

**Report To: Council Workshop**



**Meeting Date:** 13 May 2025

**Subject:** Review of District Holiday Parks

**Author(s):** Ben Smit  
Chief Executive

**1. Purpose of Report**

- 1.1 The purpose of this business paper is to update Council on options for Council's future involvement in the Te Kuiti, Marokopa and Piopio (Tui Park) Holiday Parks.

**2. Background**

- 2.1 Waitomo District Council (WDC) owns and operates three Holiday Parks in the District.

**2.2 TE KUITI HOLIDAY PARK**

- 2.3 Te Kuiti Holiday Park is located at 47A Te Kumi Road. The total site spans an area of approximately 2.323 hectares. It serves both as a passive reserve and active recreation area for local residents and visitors of Te Kūiti. The open, grassy areas offer an environment for leisure activities like walking and picnicking. The Te Kuiti Holiday Park is situated within Brook Park, and offers various facilities including ablutions, cooking areas, caravan / campervan spots and powered sites.
- 3.1 Council first signaled development of the Holiday Park in its 2015-2025 Long Term Plan, subject to further investigation. This included the concept of developing a motor home area and campground to replace what was the existing Te Kuiti Domain facility at the time.
- 2.4 A preliminary concept design was prepared outlining a staged development approach. The design was discussed with Council during development of the 2016/17 Annual Plan and Council decided to include budget provision for development of a feasibility study which was subsequently undertaken by Angus and Associates in December 2016.
- 2.5 Due to budget constraints, a limited budget was allocated in the 2017/18 Annual Plan for the Te Kuiti Holiday Park. The Annual Plan spoke to development of an improved entranceway to Brook Park, which was completed during the financial year.
- 2.6 Further development of the Park was again discussed with Council during preparation of the 2018-2028 LTP. It was agreed that improvements should continue, however on a smaller scale.
- 2.7 Council was successful in a funding application to MBIE, with \$200,000 received to support costs for the KiwiCamp ablutions and cooking facility. A dump station was installed (with financial support from NZMCA) and a 10 bay motorhome parking area developed.
- 2.8 The site opened to the public in December 2018.
- 2.9 During development of the 2024-2034 LTP, a business case was presented to Council for further development of the site. The business case sought approval for the expansion of the Te Kuiti Holiday Park, specifically for the incorporation of dedicated tent sites. Due to budget constraints, the business case was declined.
- 2.10 There is no staff or contractor managing the day to day operations of the Holiday Park.

- 2.11 The gross revenue (\$17,078) for the site from 'Penny' (campground revenue management provider) is detailed below for the financial year to 31 March 2025. This includes GST and also is before the 20% commission has been deducted.

'Count' is the number of times the service is used  
'Unique' is the number of different users

Service	Value	Count	Unique
Gate fees	11,642	1732	993
Cook top	128	81	51
Dishwashing	155	315	135
Laundry	1,260	267	78
Shower	3,870	1952	456
Water	23	46	37

- 2.12 As can be seen, a significant amount of the revenue and use comes from the laundry and shower. It is believed that these services are also used by local residents.

### 2.13 MAROKOPA HOLIDAY PARK

- 2.14 For over two decades, Marokopa Holiday Park at 1 Rauparaha Street, Marokopa, has served as a popular destination for coastal holiday accommodation. The Park, owned by WDC, is now managed by a couple who live next door to the Holiday Park under contract for a payment of \$2,800 per month.

- 2.15 Encompassing approximately 5,414 square metres, the Marokopa Holiday Park is situated in a unique coastal and cultural setting offering valuable amenities to Marokopa residents and visitors. The site's flat terrain provides ample room for family activities, while the presence of mature trees significantly contributes to its aesthetic appeal and atmosphere.

- 2.16 The park boasts 42 camping sites, with 22 powered and 20 non-powered options. It also offers communal facilities including a BBQ area, ablution block, laundry, Wi-Fi, and power. The Park is home to several structures, built between 1956 and 2019, which include a laundry block, storage shed, two cabins, showers, and two toilet blocks.

