

## Facility Position Summary Based on LTP Data

Table 1: Position Summary Based on LTP Data (Years 1-10)

	National Aquarium	iSITE	Par-2	Faraday
A) EBITDA/Operational Subsidy	\$1.9m-\$2.6m	\$940k-\$1.2m	\$nil	\$855k-\$1.1m
B) Depreciation	\$800k-\$3.4m	\$82k-\$164k	\$30k-\$70k	\$26k-\$53k
C) Total operational EBIT subsidy (A+B)	Circa \$2.7M-6M	Circa \$1M-\$1.4	NA	Circa \$880k- \$1.1M
Capex	\$22.7m	\$1m	\$400k	\$675k

Source: Napier City Council LTP data

### Notes:

- EBITDA/Depreciation represents the yr1-Yr10 annual losses. Par-2 is forecast to be EBITDA profitable ~\$75k-\$83k per annum; therefore, no operational subsidy is required to support operational losses.
- EBITDA/Operational subsidy is post-NCC overheads;

## Final Parameters

The council developed the following parameters to help guide the reimagining process. These parameters inform the development of options and cannot always be met.

### Parameters for National Aquarium of New Zealand (NANZ)

#### MANA WHENUA PARAMETER

1. NANZ will reflect NCC's partnership with Mana Whenua.

#### THE NEED FOR CHANGE

2. The status quo is no longer an option.

#### LOCATION / DESIGN

3. NANZ need not be constrained by its current location, footprint and built form.
4. The NANZ building could be removed or repurposed.

#### GOVERNANCE AND MANAGEMENT

5. Changes to NANZ's current governance and management structures, including private ownership/partnerships, can be considered.

#### FINANCIAL PARAMETERS:

6. NANZ will be optimised/redeveloped to generate more revenue and economic flow on impacts from NCC's investment (greater than current levels).
7. Overall operational costs will be reduced (but not to the detriment of the other guiding parameters).
8. The Council will provide up to a \$2m 'overdraft/line of credit' pa, which NANZ is expected to repay if it can operate profitably and repay debt. This is not compounding. Depending

on the options, the Council is open to a minor % support on a sliding scale for the first 3 years (eg. 50% private and 50% public, year one, 70% private and 30% public, year two, and so on.

9. The capital required for the staged reimagining must come from existing financial budgets, new partnerships, or the use of broader revenue. The Council's maximum capital budget contribution for reimagining NANZ will be \$28 M.

**SOCIAL / COMMUNITY PARAMETERS:**

10. NANZ will be optimised/redeveloped to maximise visitation (within appropriate technical / animal husbandry requirements etc.).
11. NANZ will generate a quality visitor experience combining conservation and leisure/hospitality objectives/drivers. These experiences will be family-focused and offer multiple price points.
12. The new experience and its name may differ from the current NANZ brand, name, visitor experience, and conservation offer.

**FUTURE-PROOFING PARAMETERS:**

13. NANZ will be reimagined to maximise future use flexibility and visitor appeal. It is not assumed that existing and future visitor types will always be the same.

**ENVIRONMENTAL / CONSERVATION PARAMETER:**

14. NANZ will reduce its operating environmental footprint from its current state and become an example for other visitor experiences.
15. NANZ may retain a conservation and education focus, although this focus can adapt.

**Parameters for Napier Isite**

**MANA WHENUA PARAMETER**

1. The isite will reflect NCC's partnership with Mana Whenua.

**LOCATION / DESIGN**

2. The isite need not be constrained by its current location, footprint, and built form, such as the opportunity to combine the business activity with another.

**GOVERNANCE AND MANAGEMENT**

3. Changes to the Isite's current governance and management structures, including private ownership/partnerships, can be considered.

**FINANCIAL PARAMETERS:**

4. The isite will be optimised/redeveloped to generate more revenue and economic flow on impacts from NCC's investment (greater than current levels).
5. Overall operational costs will be reduced (but not to the detriment of the other guiding parameters).
6. The Council will provide a \$500,000 'overdraft/line of credit' pa, which the isite is expected to repay if it can operate profitably and repay debt. This is not compounding. Depending on the options, the Council is open to a minor % support on a sliding scale for the first 3 years (eg. 50% private and 50% public, year one, 70% private and 30% public, year two, and so on.
7. The capital required for the staged reimagining must come from existing financial budgets, new partnerships, or the use of broader revenue. The Council's maximum capital budget contribution for reimagining the isite will be \$1 m.

