

25 July 2023



Tēnā koe 

Thank you for your request to the Department of Conservation, received 05 July 2023, in which you asked:

I request the following information on the \$15 million extra spend on the new Punakaiki Visitor Centre.

- 1. A breakdown of the original budget.*
- 2. A breakdown of the additional costs.*

We have considered your request under the Official Information Act 1982. Your questions and our responses are below.

For context, Punakaiki is a key site for West Coast tourism. The Pancake Rocks and Blowholes are a popular short-stop visitor destination attracting hundreds of thousands of visitors annually. In 2008, 213,000 people visited the Pancake Rocks and by 2018 visitor numbers had increased to 511,000. This increase put significant pressure on dated facilities including the Papanui National Park Visitor Centre.

- 1. A breakdown of the original budget.*

In November 2018 the then Minister for Regional Development Hon Shane Jones announced funding of \$25.6m for the redevelopment of Dolomite Point, focussed on improved visitor facilities and visitor experience. This investment by the Government recognised Punakaiki's importance to the visitor economy of the West Coast. In addition, DOC contributed \$2.15 million to the work of the Dolomite Point Redevelopment Project.

DOC is leading this project on behalf of key partners including Te Rūnanga o Ngāti Waewae and the Ministry of Business, Innovation and Employment. Other key stakeholders include the Punakaiki community, Waka Kotahi, Buller District Council, and Development West Coast.

The original capital budget for the project, developed from a concept drawn up for Dolomite Point and the Punakaiki settlement, was \$25.6m including scoping, planning, design, consenting, and delivery work.

Estimated initial costs for the project included:

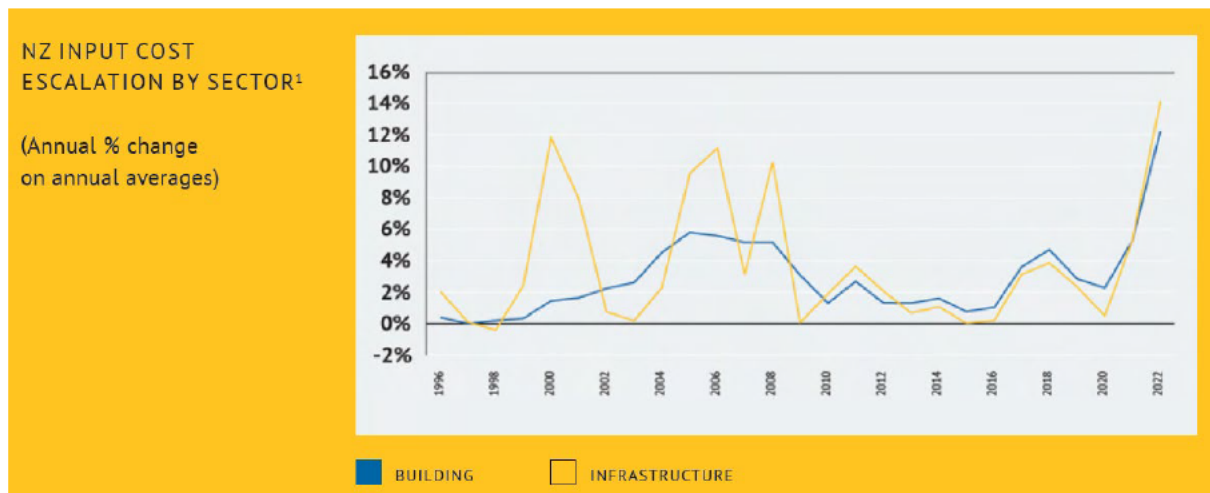
Item	Estimated cost
Visitor experience centre, new toilets, and multi-media exhibition building and fit-out	\$ 15,300,000
Carparking, roading, kerbing, pathways, decking	\$ 2,100,000
Earthworks, landscaping, demolition, burial of overhead powerlines	\$ 1,500,000
State Highway 6 pedestrian crossing upgrade	\$ 1,500,000
Punakaiki pedestrian/cycle path	\$ 1,500,000
Water supply upgrade and stormwater	\$ 200,000
Project development, provisional and general, contingency etc	\$ 3,500,000
Project estimate	\$ 25,600,000

2. *A breakdown of the additional costs.*

The following information is provided for context.

Over the six years since the original funding was set for the Dolomite Point Redevelopment Project, costs have increased significantly - between 30% to 40% - above original project allowances. The increases have been across most elements of the project. This is not unique to the Dolomite Point Redevelopment Project. The past few years have provided the most challenging conditions for the building and construction industry for many decades.

The increases for the project reflect what has happened with building and infrastructure costs nationwide. The New Zealand Construction Market Conditions Report, February 2023 details unprecedented cost escalation for building and infrastructure within the period of data measured, as illustrated in the graph below



Of particular importance to the Dolomite Point project, costs of building materials - engineered timber, framing timber, gib and steel – have all increased significantly. The costs of specialist

audiovisual equipment, which will be part of the multi-media visitor exhibition space, have also increased markedly, with some items increasing up to 90%. Labour and freight costs have increased especially for international items such as glass and the roofing system for both buildings. In addition, a weakening exchange rate affected some items that needed to be sourced internationally.

With site investigations, design, and consenting completed, DOC identified in 2022 that the cost escalation meant an additional \$14.92M was needed to deliver the full project scope. As a result, DOC decided to phase the work so Phase 1 could be completed while further funding was being sought for Phase 2.

Construction of the anchor piece of the project, the new visitor Experience Centre, began in May 2022. Other work underway in Phase 1 includes traffic and pedestrian safety improvements and finishing the northern carpark.

Phase 2 includes a new multi-media visitor exhibition in a dedicated building, a water treatment plant to support the Experience and Exhibition Centres, a connection path to the Punakaiki Pathway (Phase 1), precinct landscaping, upgrade work in the pedestrian area, an upgraded pedestrian crossing of State Highway 6, power upgrades to support the new facilities, the rollout of EV chargers and a nature walk and viewing platform on the hillside behind the businesses at Dolomite Point.

The additional \$14.92M secured will address increased costs as per below:

Item	Increased costs
Finishing elements for visitor experience centre; new toilets; multi-media exhibition building & fit-out	\$ 9,500,000
Carparking, roading, kerbing, pathways, decking	\$ 1,800,000
Earthworks, landscaping, demolition of Paparoa National Park Visitor Centre building, burial of overhead powerlines	\$ 1,300,000
Water treatment and supply upgrade and stormwater	\$ 550,000
Project development, design, provisional and general etc	\$ 1,770,000

Please note that this letter (with your personal details removed) may be published on the Department's website.

[Redacted signature area]

Nāku noa, nā

[Redacted name]

Kirsty Prior
Acting Regional Operations Director, Western South Island
Department of Conservation
Te Papa Atawhai