- 2.17 Under its new management, the Holiday Park has significantly enhanced the experience for campers and boosted revenue. The presence of active management has also greatly reduced the anti-social behaviour that was prevalent when the site was unmanaged.

- 2.18 The gross revenue (\$57,310) for the site from 'Penny' (campground revenue management provider) is detailed below for the financial year to 31 March 2025. This includes GST and also is before the 20% commission has been deducted.

'Count' is the number of times the service is used  
'Unique' is the number of different users

Service	Value	Count	Unique
Gate fees	50,209	6570	1041
Shower	6,165	2159	395
Washing Machine	936	167	57

### 2.19 TUI PARK - PIOPIO

- 2.20 Tui Park is a public Holiday Park located at 25 Tui Street, Piopio which is owned by the WDC. It serves as an open space for passive recreation and overnight camping. The grassed areas, covering 0.4365 hectares also includes playground equipment, a skate park and a basketball hoop and backboard which were added in 2010.

- 2.21 Tui Park offers powered camping facilities, toilets and showers. Overall, Tui Park is seen by the community as being a crucial asset, providing a variety of recreational opportunities for the public and visitors, supporting local businesses.

- 2.22 Recently, a barrier arm was installed but was later removed due to community concerns. A physical donation box is located in the shared kitchen / lounge space and the swipe systems are still in place to collect revenue. The site is not monitored by staff or contractors other than normal maintenance and cash collection visitors. This has the potential to mean that not all users pay for the campsite.
- 2.23 The gross revenue (\$7,124) for the site from 'Penny' (campground revenue management provider) is detailed below for the financial year to 31 March 2025. This includes GST and also is before the 20% commission has been deducted.

'Count' is the number of times the service is used

'Unique' is the number of different users

Service	Value	Count	Unique
Gate fees	3,085	752	579
Dishwashing	132	265	148
Shower	3,907	1961	458

- 2.24 The revenue from all three sites is managed by the KiwiCash system (now Penny). For the installation and management of collection systems (barrier arms, swipe systems) KiwiCash charges a 20% fee of revenue.
- 2.25 The Chief Executive has been asked by Elected Members to review the future options of each of the holiday parks with the aim of minimising the cost to ratepayers while still recognising the value of these facilities to communities and providing a good service for users.
- 2.26 Options for the three Holiday Parks are considered separately below.

### 3. Te Kuiti Holiday Park - Commentary and Analysis of Options

- 3.1 The financial position of this facility is as follows: Comparable costs for 2023/24 are not recorded because the holiday parks and other activities were included in one cost centre. The only figure that is readily available is revenue.

Te Kuiti Holiday Park	2024/25 YTD Actuals March	2024/25 YTD Budgets March	2024/25 YTD Variance March	2024/25 Annual Plan Budget	2023/24 Actual Revenue	Avoidable revenues and costs
<b>Direct Expenditure</b>	<b>37,258</b>	<b>32,011</b>	<b>(5,247)</b>	<b>40,300</b>		<b>40,000</b>
Advertising (Te Kuiti)	1,073	200	(873)	400		400
Electricity (Te Kuiti)	4,451	4,500	49	5,700		5,700
Insurance (Te Kuiti)	621	900	279	900		900
Repairs & Maint (Te Kuiti)	4,224	2,700	(1,524)	3,600		3,600
Kiwicamp Contract Exp	0	720	720	1,000		1,000
Cleaning (Te Kuiti)	10,678	10,800	122	14,100		14,100
Security (Te Kuiti)	5,916	5,400	(516)	7,200		7,200
ISU Mowing & Misc	1,687	1,791	104	2,400		2,400
WDC Rates	5,050	5,000	(50)	5,000		
Refuse Collection/Disposal	3,557	0	(3,557)	0		4,700
<b>Indirect Expenditure</b>	<b>9,733</b>	<b>9,868</b>	<b>135</b>	<b>13,043</b>		<b>0</b>
Allocated Costs	5,797	6,268	471	8,274		
Depreciation - Existing Assets	3,936	3,600	(336)	4,769		
<b>Income</b>	<b>(9,875)</b>	<b>(20,000)</b>	<b>(10,125)</b>	<b>(25,000)</b>	<b>(14,224)</b>	<b>(13,000)</b>
CampGd Revenue (Te Kuiti)	(9,875)	(20,000)	(10,125)	(25,000)	(14,224)	(13,000)
<b>Net Ratepayer Cost</b>	<b>37,116</b>	<b>21,879</b>	<b>(15,237)</b>	<b>28,343</b>		<b>27,000</b>

