

Hon Carmel Sepuloni

Minister for Arts, Culture and Heritage

AIDE MEMOIRE: NORTHLAND VISIT - WAITANGI NATIONAL TRUST MEETING 1 November 2022

Date:	26 October 2022	Priority:	Medium
Security classification:	Budget sensitive	Reference:	AM2022/525
Contact	Polly O'Brien, Manager, Policy (Heritage), [REDACTED] 9(2)(a)		

Purpose

- 1 To provide you with background information and talking points (Appendix 1) for your relationship meeting with representatives of Waitangi National Trust Board on 1 November 2022 at 11.45am-12.15pm.
- 2 The meeting provides an opportunity for you to check-in on progress at the Waitangi Treaty Grounds with the expected return of international tourists for the first time in over two years. It is likely the Trust will raise short-term Government funding, [REDACTED] Out of scope
[REDACTED]
- 3 The Ministry understands the Trust is likely to be represented by Board Chair Pita Tipene, Chair of Waitangi Limited Board of Directors Eru Lyndon, and Acting Chief Executive of the Waitangi Treaty Grounds Ralph Johnson.

Impacts of COVID-19 on Waitangi National Trust's sustainability

- 4 A significant proportion of the Waitangi National Trust's revenue is derived from admission fees and other trading income from domestic and international visitors. Prior to COVID-19 the Trust was self-sufficient and under normal circumstances did not receive any Crown operational funding.
- 5 The loss of international and domestic visitors due to COVID-19 border restrictions and changes to Alert Levels since 2020 has significantly impacted the Trust's revenue.
- 6 The Trust received \$4 million as part of the Vote Arts, Culture and Heritage COVID-19 Cultural Recovery Package in Budget 2020, followed by \$3.6 million for cost pressures through Budget 2021 to ensure Waitangi Treaty Grounds remain open, and to preserve the cultural assets held at the grounds. In 2022, the Trust received a further \$3 million as part of a grouped 2022/23 Budget initiative to support the Cultural Sector from the Ongoing Effects of COVID-19.

[REDACTED]
Out of scope
[REDACTED]

- 7 The New Zealand borders are now open and visitor numbers at Waitangi are starting to improve. Revenue is still below pre-COVID levels, and the Ministry understands the Trust will still be in financial difficulty if funding is not secured for the short-term.
- 8 The Trust indicated, when the Ministry met with them in May 2022, that cruise ship bookings in the Bay of Islands for the coming summer season were at approximately two-thirds of pre-COVID levels. There are no guarantees this will translate as income for the Treaty Grounds, and the Trust has set its budget conservatively. The Trust expects to have better data on projected revenue before the end of the year.

9(2)(f)(iv)

Waitangi National Trust medium-term COVID-19 Recovery Plan

- 11 The Trust has developed a medium-term COVID-19 Recovery Plan to build resilience and plan for a return to financial sustainability. The Recovery Plan notes the Trust's recovery is reliant on the return of international tourists, without which it would continue to operate at a deficit.
- 12 Manatū Taonga will continue to engage with the Trust on the ongoing impacts of COVID-19 and work with the Trust on its COVID-19 Recovery Plan.

Out of scope

Out of scope

Next steps

- 20 You will meet with the Trust on 1 November 2022 at the Treaty Grounds. Talking Points are attached for your use.



Polly O'Brien
Manager Policy (Heritage)

² As the nominated State Party for World Heritage matters, DOC is the lead agency for any nomination, with Manatū Taonga providing additional resources and support.

³ Section 4A of the Waitangi National Trust Board Act 1932 provides for a Crown Representatives Group comprising the Prime Minister, Minister for Arts, Culture and Heritage and Minister for Māori Development, to foster good relations and facilitate the exchange of information between the Government and the Board on matters relevant to the trust.

Appendix 1: Talking Points

Impacts of COVID-19 on Waitangi National Trust's operations

- I understand the pandemic has had a significant impact on operations, including the absence of international tourists, lockdowns on the domestic front, and staff illnesses.
- I also appreciate the financial constraints you have been under – thank you for continuing to work with the Ministry under the Bilateral Outcomes Agreement.

Waitangi National Trust Board funding for 2022/23 and going forward

- Thank you for your ongoing support during the Budget process. I understand it is difficult for you to provide precise updated figures for revenue until the income from visitation comes in.

- [REDACTED] 9(2)(f)(iv),9(2)(ba)(i) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Medium-Term COVID-19 Recovery Plan

- I understand you have developed a Medium-Term COVID-19 Recovery Plan, which includes adapting to online offerings, new events and strategic planning.
- Under your current operating model, I understand the Recovery Plan highlights a return to financial sustainability that relies heavily on the return of international visitors.
- Has there been any work done on other options to strengthen the position at the Treaty Grounds?

International Tourism

- Assuming the borders remain open, and international tourists return this summer, when do you reasonably expect to return to a financially sustainable position?

Master planning Framework

- I understand you are developing a Masterplanning Framework to help identify options for diversification. Do you have a feel for what new revenue streams might look like across the Waitangi Estate?
- The Ministry is available to comment on the Masterplanning Framework and long-term strategic planning work if useful.

Estate Master Plan

- The Ministry is also interested to see the new Estate Master Plan.
- Officials are available to work with you on sustainability and for discussions about this in the context of the Roadmap to 2040.
- The Masterplanning Framework and Estate Master Plan will be a useful basis for future discussions on options to support long-term sustainability of the Waitangi Estate.

9(2)(g)(i)