINANCIAL YEAR ENDING JUNE	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
THIRD PARTY PROJECT REVENUE	-	-	-	-	-	-
Opex project costs		-	-	-	-	
Opex contingency	-	-	-	-	-	-
Opex other non-project costs		29,000	48,000	48,000	48,000	173,000
TOTAL OPERATING COSTS		29,000	48,000	48,000	48,000	173,000
Capex project costs	89,000	612,000	-	-	-	701,000
Capex contingency	9,000	61,000	-	-	-	70,000
TOTAL CAPITAL COSTS	98,000	673,000	0	0	0	771,000
Total project budget (DOC's contribution)	98,000	702,000	48,000	48,000	48,000	944,000
Total project budget (external contribution)	-	-	-	-	-	-
TOTAL COSTS (CAPEX + OPEX)	$98,000	$702,000	$48,000	$48,000	$48,000	$944,000

- Notes that contingency is to be held centrally and can be released via Contingency Request with Senior Responsible Owner (SRO) approval

Note: This approval is only valid for the solution defined here, any changes in Time, Cost, Quality, Scope or Benefits to this solution will need further approval and should be requested via DOC's Project Management Framework Change Control process.

By signing this document, I agree to the accountabilities of the role of Accountable Leader/Sponsor for this project as specified in the Roles and Responsibilities document.

I, the undersigned, agree with the above recommendations and approve this Detailed Business Case, and have the appropriate delegated authority to do so:

Name	DOC Title	Governance Role	Signature	Date
Shan Baththana	Director Asset Management	Sponsor		28/04/2026
Comments:				

Endorsement

We, the undersigned, agree with the above recommendations and endorse this Detailed Business Case:

Name	DOC Title	Governance Role	Signature	Date
Alex Rogers	Director Regional Operations, AKL	Senior Responsible Owner (Single Point of Accountability)		24/04/2026
Comments: I am confident the project will be successfully managed in accordance with the PMP which I have reviewed.				
Rebecca Rush	Operations Manager, Akl	Benefits Owner		24/04/2026
Comments:				
Rodrigo Pizarro	Asset Delivery Manager	Senior Supplier	9(2)(a) [redacted]	25/03/2026
Comments:				

Assurance

Name	DOC Title	9(2)(a) [redacted]	Date
Janet Shankland	Senior Visitor Advisor		2/04/2026
Comments:			
Igor Milosevic	Strategic Finance Manager	9(2)(a) [redacted]	23/04/2026
Comments:			

Supporting documents

Document	Link
Complexity Assessment Tool	DOC-10692382
Complexity Assessment Tool	DOC-10692379
Financial Spreadsheet	DOC-10705806
Goat Island IVL Funding	DOC-10216824
Procurement Plan	DOC-10451204
Procurement Plan	DOC-10451218
Carpark Inspection	DOC-6331030
Toilet Block Agreement	DOC-61368
Carpark Surface Review	DOC-5733199

Executive Summary

Te Hāwere-a-Maki and the Cape Rodney – Okakari Point Marine Reserve, commonly referred to as the Goat Island Marine Reserve recently celebrated its 50th anniversary as New Zealand's and the world's first no take / scientific marine reserve. The site's popularity, located on the doorstep of New Zealand's largest and most populated city, attracts approximately 300,000+ visitors every year.

Offering visitors a water-based experience to connect with nature, this site is an Icon site and is one of the busiest sites for the Department of Conservation in the Auckland region. The Leigh Recreational Reserve adjacent has a number of facilities and assets that supports the visitor experience including carparks (formed and unformed), toilets, picnic tables, kiosks and interpretation signage. These assets are starting to display signs of wear and tear, age, some have reached the end of use life consistent with high visitor pressure. The replacement / renewal of these assets is needed to adequately maintain critical infrastructure and extend the use life of assets, improve safety for visitors, and present the site to visitors reflective of an Icon site.

The Department has received IVL funding for investment for locations that are experiencing high visitor pressure. The Department nominated the site to receive this funding and once completed, alongside other initiatives planned for the site including cultural interpretation, paid parking and three waters improvements, will ensure that assets are modern and befitting the site's Icon status. This business case is requesting funding release to complete renewal and improvements of those assets that are existing and in poor condition. A future business case will be prepared in conjunction with key stakeholders to develop and construct new visitor assets and improvements to the visitor experience.