3.2 Revenue for the site from gate fees is low. Observation would indicate that campers park outside the official campground and use the facilities without needing to swipe (i.e. pay) for the gate fee. The reality of this is that there is little difference between parking in the Holiday Park or just outside on the area to the left of it. Both areas have a metal surface and are close to ablutions. Revenue projections for the future are probably \$12-14,000 pa. The budget for this year of \$20,000 was very ambitious. Costs ignoring allocated costs (overheads) and depreciation are likely to be approximately \$45,000 pa. Note refuse collection was not budgeted for. Of this Council rates are approximately \$5,000 so about \$40,000 of these costs are avoidable. (See righthand column in table). This indicates that, after considering revenue, \$27,000 could be saved if WDC no longer operated the holiday park.

3.3 Options for the future of the Te Kuiti Holiday Park are as follows:

**(a) Status quo:**

- (i) As discussed in paragraph 3.2 there is little need for users to pay the gate fee. The area adjacent to the Holiday Park is large and contains the campervan dump site. Potentially, without the dump site being located where it is, there could have been potential to relocate the 'Penny' barrier arm into the entrance of the holiday park and thereby capture more revenue.
- (ii) The surrounding Brook Park is a great setting for the holiday park, but the actual holiday park area is less than inspiring. It is a metalled area with an ablution block in it, so it may not attract significant numbers of campers in vehicles if it became fee paying.
- (iii) It is believed that the ablutions are used by local residents – hence the higher usage relative to gate fees.

**(b) Disestablish the holiday park and relocate the facilities to another site:**

- (i) Given the low use and the need for rates support for the Te Kuiti Holiday Park, one option is to disestablish it and allow it to be used for freedom camping. As discussed in Section 3.2 the real net ratepayer cost of this is approximately \$27,000 pa.
- (ii) This would allow the current ablution facilities to be moved to a site where the utilisation would improve. The potential site for this is the Marokopa Holiday Park. The estimated cost of moving, tidying the current site and establishing it on the Marokopa site would be \$50,000.
- (iii) If this was considered to be a viable option then more detailed costings would be required before a final decision could be made.

**(c) Increase use of the facilities by developing the use of tent sites:**

- (i) Staff presented a paper on the potential development of the area out the back (i.e. west) of the current Holiday Park for tent sites. This was proposed to accommodate the significant number of Te Araroa trail walkers that come through Te Kuiti. Even more of these come through Brook Park now that signage to route the walkers through the park and tracks have been improved.
- (ii) This could be seen as a boost to the economy of Te Kuiti if the walkers stay overnight and use our retail, in particular the supermarket and local eateries. This is unlikely to increase Holiday Park revenue significantly because the collection of revenue for the tenting area would not be monitored. It would increase the use of the ablutions and cooking facilities.
- (iii) The real benefit of this option is increased spending in Te Kuiti, a place for walkers and other campers to stay and an increased utilisation of ablutions.
- (iv) It appears that development like this will require a resource consent under the Operative and Proposed District Plans.

