

Kai Iwi Lakes Campground Management Update

Meeting: Kaipara District Council
Date of meeting: 27 July 2022
Reporting officer: Darlene Lang, General Manager Customer Experience

Purpose | Ngā whāinga

To update Council on the progress of enhancements at the Kai Iwi Lakes Campground (the campground) that have been implemented since November 2021 and to recommend that Council staff continue to manage the campground.

Executive summary | Whakarāpopototanga

To continue the management of the campground by staff is the preferred option. Enhancements that were identified in this process have already started to be implemented and staff are seeing improvements already. These enhancements have been made to improve the in-house management model. Keeping the management of the campgrounds puts Council in a better position to ensure compliance with the Camping Grounds Regulations, and improvements to the Taharoa Domain. This will also put the campgrounds in a good position if Council wanted to look at other management options in the future.

The Taharoa Domain Governance Committee (TDGC) recommended the option that Council staff continue to manage the campground with enhancements at its meeting held 9 November 2021.

Recommendation | Ngā tūtohunga

That the Kaipara District Council:

- a) Agrees to keep the Kai Iwi Lakes Campground under Council Management.
- b) Approves the continuation of Council Management of the Kai Iwi Lakes Campground (option 1).
- c) Notes that improvements to the campground operations continue to be made as outlined in option 1.
- d) Notes the approval above does not preclude the management option being changed in the future.

Context | Horopaki

Kaipara District Council engaged Morvern Group Limited to review the current management and operation of the Kai Iwi Lakes campgrounds and to investigate other management and operational models for Council to consider.

In August and November 2021 elected members had the opportunity to speak with Jo Wiggins from Morvern Group Ltd on the future management options for the Kai Iwi Lakes Campground.

Four options were considered. Each of the options have different implications for the degree of control, investment, and business risk by Council. We looked at Inhouse Management ('Status Quo'), Contract of Service, Contracted Management Operation (Management Contract) and a lease option.

Staff and the Morvern Group Limited have looked at each option and following guidance from Elected Members and the Taharoa Domain Governance Committee, have gone with status quo (in

house management) with enhancements suggested by Morvern Group, Elected Members, and staff.

Council continues to operate the campgrounds and Council retains the option to change the management in the future. Improvements to the status quo are made to optimise the current operations and enhance the benefits of council management. These improvements may be desirable if Council is to make a significant investment to improve utilisation and financial performance.

Taharoa Domain and campgrounds management is now part of the Customer Experience operational group due to the public interest in this Domain. The CX General Manager will be responsible for operations and reporting to the Taharoa Domain Governance Committee

The Morvern Group Limited final reports are attached to this report (**Attachment A and B**).

Discussion | Ngā kōrerorero

Option 1 In-house management (status quo) with enhancements

Council continues to operate the campgrounds. Council retains the option to change the management in the future. Improvements are made to optimise the current operations and enhance the benefits of council management.

These improvements may be desirable if Council is to make a significant investment to improve utilisation and financial performance.

Opportunities for improvement	Update
Reorganising Taharoa Domain and campgrounds management to achieve greater synergies/efficiencies, with one General Manager responsible for both and reporting to the Taharoa Domain Governance Committee (TDGC)	This has now been finalised and the new structure in place. Taharoa Domain is part of the Customer Experience operational group due to the public interest in this Domain.
Improving the effectiveness of management reporting and accountability: Management of reservations and advance payments, minimising on-site cash handling, implementing self-service options using technology, real-time (daily) and periodic (monthly) management and financial reporting	Currently being investigated and implemented.
Improved management reporting and accountability to the TDGC to increase engagement and trust between stakeholders	Completed. A new report has been developed for the Taharoa Domain Governance Committee to ensure transparency and accountability, to ensure the committee has what they need to make good decisions for the Domain.
Revenue (campground fees and Education Centre hire) will be ringfenced for the Taharoa Domain expenses. This will now be used to pay for any expenses and any extra costs will be sourced by other funding options such as Rates	Currently being implemented from start of financial year 1 July 2022.

Option 2 Contracted Services

As a modified status quo, Council could contract out some or most services involved in the operation of the campgrounds such as cleaning, security, grounds maintenance, marketing and/or reservations. Council maintains overall management and financial control, capital development and investment and governance. Staff are currently investigating this option.

Option 3 Contracted Management Operation (Management Contract)

Council contracts a third party on commercial terms to manage and operate the campgrounds. Council has no responsibility for day-to day operations and does not own or control the business, except through conditions in the management agreement. Council could earn a rental return based on a fixed or variable annual rental or mix of both. Term likely to be shorter than a lease. The campground would need to be brought up to regulatory compliance before it could be contracted out. Staff are currently working on these issues with Monitoring and Compliance to bring up to standard.

Option 4 Lease

Council enters into a commercial lease with a third party. This involves property rights, setting out the rights and obligations of the lessor and lessee. The campground would need to be brought up to regulatory compliance before it could be contracted out. Staff are currently working on these issues with Monitoring and Compliance to bring up to standard.

Policy and planning implications

There are no policy or planning implications.

Financial implications

The new financial model will make it easier to read and understand and will limit the amount paid for by rates.

Risks and mitigations

Staff are working towards regulatory compliance in the campground. Work is being progressed and most non-conformances will be rectified by the end of the year.

Impacts on Māori

Co-governance has been established between Kaipara District Council and Te Roroa and Te Kuihi to provide shared decision-making.

Significance and engagement | Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps | E whaiake nei

Council will continue to manage the Taharoa Domain, make improvements and report back annually to Council. Input will be incorporated from the Taharoa Domain Governance Committee with Council oversight.

Attachments | Ngā tapiritanga

	Title
A	Kai Iwi Lakes Management Options - Summary Report
B	Kai Iwi Lakes Campgrounds Management Options - Full Report