Located within the Ngāti Manuhiri rohe, the site is a taonga to both the local Iwi and the Department. The IVL funding presents an opportunity to improve on the visitor experience and better manage visitor pressures by improving on existing assets and developing new assets. The IVL funding is required to be spent prior to 30 June 2027 and this DBC is looking for funding to address those existing assets that are at end of life. Funding is also requested to commence sourcing consultants for the detailed design associated with expanding on the visitor experience, detailed design for the lower unformed carpark, and additional resilience. A portion of the funding to be released will be used for the investigation and implementation of paid parking at site with the intention to install prior to next summer.

A future DBC will be submitted for additional investment in new assets with the addition of a new formed lower carpark, improved signage and improved visitor flow, consultation with key stakeholders, soft and hard landscaping and improvements to access. The proposed works will be completed alongside other planned investment at site which will include a cultural interpretation element that better reflects the connection Ngāti Manuhiri have with this location.

Adopting a holistic approach to the overall design will better reflect the relationship the Department and its partners have with the site and will develop the site consistently with visitors is mind. Ngāti Manuhiri are supportive of the investment and want to ensure the site continues to be a taonga for all visitors now and into the future. The reserves' contribution directly and indirectly to the local area and surrounds is significant with a number of stakeholders directly and indirectly benefitting from the reserve.

The target for investment in this detailed business case is the renewal of existing infrastructure and the engagement of professional services to develop a final design solution for the site inclusive of soft and hard engineering, as well as exploring opportunities for revenue generation. A separate business case will be developed to deliver the final design solution developed in consultation with our key stakeholders.

Strategic Questions

Context / Purpose

What is the problem or opportunity?	Te Hawere a Maki / Cape Rodney – Okakari Point Marine Reserve and Leigh Recreation Reserve located just north of Auckland has had minimal investment into primary infrastructure other than the main carpark for 20+ years. The site is an Icon site. Its location just north of New Zealand's largest populated city sees this site receive over 300,000 visitors each year. The main visitor pressure is predominantly during the summer months. The existing assets are displaying visible signs of wear and tear consistent with use, the environment and are starting to deteriorate. The assets if allowed to continue to deteriorate will result in further damage and increased costs associated with full replacement and/or assets being closed temporarily with an increase in safety risks as visitors utilise other locations. The availability of IVL funding provides an opportunity to invest in those assets that have reached end of use life and are in need of renewal and for investment to be completed in a holistic way with construction of new assets to better reflect the Icon status of this site and improve on the visitor experience over a short duration. The opportunity to invest in the site in conjunction with other planned investment over financial years 26/27 and 27/28 provides the Department with an opportunity to improve on the visitor experience, minimise safety concerns, improve resilience and future proof existing and new assets, implement paid parking and minimise potential opex costs.
What are the main investment objectives?	To replace/renew the existing visitor infrastructure that's at end of life with new, improve the overall condition of existing assets to meet service standard, prevent increased costs associated with full replacement, reduce/remove identified visitor risk/defects, allow for revenue generation (paid parking) and enhance the overall visitor experience. The main objective are: - Renewal/Replacement of existing infrastructure at end of use life - Improve the visitor experience, - Improve access constraints - Minimise existing visitor safety concerns
What is the overall change impact of this investment?	The existing assets identified are approaching, and or past end of design life / use life. They are no longer fit for purpose and do not meet DOC's performance or Auckland Council's standards. Replacement with new has been identified and the replacement will have no change impacts anticipated.
Change Impact Assessment	Low
What is the overall impact on the site?	There will be very little change and impact on the site (other than positive) as the existing assets and or components that are in need of replacement will be renewed on a "like for like" or "better" with fit for purpose elements. The addition of an additional water tank will provide additional redundancy with an increase in available water

	capacity, an improvement to water quality and minimise reactive alarms and costs associated with ongoing maintenance and associated top up of water supplies during dry summer periods and high peak visitor numbers. Upgrade to existing carparking and vehicle accessway will prevent further maintenance and ongoing Opex expenditure on annual repairs, replacement of the roofing on the toilet is needed to ensure no water damage occurs to the main toilet structure requiring greater expenditure associated with full replacement.