- (v) An estimate of the cost to upgrade to allow for tent sites was presented in October 2023 as part of the LTP. These costs are shown below:

Plans	\$3,000
Resource Consent application and fee	\$3,000
Earthworks (1000m <sup>2</sup> ) and drainage (subsoil)	\$25,000
Fence and gate (100m) X 50	\$5,000
Payment system	\$3,000
Cable and lighting	\$15,000
Footpath and access (60m <sup>2</sup> )	\$10,000
Landscaping	\$2,000
Contingency	\$10,000
<b>Total</b>	<b>\$76,000</b>

- (vi) There are cost reductions possible to reduce the scope of the project but there will still be a cost to this upgrade that is unlikely to generate an increase in income to support the capital needed and return the total campground to a breakeven position.
- (vii) This approach could be taken if there is a willingness to support tent sites (particularly for Te Araroa walkers) and the potential economic development for local businesses.

#### 4. Marokopa Holiday Park - Commentary and Analysis of Options

4.1 The financial position of this facility is as follows:

Marokopa Holiday Park	2024/25 YTD Actuals March	2024/25 YTD Budgets March	2024/25 YTD Variance March	2024/25 Annual Plan Budget	2023/24 Actual Revenue	Avoidable revenues and costs
<b>Direct Expenditure</b>	<b>47,864</b>	<b>46,700</b>	<b>(1,164)</b>	<b>61,600</b>		<b>53,800</b>
Advertising (Marokopa)	1,073	0	(1,073)	0		1,200
Electricity (Marokopa)	4,188	7,200	3,012	10,000		5,500
Insurance (Marokopa)	3,331	3,600	269	4,600		4,600
Repairs & Maint (Marokopa)	11,335	13,500	2,165	17,900		8,000
Security (Marokopa)	235	900	665	1,500		500
Rates	0	600	600	600		
WDC Rates	2,025	2,000	(25)	2,000		
Operational Exp (Marokopa)	25,678	18,900	(6,778)	25,000		34,000
<b>Indirect Expenditure</b>	<b>26,683</b>	<b>30,568</b>	<b>3,885</b>	<b>40,828</b>		<b>0</b>
Allocated Costs	5,797	6,268	471	8,274		
Depreciation - Existing Assets	20,886	24,300	3,414	32,554		
<b>Income</b>	<b>(37,602)</b>	<b>(27,000)</b>	<b>10,602</b>	<b>(30,000)</b>	<b>(28,533)</b>	<b>(45,000)</b>
CampGd Revenue (Marokopa)	(37,602)	(27,000)	10,602	(30,000)	(28,533)	(45,000)
<b>Net Cost</b>	<b>36,946</b>	<b>50,268</b>	<b>13,322</b>	<b>72,428</b>		<b>8,800</b>

4.2 Revenue from the site has improved from last year actual \$28,533 to a forecast for this year of \$45,000.

4.3 Gate fees have been lifted for 2024/25 as follows:

Service \$	Peak		Off-Peak	
	Previous Price	New Price	Previous Price	New Price
Powered site	35	50	20	35
Non-Powered site	25	40	20	25
Showers	2	5	2	5
Washing	4	8	4	8

4.4 Direct costs ignoring allocated costs (overheads) and depreciation are likely to be approximately \$54,000 pa if we also remove the cost of Council rates of \$2,600. The manager's costs are approximately \$34,000 so about \$20,000 of these costs are avoidable costs before manager's costs.

4.5 Options for the future of this are as follows:

(a) Status quo:

- (i) Currently the rates requirement budgeted in 2024/25 is \$72,428. Removing allocated costs, depreciation and Council rates (because these costs will continue irrespective of whether we are operating the holiday park or not) the avoidable rates cost in the 2024/25 Annual Plan was \$29,000. Forecasting increased revenue and reduced costs and revenues reduces the avoidable deficit to \$8,800.

