



**ROTORUA
LAKES COUNCIL**
Te Kaunihera o ngā Roto o Rotorua

Kaupapataka Agenda

NOTICE OF AN ORDINARY MEETING
OF

INFRASTRUCTURE AND ENVIRONMENT COMMITTEE

Date: Wednesday 7 February 2024

Time: 9.30am

Venue: Council Chamber

MEMBERSHIP

Chair Cr Barker

Deputy Co-Chair Cr Wang

Members
Mayor Tapsell
Cr Brown
Cr Kai Fong
Cr Kereopa
Cr Lee
Cr Maxwell
Cr O'Brien
Cr Paterson
Cr Waru

Quorum 6

NGĀ TUKUNGA HAEPAPA A TE KAUNIHERA COUNCIL DELEGATIONS

Infrastructure and Environment

Type of Committee	Whole of Council Committee
Subordinate to	N/A
Subordinate Committees	N/A
Legislative Basis	Schedule 7, clause 30 (1) (a), Local Government Act 2002.
Purpose	To develop, implement, monitor and review strategies, policies, plans and functions associated with Infrastructure and environment activities.
Reference	01-15-018
Membership	Mayor Deputy Mayor All councillors
Quorum	6
Meeting frequency	Monthly
Delegations	<ul style="list-style-type: none"> • Oversee the management of council’s infrastructure assets, utility services and public facilities including: <ul style="list-style-type: none"> • Transportation • Three waters • Land drainage • Laboratory services • Waste collection, landfill, recycling • Sports, Reserves and Recreation • Cemetery • Civil Defence Emergency Management • Accountable for the development and implementation of the Infrastructure Strategy, Asset Management Plan and inputs on infrastructure related projects associated with Development Contributions Policy • Oversight of progress of design and build projects such as, but not limited to: <ul style="list-style-type: none"> ○ Waste water treatment plant ○ Sewerage schemes (Rotoiti/Rotoma/Rotoehu, Tarawera ○ Development of major facilities for example Museum, Aquatic Centre, Libraries ○ Water storage and drainage for growth ○ Infrastructure provision for growth ○ Major transport projects, cycleways ○ Reticulation of water supplies • Undertake master planning of strategic facilities and spaces

	<ul style="list-style-type: none"> • Encourage engagement with organisations within the sector to consider environmental matters including: <ul style="list-style-type: none"> ○ Climate change response, both mitigation and adaptation ○ Biodiversity ○ Waste Minimisation ○ Environmentally sustainable practices ○ Environmental aspects of energy, transport and water ○ Monitoring and reporting against action within the Climate Action Plan ○ Monitor Council’s contribution to the Te Arawa Vision (specifically in relation to Infrastructure and Environment outcomes) ○ The provision and maintenance of facilities and space for the general use of the public for recreation of all kinds including sporting activities, passive enjoyment, open spaces, play areas, toilets and changing sheds, flower beds, trees and shrubs, and display areas ○ The production of Management Plans and the general management of reserves in compliance with the Reserves Act 1977 and the general administration of the Reserves Act 1977 with the exception of the Hearings of Objections to the Classification of Reserves and Management Plans ○ The leasing of recreational land for commercial recreational purposes ○ The beautification of public gardens and parks ○ Street trees • Council controlled organisations (CCO’s) - advising on the content of the annual Statement of Expectations, agreement on Statement of Intent, monitoring against the Statement of Intent the financial and non-financial performance of CCO’s • Make appointments and authority to remove appointments to Council-Controlled Organisations (CCO’s).
<p>Relevant Statutes</p>	<p>All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.</p>

8. He whakataunga kia hoki atu te aronga o te hui hai hui tūmatawhānui - Resolution to move into public excluded (to consider and adopt confidential items)

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987, for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing of this resolution
CONFIDENTIAL MINUTES OF PREVIOUS MEETING HELD 12 DECEMBER 2023	Please refer to the relevant clause/s in the open meeting minutes.	Good reason for withholding exists under section 48(1)(a)
POLYNESIAN SPA LTD ADMISSION CHARGE INCREASE	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	Section 48(1)(a) Section 7(2)(b)(ii)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Sections 6 or 7 of the Act or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item.