Strategic Drivers

How does the proposal align to the Department's strategy?	The proposed replacements enable us to deliver on our strategic outcomes where public conservation lands and water are maintained and improved for future generations. The improvements will enable us to meet the intermediate outcome where important cultural and historic sites are protected and further strengthen our partnerships and relationships. DOC's recreation work aims to increase the number of New Zealanders and international visitors who enjoy the outdoors because an outdoor experience adds real value to all our lives. To do this we are continuing to focus investment on visitor and tourism needs in the following way. At Icon destinations, we are providing a top-quality experience for visitors that will encourage them to return. International visitors see New Zealand's most beautiful and iconic locations and promote New Zealand as a desirable destination to their friends and family, as well as promoting the value of conservation in the marine environment. The proposed replacements aligns with the First Priority for investment at Icon sites. "First Priority – Replacement with equivalent, and actions to remedy visitor safety issues ….": - Point 1: "…. To maintain visitor safety, preserve functionality, and improve the visitor experience". This project will improve the safety of visitors through improvement to facilities and encourage use of available parking on site. Observations of the state of the existing carparks and accessways and the condition of the toilet floor surface and roof have been identified. - Point 4: "Replacement of facilities at the end of their economic or physical life …. Are needed to provide a quality visitor experience". Components of the roofing "clearlite" have reached end of life. - This project upon completion will be a significant enhancement to the visitor experience; it will provide improved facilities consistent with an Icon site and opportunities to contribute to revenue generation and enhancement of cultural knowledge.
How does the proposal align to the Departments organisational strategy and Ministers priorities	The proposed investment in this Icon site is consistent with the Minister's Priorities where investment is targeted into high value conservation outcomes as this site was New Zealand and the World's first scientific marine reserve and achieves high value conservation outcomes. The implementation of paid parking at site helps the department to generate new revenue. The addition of cultural interpretation and improvements to visitor flow with Ngati Manuhiri helps us to strengthen the relationship with Iwi/Hapu.
Is this proposal driven by compliance / policy / legislative requirements?	**Yes** - This is driven by meeting compliance standards and policy requirements for the site to provide a visitor experience in line with an Icon site. The enhancement to the facilities will enhance and encourage visitors to explore the coastal environment.
Is this proposal driven from prior risk identification?	**Yes** - It is driven by identification of risks associated with visitor behaviour and the facilities condition and the recommendation for replacement. To address 'Risk' to the facilities includes:

	- A far more resilient watertight structure / building ensuring visitor assets and facilities maintain structural integrity to return the facilities to performance standard, and - An improved use of the facilities with enhanced signage to counter issues experienced with underutilisation of existing facilities.
Is this entered on the Investment Intentions Schedule and / or Business Group's Business Plan?	**Yes** – The project is listed as a IVL funded project with expenditure over 2 years to enhance the visitor experience and complete replacement of assets at end of life.

Benefits

ID #	Benefit Title	Benefit Category	Strategic Outcome	Benefit Measure Description	Baseline Value & Date	Target Value & Date	Benefit Owner
B01	Provide fit for purpose structure	Reduce Risk	Public conservation lands and waters are maintained and improved for future generations	The replacement of end of use life, end of design life with new will continue to provide safe access for visitors and add to the Icon site. To meet strategic outcomes 'Public conservation lands and waters are maintained and improved for future generations'. The completion of the work will enhance the quality experience and are appealing, safe and enjoyable experiences leading to more visits more often.	Old and failing facilities no longer fit for purpose and currently fails inspection.	That the replacement to facilities is constructed within the 25/26 FY with works completed outside the busy peak visitor season to minimise disruption to visitors. 30/06/2026.	Bec Rush, Operations Manager Stefan Sebregts, Programme Lead
B02	Meet engineering standards	Compliance	Public conservation lands and waters are maintained and	To ensure that the existing assets meets performance and design parameters	Old cracked and failing roofing and	That replacement and addition of new surfacing	Bec Rush, Operations Manager Stefan Sebregts, Programme Lead