(b) Camp management contract with existing contractors:

- (i) The current couple employed by Council who look after the Holiday Park have been approached to consider the option of a medium term contract for the management of the Holiday Park. They understand that this is subject to approval by Council.
- (ii) This would remove Council's financial risk of running the site and therefore the burden on rates and would allow them, as lessees, to have more control over the way they run the holiday park business. The ideal scenario would be for the Council to charge a lease fee but even if there is no fee, as indicated in the forecast in the table above, they would earn less (\$25,200) as a lessee than the \$34,000 they currently earn as managers. The \$34,000 current manager's fee seems reasonable given the significant amount of effort they put in as managers and cleaners into the holiday park.
- (iii) Options are still being looked at to reduce the costs of the site to make this a viable option for them to take over a lease of the campground. This would also involve looking at revenue collection options which are less expensive than 'Penny'.
- (iv) The above only discusses the operating costs of the holiday park and not the capital costs. The holiday park has had significant upgrades in terms of facilities, sewerage disposal and improved amenities. This does not mean there won't be more capital expenditure in the future. There is an old concrete ablutions block at the North end of the campground. This may require some minor work but is still functional. Discussions with New Zealand Motor Caravan Association indicated that one of the reasons they were not interested in taking over the campground (other than financial) was that the feedback from the members that stayed in the holiday park was that there were long waits for the ablutions. The financial analysis above has not accounted for future capital.

## 5. Tui Park - Piopio - Commentary and Analysis of Options

5.1 The financial position of this facility is as follows:

Tui Park	2024/25 YTD Actuals March	2024/25 YTD Budgets March	2024/25 YTD Variance March	2024/25 Annual Plan Budget	2023/24 Actual Revenue	Avoidable revenues and costs
<b>Direct Expenditure</b>	<b>10,945</b>	<b>7,203</b>	<b>(3,742)</b>	<b>10,308</b>		<b>12,900</b>
Insurance (Tui)	311	0	(311)	500		500
Repairs & Maint (Tui)	1,158	1,800	642	2,708		2,000
Cleaning (Tui)	4,363	0	(4,363)	500		5,800
Security (Tui)	443	720	277	1,000		1,000
ISU Mowing & Misc	2,531	2,683	152	3,600		3,600
WDC Rates	2,138	2,000	(138)	2,000		
<b>Indirect Expenditure</b>	<b>12,334</b>	<b>7,781</b>	<b>(4,553)</b>	<b>10,221</b>		<b>0</b>
Allocated Costs	3,865	4,181	316	5,513		
Depreciation - Existing Assets	8,469	3,600	(4,869)	4,708		
<b>Income</b>	<b>(6,509)</b>	<b>(12,000)</b>	<b>(5,491)</b>	<b>(15,000)</b>	<b>(14,997)</b>	<b>(10,000)</b>
CampGd Revenue (Tui)	(6,509)	(12,000)	(5,491)	(15,000)	(14,997)	(10,000)
<b>Net cost</b>	<b>16,770</b>	<b>2,984</b>	<b>(13,786)</b>	<b>5,529</b>		<b>2,900</b>

5.2 The rate requirement for 2024/25 was \$5,529. This included a revenue budget of \$15,000 which appears high. A more achievable revenue could be \$10,000. Annual cleaning costs of approximately \$5,800 were not budgeted for in this cost centre. Taking that into account and removing the unavoidable costs of allocated costs, depreciation and Council rates the net rate cost appears to be \$2,900.

5.3 Options for the future of Tui Park are as follows:

- (a) Status quo: Leave the operation of the holiday park un-supervised and continue to rely on the honesty of users to either use the 'Penny' swipe system or the honesty box in the common room / kitchen. The unavoidable costs to ratepayers is approximately \$2,900 pa.
- (b) Other options:
  - (i) There is the potential to implement a part-time caretaker but this would increase costs unless someone could be found to do this on a voluntary basis. Mr Peter Nichol takes an active interest in the operations of the holiday park and lives behind it.
  - (ii) Install the 'Penny' swipe barrier arm to collect more income. This was particularly poorly received by residents when this occurred in recent years.

## 6. Suggestions

- 6.1 Decommission the Te Kuiti Holiday Park and move the ablution facilities to the Marokopa Holiday Park.
- 6.2 Strip out the current portacom ablution block and utilize this building on site and replace it with the building from Te Kuiti which has showers, toilets, cooking, dishwashing and laundry facilities. This will enhance the offering at Marokopa and is likely to increase revenue accordingly.
- 6.3 Leave the Tui Park operation as it is.