

#### 4. ORTON BRADLEY PARK, CHARTERIS BAY - REQUEST FOR MANAGEMENT RESPONSIBILITY FOR THE PARK

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The purpose of this report is to follow up on the request in March of this year, for the Council to take over management of Orton Bradley Park, Lyttelton Harbour before it uses up all its financial reserves to balance operating costs. Board Chairman, Simon Martin, has also requested help from the Council by taking over the entire responsibility of day-to-day management of the park.

##### EXECUTIVE SUMMARY

Three options have been provided in terms of considering future management. These range from the current status quo of maintaining the current \$30,000 grant to managing all operational costs of around \$165,000 per annum.

Control of the park would stay with the Board as the Council would lease the park and subsequently enter into sublease agreements with the grazing and golf course operations.

Working with the Board on the above basis would mean that external funding opportunities would still be sought by the Board and volunteer work continue on the current basis. Long-term the park would have a secure future. There is no doubt that the park should be retained as a National Park for Canterbury as provided in the will of Orton Bradley and protected by its own Act of Parliament. Although funding the day-to-day operations of the park, the Council would not have control of the operation and would need to rely on service level agreements and a management plan to ensure visitor, environmental and financial management.

More detailed investigations would be necessary to ascertain the life of the assets and any other unknown costs if the Council decided to take over the full day-to-day management. However the recommendation at this stage is that the annual grant to the park be increased to cover more of the operational costs and that the Board continue with its current level of operational control.

##### BACKGROUND

Orton Bradley Park has huge potential in terms of providing a rural farm park experience in a unique location.

Lying in a sheltered north facing valley extending from the shores of Charteris Bay to the lower slopes of Mt Herbert and Mt Bradley, the park offers a range of activities within a hill country farm environment that reflects the settler heritage of Banks Peninsula.

Within the 653 ha farm park there is a large range of recreational activities which offer fun for a wide range of ages and different needs. These include:

- Substantial picnic grounds and barbecue areas along with extensive walking trails
- A magnificent rhododendron grove with special paths for wheelchair access.
- Historic centre comprising a mill house with a working water wheel that drives a turbine to generate electricity, a large collection of vintage farm machinery and a museum and old school house.
- A replica of the original house which also provides a room with interpretation panels depicting the history and features of the park.
- An operating peninsula farm
- A children's play area with adventure play features
- Bush walks with magnificent views along the routes
- Many species of native birds

- An arboretum of many magnificent rare and interesting exotic trees that were planted in the late 19<sup>th</sup> century
- Specialist educational and recreational activities for supervised groups.

As well, the park is a gateway to popular walking trails to the Packhorse Hut, Mt Herbert and the Peninsula Summit Walkway.

Of around 40,000 visitors to the park annually it is estimated that 75% of these are from Christchurch City.

#### **GIFT TO THE NATION**

Orton Bradley inherited the farm in Charteris Bay from his father in 1892. He farmed it for over 50 years planting many varieties of trees and developing extensive gardens. On his death in 1943 Orton Bradley left the park *‘for the just benefit and enjoyment of the people of New Zealand’*.

#### **GOVERNANCE ARRANGEMENTS**

A private Act of Parliament, the RO Bradley Estate Act, was passed in 1972 to establish a Board to manage the park. The Board is constituted as a Body Corporate with perpetual succession and consists of a Chairman, appointed by the Governor-General, and nine members appointed by the following organisations:

- Banks Peninsula District Council (3)
- Christchurch City Council
- Canterbury Farm Forestry Association
- Canterbury Horticultural Association
- Automobile Association
- New Zealand Forest and Bird Protection Society
- Canterbury Arboretum Association.

The park has a full-time Park Manager, Assistant Park Manager and a team of volunteers and others provided by the Friends of the Park. Other casual labour is provided by the Corrections Department from the Periodic Detention Scheme.

The farm was to generate sufficient revenues to manage the farm park.

The Board, although entitled to purchase, exchange, take on lease, or acquire property for the purpose of the park is not entitled to sell any portion of the park other than for the purpose of boundary adjustments or for the better provision of access to the park.

#### **FINANCIAL PERFORMANCE**

From a detailed Statement of Financial Position supplied by the treasurer, the park appears to be very well run by the Board. However, treasurer to the Board, Ross Millar, has reported that although the park received income of around \$96,000 annually it costs approximately \$150,000 to maintain the park. Total net operating loss for 2002 taking into account depreciation is approximately \$67,000.