			improved for future generations	for durability, and safety in design and extend the assets' longevity and redundancy.	road surface is no longer fit for purpose, reduces durability and currently fails inspection.	is constructed in accordance with industry standard and or better.	
B03	Improve DOC reputation	Visitor or Customer	Public conservation lands and waters are maintained and improved for future generations	Indicates that DOC is meeting its responsibilities to maintain or upgrade its infrastructure to meet visitor pressures	Old cracked and failing roofing and road surface is no longer fit for purpose, reduces durability and currently fails inspection.	That the replacement of and renewal of infrastructure is befitting an Icon site	Bec Rush, Operations Manager Stefan Sebregts, Programme Lead
B04	Improve H&S directional signage / safety signage	Visitor or Customer	Connection with nature and cultural heritage enriches people's lives	Indicates that DOC is meeting its responsibilities to maintain or upgrade its infrastructure to meet visitor pressures	Existing signage is not effective and impacts on the use of the site efficiently	New signage to improve visitor flow and use of existing facilities to maximise asset use to improve/reduce visitor risks	Bec Rush, Operations Manager Stefan Sebregts, Programme Lead

					and effectively.		

Dis-Benefits

ID #	Dis-Benefit Title	Dis-Benefit Description	Baseline Value & Date	Expected Impact & Date	Dis-Benefit Owner
1	Cost	The capital cost to replace and the ongoing depreciation costs.	Existing facilities have components that are at and or approaching end of use life. The risk of not replacing components now will result in potential increase in risks and additional costs for full replacement, risk to durability of facilities and replacement of the facility as a whole with a completely new asset not funded.	Allocated IVL CAPEX funding to complete replacement and enhancement of visitor assets.	Bec Rush, Operations Manager
2	Limited use/short disruption to visitors whilst works are underway	During the replacement stage, the use of facilities will be unavailable temporarily. Although replacement is planned in the shoulder of the peak season when visitor use is at its lowest, there may be some visitors who could be disadvantaged.	Existing facilities are at and or approaching end of use life and no longer fit for purpose.	That renewed facilities will meet current industry standard for performance and durability	Becs Operations Manager

Risks

Number of Identified Risks

The table below shows the total number of all risks currently identified for each rating level.

Risk Rating	Number of risks
Extreme	
High	4
Medium	
Low	
Negligible	
Total Risks	**4**

Extreme / High Risks

The following table shows all current project risks with a rating of Extreme or High. The Project Register, which contains all identified project risks, is located here:

Risk ID	Risk Group	Risk Category	Short Name	Source of Concern or Opportunity	Implications	Risk Owner	Risk Status	Rating	Governance Actions
R001	Project Delivery Risk	People/ Capability/ Capacity/Cultural/ Social	Reputational risk as replacement is not completed in the immediate short term.	Exposure to considerable risk as visitors continue to use substandard visitor assets at an increasingly busy site and its resulting health and safety and increasing overcrowding issues.	Potential deteriorating safety concerns during peak visitor periods.	Bec Rush, Operations Manager	Actions in place	High	Develop and gain approval of a Detailed Business Case to undertake works to complete replacement of existing assets
R002	Project Delivery Risk	People/ Capability/ Capacity/Cultural/ Social	Existing infrastructure deteriorating requiring replacement instead of maintenance	Be exposed to considerable reputational risk as international and domestic visitors, international and domestic tourism operators, concessionaires, the Government and	Potential deteriorating safety concerns of existing visitor assets. It may result in being	Bec Rush Operations Manager	Actions in place	High	Develop and gain approval of a Detailed Business Case to undertake works to complete replacement of existing assets

Risk ID	Risk Group	Risk Category	Short Name	Source of Concern or Opportunity	Implications	Risk Owner	Risk Status	Rating	Governance Actions
				local authorities all see the Department ignoring the impacts of visitor pressure of increasing numbers to the Reserve.	closed to public.				
R004	Ongoing Risk	Governance: Operational/ Planning	Moderate costs for construction activities	Due to the limited timeframe.	The timeframe for completion requires the expenditure to be split into 2 FY.	Bec Rush, Operations Manager	Actions in place	High	Undertake RFQ an open RFT to provide a competitive procurement process.
R005	Ongoing Risk	Visitor/ Heritage	Disruption for visitors during construction	There will be a period when visitor facilities will be unavailable or accessible for use while renewal of assets is to occur.	Visitors will not be able to access parts of the site.	Stefan Sebregts Programme Lead	Actions in place	High	Provide information to visitors and concessionaries regarding temporary closure in advance and allow works to occur in the off season.

Issues

The following table shows all current high priority project issues.