11. Pūrongo Kaimahi - Staff Reports

Doc ID: 20131633

ROTORUA LAKES COUNCIL

Mayor
Chair and Members
Infrastructure and Environment Committee

11.1 Polynesian Spa Ltd admission Charge increase (Decision Required)

Report prepared by: Rob Pitkethley, Manager Active and Engaged Communities

Report reviewed by: Stavros Michael, Group Manager Infrastructure and Environment

Report approved by: Gina Rangī, Interim Chief Executive

1. TE PŪTAKE PURPOSE

The purpose of this report is to seek Council approval for the Polynesian Spa Limited's changes to the Admission Charges to various pools at the Polynesian Spa in Government Gardens.

2. HE TŪTOHUNGA RECOMMENDATION

1. That the report 'Polynesian Spa Ltd Admission Charge Increase' be received.
2. That the Committee approves the admission charge increase to retail prices as detailed below proposed by Polynesian Spa Ltd.

Product	Current Charge	Proposed Charge	% inc
Pavilion Pools	\$39.95	s7(2)(b)(ii)	
Family Pool Adult	\$26.95		
Family Pool Child	\$11.95		
Deluxe Lake Spa Adult	\$69.95		
Deluxe Lake Spa Child	\$69.95		
Lake View Private Pool	\$44.95		
Skyview Private Pool	\$29.95		
Private Pool Child	\$11.95		
Residents Monthly Pass	\$69.95		
Residents Club Annual Pass	Minimum 20% discount to most pools and up to 43% on Deluxe Lake Spa. 20% off gift shop, Café & Massage.		

3. That a redacted version of the report and minutes relating to this item be made publicly available following the Committee meeting.

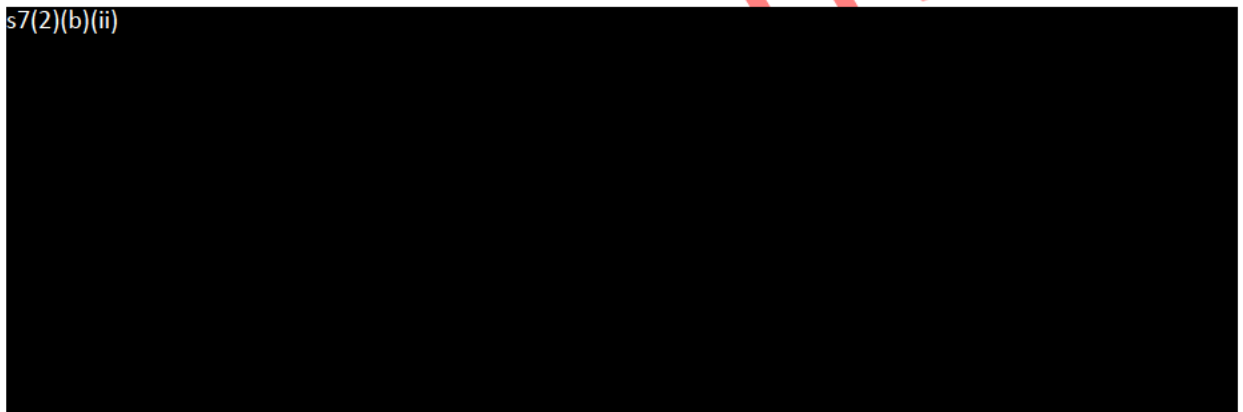
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3. TE TĀHUHU BACKGROUND

The Polynesian Spa Ltd proposed a range of admission price increases for the 2024 bathing season (starting 1 April 2024) to the December 2023 Infrastructure and Environment Committee meeting. These proposals were discussed by the Committee members and there was not support for the proposed increases, with the main areas of contention being what are considered to be the local products based around the Family Pool admission prices. The December 2023 proposed prices were agreed to be left on the table until a discussion was completed with Polynesian Spa Ltd.

The Active and Engaged Community Manager has met with the Chief Executive Officer for Polynesian Spa Ltd and discussed the December 2023 Infrastructure and Environment Committee meeting and the main points of concern. The Polynesian Spa CEO has received this information and after Board discussion, has proposed an adjusted table of price increases for the 2024 season. These price increases are detailed in Recommendation 2 of this paper and the Chief Executive Officer for Polynesian Spa Ltd will be available at the February 2024 Infrastructure and Environment Committee meeting to talk to the Committee.

s7(2)(b)(ii)



The proposed percentage increase to admission fees to the Polynesian Spa Family Pool are now approximately half of the proposed percentage increase to the other pools in the facility. The Residents Club Annual Pass also applies significant discounts to these other pool offerings for locals.

4. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

4.1 Price increases

As noted in the December 2023 agenda, the admission price increases being requested for the 2024 season follow relatively lower than normal increases requested over the last few years. For the 2023 year the requested increases were well below CPI and for some categories no increase in admission charges occurred. In the 2022 year the increases averaged around 15% but this was to cover a two year period as there were no increases requested since 2020 due to Polynesian Spa Ltd working through the Covid 19 impacts on their business.

The December 2023 Infrastructure and Environment Committee meeting agenda paper on this item discussed the cost pressures facing the business and the capital investments that have been made in the last year both for pool visitors and staff. There are also planned capital costs coming this year with further building improvements and landscape changes associated with a period of business disruption that will occur when the lakeside retaining wall is being renewed.

RotoruaNZ regularly monitor visitor attractions and local businesses via the Rotorua Business Pulse Survey and the most significant recent concerns for Rotorua tourism businesses are the inflating costs of goods and services and attracting and retaining good staff. Consequently the cost pressures facing Polynesian Spa Ltd are not unique and capital investment into improved staff facilities is a good way to try and reduce staff retention and attraction problems facing many local businesses.

RotoruaNZ also monitor attraction pricing and the proposed increases put forward by Polynesian Spa are not considered to be unusual or excessive in the current attraction market. RotoruaNZ have said that two other operators with similar price point offerings have recently increased their prices by 42% and 38% to meet increasing pressures on their businesses.

Option 1

Retain the status quo and do not approve the charge increase for the admission charges.

This option will limit Polynesian Spa Limited's ability to operate and continue supplying improved services to locals and visitors and employment for staff. The tourism economy is still recovering from Covid 19 effects where many businesses exhausted their balance sheets and had limited ability to generate revenue to meet costs and improve their offerings. With Rotorua still striving to be an international spa city with an increasing range of offerings, the Polynesian Spa Ltd has been maintaining a service that meets a market segment and not approving these proposed increases will make it more difficult to provide this market opportunity for visitors and locals in Rotorua.

Option 2

Approve the charge increase requested for the admission charges.

This option would allow Polynesian Spa Limited to continue maintaining the current levels of service for the spa market and ensuring that historic and future investments in the facility are able to deliver the necessary sustainable returns. The Polynesian Spa Ltd has reduced the earlier proposed price increase for the most popular local offering being the Family Pool facilities. There is also further discounting via the Residents Club Annual Pass. A check against other admission prices shows the Polynesian Spa Ltd locals pricing is comparable with other similar commercial hot spring pool offerings in Rotorua.

Option 2 is the recommended option.

5. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

The decisions or matters of this report are not considered significant in accordance with the Council's Significance and Engagement Policy.

6. NGĀ KŌRERO O TE HAPORI ME TE WHAKATAIRANGA COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY

Community consultation is not considered necessary in relation to this matter.

7. HE WHAIWHAKAARO CONSIDERATIONS

7.1 Mahere pūtea Financial/budget considerations

This matter has no impact on Council's finances as it is a request to approve a change in admission charges as per Polynesian Spa Limited's lease with Council and these charges have no influence on Council's rental revenue.

7.2 Kaupapa Here me ngā Hiraunga Whakariterite Policy and planning implications

The approval of changes to the admission charges for entry to the Polynesian Spa are consistent with the Council's economy priorities of enabling and attracting smart investment, confidence and a vibrant reputation and contributing to a world class tourism destination. It also assists with the community priority of enhancing community wellbeing.

7.3 Tūraru Risks

There are no significant risks to Council associated with this matter. As with all decisions of Council, there is a reputational risk to ensure that the public and any persons with whom Council has a formal relationship, such as a lessee, that Council is seen to be and is fair and reasonable in all its dealings. There is some risk that resident users of bathing options will be affected by these admission increases however, there will also be residents who appreciate the additional value and quality of the bathing areas and discounted access to a wider range of facilities.

7.4 Te whaimana Authority

Approval for these admission charge changes is provided for in the lease.