**VISITOR PARAMETERS:**

8. The site will be optimised/redeveloped to maximise visitation and visitor reach.
9. The site will generate a quality visitor experience.
10. The site will prioritise Napier and regional businesses and experiences over national ones.

**FUTURE-PROOFING PARAMETERS:**

11. The site will be reimagined to maximise future use flexibility and visitor appeal. It is not assumed that existing and future visitor types will always be the same.

**ENVIRONMENTAL / CONSERVATION PARAMETER:**

12. The site will reduce its operating environmental footprint from its current state and become an example for other visitor experiences.

**Parameters for The Faraday Centre (FC)****MANA WHENUA PARAMETER**

1. The FC will reflect NCC's partnership with Mana Whenua.

**LOCATION / DESIGN**

2. The FC need not be constrained by its current location, footprint and built form.

**GOVERNANCE AND MANAGEMENT**

3. Changes to the FC's current governance and management structures, including private ownership/partnerships and trust models, can be considered.

**FINANCIAL PARAMETERS:**

4. FC will be optimised/redeveloped to generate more revenue and economic flow on impacts from NCC's investment (greater than current levels).
5. Overall operational costs will be reduced (but not to the detriment of the other guiding parameters).
6. The Council will provide a \$500,000 'grant pa', which the Faraday Centre Trust (a new Trust established to own and run the Faraday Centre assets) will use to operate the Centre.
7. The capital required for the staged reimagining must come from existing financial budgets, new partnerships, or the use of broader revenue. The Council's maximum capital budget contribution for reimagining FC will be \$1 million.

**SOCIAL / COMMUNITY PARAMETERS:**

8. The FC will be optimised/redeveloped to maximise visitation.
9. The FC will generate a quality visitor experience combining technology, heritage and leisure/hospitality objectives/drivers.

**FUTURE-PROOFING PARAMETERS:**

10. The FC will be reimagined to maximise future use flexibility and visitor appeal. It is not assumed that existing and future visitor types will always be the same.

**ENVIRONMENTAL / CONSERVATION PARAMETER:**

11. The FC will reduce its operating environmental footprint from its current state and become an example for other visitor experiences.
12. The FC will retain a heritage, technology and education focus, although this focus can adapt.

**Parameters for Par 2**

**MANA WHENUA PARAMETER**

1. Par 2 will reflect NCC's partnership with Mana Whenua.

**LOCATION / DESIGN**

2. Par 2 need not be constrained by its current location, footprint, and built form, such as the opportunity to combine the business activity with another

**GOVERNANCE AND MANAGEMENT**

3. Changes to Par 2's current governance and management structures can be considered, including private ownership/partnerships.

**FINANCIAL PARAMETERS:**

4. Par 2 will be optimised/redeveloped to generate more revenue and economic flow on impacts from NCC's investment (greater than current levels).
5. Overall operational costs will be reduced (but not to the detriment of the other guiding parameters).
6. The capital required for the staged reimagining must come from existing financial budgets, new partnerships, or the use of broader revenue. The Council's maximum capital budget contribution for reimagining Par 2 will be between \$400K and \$2M.
7. Par 2 will repay any capital expenditure back to the Council over time.

**SOCIAL / COMMUNITY PARAMETERS:**

8. Par 2 will be optimised/redeveloped to maximise visitation (both for Par 2 and associated facilities such as the Isite and NANZ).
9. Par 2 will generate a quality visitor experience, potentially combining cultural, conservation, heritage and leisure/hospitality objectives/drivers.

**FUTURE-PROOFING PARAMETERS:**

10. Par 2 will be reimagined to maximise future use flexibility and visitor appeal. It is not assumed that existing and future visitor types will always be the same.

**ENVIRONMENTAL PARAMETER:**

11. Par 2 will reduce its operating environmental footprint from its current state and become an example for other visitor experiences.