Issue ID	Issue Description	Priority	Action Required	Severity	Status	Issue Owner
I01	Limited seasonal period to complete replacement due to	High	Ensure engagement of contractor is early to allow them to fit within the	Project Owned	Under Action	Paul White (Project Manager)

Issue ID	Issue Description	Priority	Action Required	Severity	Status	Issue Owner
	high use during the warmer months.		limited replacement window March /May.			
I02	Limited public access during replacement phase.	High	Ensure that signage and web updates are in place well before works commence to inform as many users as possible, ensure access other facilities is provided for.	Project Owned	Under Action	Paul White (Project Manager)
I03	Increase in Costs due to externalities "force majeure"	High	Ensure Contractor has allowed for increase in costs, adjust financials to allow for additional costs/contingency.	Project Owned	New	Paul White (Project Manager)

Health & Safety

Staff Health & Safety

Contractor health and safety will be outlined in the contractors Health and Safety Plan and Site-Specific Safety Plan, an Emergency/ Evacuation Plan will also form an important part of the contractors SSSP. The contract supervisor will be responsible for all health and safety monitoring and auditing at site.
Any work being undertaken by internal staff will have construction risks included within their Risk Management Plans and any identified risks will have to be managed through a project JSA and daily Toolbox Talks.

Visitor Safety

The proposed work won't add any new health and safety risks for visitors; the replacements are to existing visitor assets and will reduce the health and safety risks at this site by replacing aged infrastructure and reducing issues with failing surface, as well as provide a structure that is fit for purpose and meeting standard levels. The new component will be constructed to a current engineering structure standards with modern materials and with increased resilience and redundancy built in.
Should the proposed works not go ahead this financial year then the visitor assets will remain at a poor standard.

Privacy

Commercially sensitive information supplied by contractors during the quoting or tender process is not to be released to others during the evaluation process or through tender questions. Ensure security permissions are properly applied in CM.

Dependencies

The successful and timely delivery of this project introduces the dependency that weather plays an important part to the success as well as coinciding for work completion when visitor pressure on site is at its lowest.
Construction work will be dependent on weather conditions as extreme weather events may cause delays if work needs to stop for safety or if work gets damaged.
Scheduling of construction works is dependent on missing the peak tourist season during the months of November to April (summer), which has been identified with the local District.

Deliverables

In Scope

Deliverable Type	Deliverables (Scope baseline for project delivery)	Target Delivery Date
Renewal of Upper Carparks	Reseal existing carparking	30/10/2026
Renewal of Accessways	Rip and remake accessways with AC15	30/10/2026
Renewal of Toilet Roofing	Replace roofing materials.	29/05/2026
Renewal of Toilet Floor Surfacing	Reinstate high friction floor surfacing with Toilet.	29/05/2026

Paid car parking pre-work?	Survey and Report findings	30/8/2026
Paid Parking	Trial Installation	30/10/2026
Water tank	Installation	30/10/2026

Out of Scope

Out of Scope Item	Rationale
Other works within the Reserve	There are other project planned for the site in the immediate vicinity adjacent to the proposed works which will be managed as separate projects.

Māori and Stakeholder Impact

Area	Impact Level	Impact Description
Māori	Low	Ngāti Manuhiri have mana whenua responsibilities
Iwi/hapū /whānau	Low	Support for the renewal elements
External groups	Low	Interest
All Internal (DOC wide)	Nil	Not applicable
Communications	Low	Project communications will be made to key stakeholders when required.
Finance	Low	Financial support and approval in the development of the DBC.
ICT (ISS)	Low	Paid Parking
Treaty Relationships	Low	Interest at this stage.
Legal	Low	Only if issues arise with contracts and contractual matters.
Marketing	Nil	Not applicable
Operations	Low	Ensure that local operations teams are aware of the works and temporary impact it will have on site and its visitors, users. Ongoing maintenance requirements after construction are consistent with existing.
Partnerships	Nil	Not applicable
Permissions	Nil	Not applicable
Policy	Nil	Not applicable
Scientific	Nil	Not applicable
Climate Change	Nil	Not applicable
Technical (Visitor Assets and Historic)	Low	Review and approval of the DBC.
Procurement	Low	Review and approval of contracts.

