

**7. SOUTH BRIGHTON MOTOR CAMP – PROPOSED INCREASE IN CAMP CHARGES**

<b>General Manager responsible:</b>	General Manager Community Services , DDI 941-8534
<b>Officer responsible:</b>	Recreation and Sports Unit Manager
<b>Author:</b>	Bruce Thomson, Business Operations Officer

**PURPOSE OF REPORT**

1. The purpose of this report is to request the Board’s approval under delegated authority, on behalf of the Lessee of the South Brighton Motor Camp, Dominic Brownin and Lyn Pilling, of an application for an increase in the charges for tent and caravan sites only at the camp. The accommodation provided on site is owned by the Lessee and is not determined by the Council.

**EXECUTIVE SUMMARY**

2. South Brighton Motor Camp Proposed Charge Schedule

<b>Camp Sites</b>	<b>New Day Rate</b>		<b>Current Day Rate</b>	
	<b>With power</b>	<b>No power</b>	<b>With power</b>	<b>No power</b>
One adult	\$16	\$15	\$15	\$14
Two adults	\$28	\$26	\$25	\$22
Each extra adult	\$11	\$11	\$11	\$11
Children (4-16)	\$ 6	\$ 6	\$ 6	\$ 6
Family rates (2 adults and 2 children)	\$35	\$33	\$35	\$30

3. The increase in charges reflects the increase in fixed costs of the following items and inflation since the last charge increase in March 2006. The Lessees have kept their charge increases to a minimum due to projected increase in customer numbers by joining up with The Family Parks Group. By being a member of the Family Parks Group the Lessees have increased their level of service provided to their customers.

- Staff wages will increase with the introduction of a four week holiday and the Kiwi Saver. All staff received a wage increase during the year above the CPI.
- Sewerage and waste, new charges were implemented in 2007.
- Fuel Costs are always increasing and the camp uses diesel fuel to heat all hot water and petrol fuel is used to power all the camps ground maintenance vehicles and hand tools.
- Electricity costs are to increase after the winter, however the Lessee is attempting to reduce or hold costs by introducing environmental energy efficient light bulbs.
- Maintenance consumables such as cleaning materials, bathroom consumables, security lighting and insurance have all increased in price.
- Rent is about to be increased by the Council in September, however the rate is not known at present.
- Increase in recycling awareness has increased the cost of waste disposal.

4. This rate increase is comparable with rates already being charged by other similar facilities.

<b>Site with Power (2 Adults) 07/08 Season</b>	
South Brighton Motor Camp	\$28
All Seasons Holiday Park	\$28
Amber Park	\$30
Meadow Park	\$44

## **FINANCIAL IMPLICATIONS**

5. The Lessees would also like to propose that future charge increases be increased by the rate of inflation without the need to refer to Council for approval as any delay in the ability to increase costs directly impacts on the finances of the business. However any increase above the rate of inflation will continue to be subject to Council approval.
6. The current lease has only a further four years to operate and it is important that the viability of the camp is maintained during this period to ensure that the facilities are well maintained and utilised. The camp is used more by out of town visitors than by residents. This is the opposite of Spencer Park Holiday Park, which is heavily utilised by Christchurch and Canterbury residents.

### **Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?**

7. Yes, covered by the existing Unit budget.

## **LEGAL CONSIDERATIONS**

### **Have you considered the legal implications of the issue under consideration?**

8. The Lease agreement states that "the Lessee will not levy camping ground charges in excess of those approved by Council. The Council's consent to such charges shall not be unreasonably withheld". South Brighton Domain is held by the Council as a recreation reserve, subject to the provisions of the Reserves Act 1977 with the lease issued under section 54 (1)(a) of that Act. The Board has delegated authority as a local issue, to approve the rental increases.

## **ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

9. Maintain the level of service.

### **Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?**

10. As above.

## **ALIGNMENT WITH STRATEGIES**

11. Not applicable.

### **Do the recommendations align with the Council's strategies?**

12. Not applicable.

## **CONSULTATION FULFILMENT**

13. Not applicable.

## **STAFF RECOMMENDATION**

It is recommended that the Board approves the proposed increased charges for the South Brighton Motor Camp to apply from 1 September 2007.