In the early days of the park the former Lands and Survey Department and Forest Research Institute provided advice and expertise along with secretarial and financial services.

The farm land was also previously leased to Lincoln University for research farming purposes but more recently local graziers have taken up the lease. There is other income from the golf course and house rental.

The Christchurch City Council provides an annual grant of \$30,000 per annum in recognition of the large number of Christchurch visitors to the park, the long standing representation on the Board and the importance of the park within the Lyttelton Harbour Basin. The Banks Peninsula District Council has recently provided rates relief for the park.

Despite this grant and support from the Community Trust for specific renewal projects, the Board is struggling to maintain income while exposed to external forestry and farming markets.

An entry fee is charged of \$3 per person to help bolster revenues and income from this source along with tours and camping total \$22,148 per annum.

## **Income and Expenses**

Income from the three accounts – farm, forestry and park for 2002 totals \$96,581.

However, operating expenses to run the park in terms of all outgoings including materials, labour, vehicles, administration and depreciation total \$163,638. Total net operating loss for 2002 was \$67,057.

One of the main areas of expense is the farm forestry operation. Income from timber sales totalled \$25,868 but expenses to harvest and maintain the existing trees costs \$53,203. This included costs for forestry consultancy services.

A good rental of \$24,000 is generated from the farm account and the park account returns income of \$89,415 but much of this is supported by grants and income from investments.

Of note is the cost of the annual concert which is important to expose visitors to the park. The concert only makes a very small profit due to production costs and has to also compete with 'free' City Council events during summer.

The financial accounts indicate that the park is run efficiently and no fees or costs seem excessive. Advertising costs of \$4,951 are conservative when we also consider the need to keep the park profile in the community and to compete with other leisure activities that have free entry.

## **WHY SUPPORT THE PARK?**

Why should Christchurch City continue to support the park or take over total day-to-day management responsibilities?

For the reasons below the continuation of the park is of high importance:

- The park provides a substantial recreational asset to the residents of Banks Peninsula (many of whom are also Christchurch holiday home owners) with a golf course, tennis courts, public toilets and a significant open picnic and walking recreation space within Charteris Bay.
- There are unique heritage features preserved in the park where early pioneer Canterbury farming activity is displayed in a significant farm park setting.
- The park provides residents the only large scale recreation network within the Harbour Basin. There is a lack of similar sized parks within the Banks Peninsula District Council area.
- There are several strategic connections possible to link the park physically into existing recreation corridors including walkways, horse trails and mountain bike tracks.
- The rural nature of the park needs to be protected for urban dwellers to be acquainted with this environment.
- The property also provides conservation values and environmental linkages and within the existing native remnants there are opportunities for further enhancement on the park.
- Ornamental gardens and large trees in the arboretum within the unique valley setting below the highest peaks of the Peninsula provide dramatic location to relax and enjoy a passive experience.

Similar parks such as Spencer Park, the Groynes, Halswell Quarry Park, Bottle Lake Forest and Victoria Park form a network of rural and wilderness experience parks.

Parks of similar size (650 ha) cost \$260,000 to manage annually. This is based on an average cost per hectare on the Port Hills including an allowance for the more built asset environment at the bottom of Orton Bradley Park. This would also be to our higher service level delivery standards and based on more use of walking and mountain bike tracks. (Some of our tracks have 6000 visitors per month.)

## PARK MANAGEMENT OPTIONS

Several options have been identified for the future for Councillors' consideration. In considering these option the requirements of the RO Bradley Estate Act should be borne in mind.

### Option 1 - Continue with Current Grant Only

Outcome	Cost
<p>The Council to continue to provide a representative to the Board as provided in the 1972 Act.</p> <p>This would include expert advice including walkways, recreation, arboriculture, native bush conservation.</p> <p>The Board would continue to manage the park.</p>	<p>\$30,000 per annum from Community Grants Committee.</p>

Strengths	Weakness
<p>The Council continues the status quo and encourages the Board to be more innovative in managing the park, this may involve stopping some operations and investigating options such as wilderness camping and some tourist activities to boost income.</p> <p>All responsibility to manage the park as required by the Act, stays with the Board.</p>	<p>The Board will continue to run the park at a loss which will lead to further draw-down of reserves and investments to run the park on a day to day basis. Levels of service may drop and assets be maintained to a lower standard that could deter visitors.</p> <p>The park will have to close within a short time.</p>