Economic Questions

Options Analysis

	Solution 1 – Replace elements of visitor assets with new.	Solution 2 – Replace visitor assets complete with new	Solution 3 – Aspirational solution
Advantages/Benefits	• Only meets standards of an Icon site. • Becomes a fit for purpose structure. • Meets the Department's commitments to ensure all sites are safe and maintained. • Public will continue to have safe access to the reserve. • Minimal expenditure – Lowest capital investment for greatest return • Maximise Asset use Asset life	• Exceeds compliance needs. • Becomes a fit for purpose structure with extended life. • Exceed resilient requirements • Expenditure in future not required till long term duration	• Achieves the greatest long term benefit for the visitor and future proofs the site with modern new visitor assets and opportunities for further development. • Able to deliver a consistent holistic approach with future potential for the site.
Disadvantages/Risks	• Could be seen as expenditure by the public. • Investment not inline with an Icon site (internal /external). • Limited timeframe for delivery. • Replacement will impact some uses. • Ongoing maintenance with replacement in the moderate term	• Could be seen as expensive over expenditure by the public. • High capital investment. • Unable to meet intended timeframe • Replacement will result in asset right off before there time.	• Highest capital investment. • Extended timeframe for delivery. • Replacement will have higher impact on duration on some uses in the short term. • Requires acquisition of land parcels from external parties • Replacement will result in asset right off before there time • Potentially seen as expensive by the public. • Potentially seen as inappropriate spend by the organisation • Extensive duration 5-10 years

Procurement Method	• Procurement Plans approved for replacement.. • RFQ to identify a suitably experienced contractor for replacement	• Procurement Plan to be submitted and approved for new visitor assets. • RFT/RFP will be run through GETs to identify a suitably experienced contractor for development of the site. •	Public Works Act Multiple Procurement RFP/RFT
Meets Investment Objectives?			
Investment Objective 1: Improve visitor safety.			
Investment Objective 2: Meet compliance needs at the site.			
Investment Objective 3: To contribute to a better experience.			
Meets Critical Success Factors?			
Strategic Fit **Aligns with organisational strategies, programmes and projects**			
Business Need **Meets agreed investment objectives, related business needs and service requirements**			
Value for Money (Benefits vs. Cost/Risks) **Optimises value for money (i.e. the optimal mix of potential benefits, costs and associated risks)**			

Mitigates Enterprise Risk **Mitigates the enterprise risk**			
Potential affordability **Can be met from likely available funding, matches other funding constraints.**			
Ranking	Proposed Solution – Meets all objectives	Option 2 – Does not meet all objectives	Option 3 – Does not meet objectives

Preferred Solution

The preferred option is Solution 1 - Replace visitor assets with new elements that are failing. This DBC is looking for funding to replace and renew existing elements of visitor assets only and invest in elements to improve capacity and provide for opportunities for revenue generation that will adequately meets both the Investment Objectives, Critical Success Factors and medium to long-term needs at the site.

The replacement and renewal of components, resurfacing is an affordable outcome that will extend the overall life of the individual visitor assets and maximise the useable life of those individual assets into the future. The investment is affordable and is an acceptable level of investment capitalisation into assets.

Solution 1 will ensure that the visitor assets are brought to standard and are fit for purpose within the budget. The investment is minimal to allow for maximum life of assets to be achieved. Investment at the right time and at the right level will ensure asset condition continues to be adequate with little ongoing maintenance demand. Health & safety responsibilities will be managed with the investment in assets, its condition and standard of visitor assets uplifted across the Icon site. The investment provides additional redundancy and an increase in capacity, minimising impacts on the surrounding environment and meeting DOC's obligations to manage visitor pressure at one the Regions most visited sites.

Also, it meets Point 2 of First Priority – Replacement with equivalent, actions to remedy visitor safety issues ….”

- “Equivalent replacement or improvement to existing facilities, and provision of new ones if required …. to remedy visitor safety issues”
  The increase in capacity, removal of defects

The other short-listed options were rejected because:

- Solution 2 does not represent good value for money as assets as a whole have elements/components which are not in need of replacement and continue to have good life, partially meets strategic fit and has limited uplift benefit for the visitor and or visitor experience.
- Solution 3 does not represent good value for money, has significant time pressures, will result in additional costs and pressure on the district. Also, there is possibility, that replacement with new may introduce new safety concerns not already identified.

Commercial Questions

Procurement Strategy

The procurement strategy for this part of the project is predominantly for the replacement and renewal of existing assets and to commission consultant to assist with installation of paid parking and development of a detailed design for the lower carpark. The nature of the works proposed are distinctively separated and warranted delivery by individual specialist and not for completion by a main contractor. The nature of the individual works are of low complexity and are also low in value. The project as a whole collectively is considered a high complexity project due in part to the inclusion of stakeholders and the associated value. With individual specialist construction services needed amalgamation into a single procurement project did not represent value for money but gained some efficiency.

The replacement renewal of visitor assets elements were able to be sourced via request for quote from local suppliers within the region. This approach is consistent with the government rules that enabled economic benefits to New Zealand. This approach both offered local/regional input and higher probability for investment value. It is planned to engage identified preferred suppliers after the DBC has been approved following an evaluation of submissions. Estimates and quotes have been received from local contractors / with initial project finances outlined in the Project Cost spreadsheet DOC-10751093 reflecting the prices provided.

On approval of this DBC, a contract will be developed and signed by the Delegated Financial Authority officer through an approved Contract Approval Form.

Financial Questions

The table below includes the cost of the preferred option (+/-10% confidence). Significant assumptions and points to note in developing the costs are:

- Notes that this DBC is requesting the sum of $771,000 (including 10% contingency of $71,000) from the IVL $2m fund (T5 VisitorCapeR) to be released to enable replacement and renewal of assets during the 25/26 and 26/27 financial year and further engagement of consultants to commence lower carpark design, paid parking assessment manufacture and installation.
- Notes that estimated revenue from paid parking will be added in the 2nd stage of the DBC, when final assessment & design has been confirmed.
- Note that there is $0 (nil) of write-off costs associated with the replacement of existing assets which have reached end of use life.
- Notes that the replacement
- costs were generated through requests for quotes, estimated costs and spend on similar type projects.

Financial Template: DOC-10705806

FINANCIAL YEAR ENDING JUNE	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
THIRD PARTY PROJECT REVENUE	-	-	-	-	-	-
Personnel	-	-	-	-	-	-
Contractors	-	-	-	-	-	-
Other	-	-	-	-	-	-
Project operating costs	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Corporate support costs	-	-	-	-	-	-
Asset sale and write-off	-	-	-	-	-	-
Ongoing opex	-	-	-	-	-	-
Depreciation	-	29,000	48,000	48,000	48,000	173,000
Capital charge	-	-	-	-	-	-
TOTAL OPERATING COSTS	232	29,000	48,000	48,000	48,000	173,000
Purchased materials	73,000	518,000	-	-	-	591,000
Personnel	7,100	14,100	-	-	-	21,200
Contractors	8,500	79,200	-	-	-	87,700
Other	400	400	-	-	-	800
Project capital costs	89,000	611,700	-	-	-	700,700
Contingency	8,900	61,170	-	-	-	70,070
TOTAL CAPITAL COSTS	98,000	673,000	-	-	-	771,000
Total project budget (DOC's contribution)	98,000	702,000	48,000	48,000	48,000	944,000
Total project budget (external contribution)	0	0	0	0	0	0
TOTAL COSTS (CAPEX + OPEX)	98,000	702,000	48,000	48,000	48,000	944,000
WHOLE OF LIFE COST						667,526

OBU Baseline Update Actions

Line Item	$	CATEGORY
Swap opex-to-capex to fund both project capex and ongoing opex on 1:1 basis	1,251,000	OPEX to CAPEX
Swap capex-to-opex to fund steady state opex on 10:1 basis	480,000	CAPEX to OPEX

Funding Source(s)

	2025/26	2026/27	2027/28	2028/29	2025/26	Total
IVL – Tranche 5 – IVL $2mT5VisitorCapeR – Management of Recreational Opportunities	$98,000	$673,000				$771,000
Total Capital / CAPEX	**$98,000**	**$673,000**				**$771,000**
IVL – Tranche 5 – IVL $2m T5VisitorCapeR – Management of Recreational Opportunities		$29,000	$48,000	$48,000	$48,000	$173,000
Total Operating/OPEX		**$29,000**	**$48,000**	**$48,000**	**$48,000**	**$173,000**

Funding Allocation

Allocated to (by Director Area):	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30 *Ongoing*	Total
Capex - Director Operations Auckland- IVL Funded	$98,000	$673,000				$771,000
Depreciation – IVL Funded		$29,000	$48,000	$48,000	$48,000	$173,000
Total	**$98,000**	**$702,000**	**$48,000**	**$48,000**	**$48,000**	**$944,000**

Management Questions

Project Governance and Management

This project will be delivered using DOC's Project Management Framework (PMF). This includes the standard PMF Roles and Responsibilities.