### Option 2 – Increase the Current Grant

Outcome	Cost
<p>The Council to continue to provide a representative to the Board as provided in the 1972 Act. This would include expert advice.</p> <p>The Board would continue to manage the park.</p>	<p>To cover <b>current</b> losses the grant will need to be increased to \$100,000 per annum. However if the forestry operation were improved an increase to \$65,000 would be appropriate.</p>

Strengths	Weakness
<p>Allows the Board some certainty of income to maintain the park to current levels of service to the public.</p> <p>Gives the Board the opportunity to still be innovative in managing the finances of the park without the worry of drawing from reserves.</p> <p>The park will remain open in the medium term.</p> <p>Opportunity to still grow the other revenue income sources without concerns to prop up day to day operations.</p> <p>Levels of service should not drop.</p> <p>The Board will work closer with the Council. The Council may be able to help with more in kind and advice.</p> <p>Annual financial and activity reporting will be necessary to protect Council's investment.</p>	<p>Relies on the strength of the Board to continue to run the park and compete with other entry charge type parks.</p> <p>May encourage Board to become too dependent on Council funding.</p>

### Option 3 – Take over Day-to-Day Management of the Park

Outcome	Cost
<p>The Board would continue to manage the park as per the Act.</p> <p>The Council would lease the park on a peppercorn type rental and sublease to the other operations such as golf course and farm grazing to maintain revenue levels.</p> <p>The lease would need to provide reporting structures and a management/development plan for the park would need to be agreed between both parties.</p>	<p>To manage the park operations including employment of staff and plant costs would cost at least \$190,000 allowing for probable plant charges and salary alignments.</p> <p>Income would reduce due to the loss of Christchurch City Council community grant and donations from the Community Trust. Funds from Board investments are also being applied which amount to \$10,000.</p> <p>Overall this would reduce the income by \$50,000 to \$46,000 per annum.</p> <p>Probable net costs of \$165,000 per annum to manage the park.</p> <p>This does not include any download of service charges from the Council.</p> <p>The gate charge revenue would also be removed.</p>

Strengths	Weakness
<p>The park future is confirmed by funding totally from Christchurch City Council ratepayers.</p> <p>The Board would continue to act as a board of control. Friends of the Park still play a major part.</p> <p>Levels of service would improve if the board continues to support operations by applying for other grants and still generating external revenue to apply to park operations.</p> <p>This would also remove the gate charge and therefore align the park with other regional parks and probably increase visitors.</p>	<p>This type of management would rely on a memorandum of understanding with the Board and level of service agreement.</p> <p>Good liaison between the board and the Port Hills Area Head Ranger would be required.</p> <p>Developments the Council proposed would need to be approved by the board.</p> <p>The Council would not have control of the park although it would be funding operations. An increase in visitor numbers would be expected which would add to the costs of running the park.</p>

### CONCLUSION

The park has its own Act of Parliament and the Board would continue to control operations should the Council choose Option 3 ie to lease the park.

Good processes and plans would need to be put in place if this option is decided on. These would include management plans and service level agreements/reporting structures.

Option 2 with an increased grant to the park provides the best option in the medium term.

The Council's representative on the Board will need to be selected carefully to reflect the level of advice required. Currently Craig Oliver who has made a significant contribution to the park is still the Council's representative on the Board. The Council may also be able to provide more help in kind from the Parks and Waterways Unit.

Banks Peninsula has appointed local interested residents to the Board.

Owing to the provisions of the Act, the Council would not control the park yet it is being requested to fund a significant park operation within the Banks Peninsula District Council area. Option 2 allows some increase without taking a much greater step to full funding.

Option 1 would place the future of the park in jeopardy.

The Parks and Waterways Unit considers that the city should continue to support the park and encourage its use, together with efforts to increase external revenue by creating more commercial opportunities.

In a situation where this board and Friends of the Park seem to be motivated and providing a good level of service it is better to work alongside these organisations rather than replicate them with Council administration.

For this reason, and others described in the options, increasing the grant will ensure continuation of the park.

Annual reporting regarding the parks operations to protect this grant will also be necessary. More "help in kind" may also be considered by the Parks and Waterways Unit.

**Staff**

**Recommendation:** That Option 2 to increase the current grant from \$30,000 per annum to a minimum of \$65,000 per annum be considered as part of the 2004/05 Annual Plan and factored into the programme.

**Chairman's**

**Recommendation:** That the above recommendation be adopted.