Governance Role	Team Process Alignment	DOC Title	Name
Project Sponsor	Task Assigner	Director Asset Management	Shan Baththana
Senior Responsible Owner	Single Point of Accountability and Team Leader	Director Regional Operations (AKL	Alex Rodgers
Business / Benefits Owner	Team Member	Operations Manager (AKL)	Rebecca Rush
Senior Supplier (Experience Design)	Team Member	Experience Design and Planning Manage	Karly Bent
Senior Supplier	Team Member	Asset Delivery Manager	Rodrigo Pizarro
Management Role	Team Process Alignment	DOC Title	Name
Project Manager	Project Team Task Assigner	Project Manager Infrastructure	Paul White

Expected Resource Requirements

Business Unit	Skill Required	No. internal staff (FTE)	No. of contractors/ consultants (FTE)	Comments
Asset Management Unit	Project Management	1		Works Officer to deliver the project through to completion and closure.
Operations	Local Ranger	1		Ranger to provide communications and access to local stakeholders and support for infrastructure till completion and closure.
Contractors	Construction Works		12	Awarded to preferred suppliers with certificates upon completion..

Key Milestones

The key critical path milestones for the project are:

Date	Key Milestones
26/04/2026	DBC approved
30/04/2026	Contracts awarded
07/05/2026	Construction commences
30/11/2027	Delivery Phase Complete – Baseline
30/06/2028	Closure Phase Complete – Baseline (post 12-month defects liability period)

The site poses some challenges with a number of land parcels in separate land ownership, a public road passing through the centre and extending beyond the site onto adjoining private property. The site's limited land parcel size and shape, adjacent to the open ocean coast, cliff edge, with established and establishing vegetation

The opportunity is to deliver the following:

- Replace toilet roof roofing, and renewal of the toilet floor
- Design of lower carpark and installation of paid parking facilities
- Renewal of existing road accessways and resealing of the upper carparks

This business case is requesting **$771,000,** including 10% contingency. This project is an IVL funded project with a completion date at the end of the 26/27 financial year. This project will be completed along side other planned projects funded by VA Capex 20/21 Interpretation, VA Capex 23/24 sewage replacement.

The proposed renewal and upgrade development at Te Hawera a Maki / Leigh Reserve has a strong Strategic alignment with Intermediate Outcome IO3. Strategic Alignment IO3:

- More people participate in recreation. DOC's recreation work aims to increase the number of New Zealanders and international visitors who enjoy the outdoors because an outdoor experience adds real value to all our lives. At Icon destinations, we are providing a top-quality experience for visitors that will encourage them to return. International visitors see New Zealand's most beautiful and iconic locations and promote New Zealand as a desirable destination to their friends and family. The marine reserve is the first scientific reserve established in the World and has recently celebrated its 50th anniversary. The boundaries of the reserve has also recently been increased along with other area's within the Gulf receiving additional protection.

The proposed development aligns with the First Priority for investment at Icon sites.

- "First Priority – Replacement with equivalent, actions to remedy visitor safety issues ….", and significant enhancements or developing new facilities".

This project once delivered in conjunction with other planned upgrades being delivered and planned concurrently will be an overall enhancement to the visitor experience as it will naturally allow for visitors to flow through the site, experience a cultural connection and presence with interpretation, safe access with added parking on site, improvement to visitor assets and facilities with contributions from our key stakeholders for visitors. In completion of the work the ministers priorities will have also been realised where relationships with Iwi are strengthened thru joint delivery of cultural interpretation, and management of visitor pressure where investment is targeted into high conservation outcomes for our high value high conservation sites. The addition of a paid parking trial and associated infrastructure to increase resilience and capacity will help to generate new revenue and minimise expenditure during extended dry periods. The renewal of deteriorated assets, construction of the new lower carpark and improved access for visitors will minimise risks to visitors and maximise assets use life. The investment now is targeted and will enable

DOC to meet its responsibilities to maintain or upgrade its infrastructure to address growing visitors pressure at the right time and further meet its health & safety responsibilities to meet growing visitors to the site and into the future.