

**Report 05.158** 

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**Committee** Landcare

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#### Rimutaka summit - toilet block and tearooms

## 1. Purpose of Report

To outline the issues currently affecting the management of the Rimutaka Summit site and to identify future approaches for its management.

## 2. Significance

The matters in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3) (b) of the Local Government Act 2002.

#### 3. Overview

Council's Parks and Forests Department has been maintaining the Rimutaka Summit toilet block and administering the tearooms licence for the past several years.

With a need to inject capital to upgrade the toilets on the horizon, and the upcoming expiry of the tearooms licence in late 2007, it is appropriate to review the facilities provided at the Summit, and the role the Council should play in providing them.

# 4. History

#### **4.1** Land

The Rimutaka Summit toilets and tearooms are located on part of a 34 hectare block, being part of the Hutt Water Catchment Area.

The land was purchased in 1951 by the Wellington Metropolitan and Suburban Water Supply Board for water collection purposes. In 1975 the land was vested with the Wellington Regional Water Board (WRWB) and subsequently transferred to the Regional Council in 1981.

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The land is recorded as being within the South Wairarapa District Council area however historically Upper Hutt City Council (UHCC) has dealt with the site.

#### 4.2 Toilet Block

In 1973 the Rimutaka Clochmerle Association applied to UHCC to construct a toilet block at the Rimutaka Summit. The following year UHCC approved the construction of the toilet block in principle but declined to fund it. The WRWB also declined funding but agreed to make the land available.

In September 1974 UHCC resolved that the toilets were of regional importance and should be funded by the whole region (i.e. by the WRWB). The WRWB eventually agreed to fund the construction of the toilet block which was duly completed in late 1976.

In 1977 the then tearooms Licensee, WRWB & UHCC agreed future responsibilities for the toilets as follows:

- Tearooms licensee day to day operation and cleaning of toilets, and to provide a reliable and potable water supply.
- UHCC supervision of licensee's obligations and provision of toilet consumables.
- WRWB building maintenance including repair of vandal damage.

It was also agreed that UHCC would administer the maintenance work and recover the costs from the WRWB.

In 1996 UHCC wrote to Greater Wellington (GW) advising that the toilet block and septic system required substantial upgrade at an estimated cost of \$27,000 to \$45,000. UHCC requested GW make the funding available to carry out the works. GW resolved to decline funding to upgrade the toilets on the basis that the 1977 maintenance agreement was now outside GW's core business. GW officers attempted to transfer responsibility for the toilet block and tearooms licence to UHCC who in turn resolved to close the toilets and demolish them.

Amid pressure from the Wairarapa Councils, GW eventually agreed to take back responsibility for the future maintenance of toilet block. The Wairarapa Councils agreed to jointly fund the toilet supplies to the tune of \$400 per authority per year including GST.

In 1998 GW undertook a modest upgrade of the toilet block and replaced the septic system at an approximate cost of \$50,000. The toilet block was reopened and GW has maintained it to date.

#### 4.3 Tearooms

The tearooms pre-date the toilet block and were already in place at the time the land was originally purchased in 1951. At that time, the Water Board agreed to licence the site back to the tearooms operator on the basis that the licence was for the land only with ownership of the tearooms improvements transferred to the licensee.

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Since that time a succession of occupation licenses have been issued to a variety of operators on a similar basis. Following the construction of the toilet block, the tearooms licence was modified to require the licensee to clean the toilets and to maintain water supply to them.

While the tearooms have undergone some cosmetic upgrade work over the years, the building is generally in very poor condition. A review of the history of the tearooms would also indicate that the business is marginal with many of the operators struggling financially. The tearooms licence expires in December 2007 without any further rights of renewal. The current licence fee is \$1,180 per annum.

### 4.4 Power Supply

The Rimutaka Summit site is not serviced by the "national grid" with the nearest connection point several kilometres away.

Historically the tearoom's electricity requirement was serviced by a small generator owned and operated by the tearooms licensee. Prior to the septic system upgrade in 1998, the toilet block had no requirement for power. However, the new septic system requires a significant amount of continuous power to operate effectively. Wairarapa Electricity Limited (WEL) partially upgraded the local power supply system on the basis that they would operate the equipment and sell the electricity to GW and the tearooms. WEL encountered several technical difficulties with the system and eventually sold the power generation equipment to the current tearooms licensee in August 1999. The tearooms operator undertook to complete the upgrade of the power system so that there would be sufficient continuous power supply to service their own and GW's requirements. GW agreed to pay a reasonable rate for this power.

Since this time the tearooms licensee has undertaken numerous modifications to the system, but it still remains very unreliable. Continuous power has not been provided which has greatly increased the cost of maintaining the septic system, (the system installed requires 24 hour, seven day power to operate effectively). Additionally, the cost of the electricity for the site is very expensive.

GW has investigated alternatives. Connection to the national grid will cost at least \$200,000 and providing its own system approximately \$25,000 plus ongoing running costs. The preferred alternative is to modify the existing septic system to a type that does not require electricity to function at an estimated cost of \$25,000. The ongoing maintenance of such a system would be minimal provided waste volume does not increase drastically.

#### 5. Current Situation

GW has been maintaining the toilet block and septic system since 1998. This has generally involved repairs to fixtures and fittings, repair of vandal damage, graffiti control, plumbing repairs to the toilets and septic system etc. The maintenance costs for this site are very high for a number of reasons:

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- Due their location, the toilets are very prone to vandalism.
- The cost of getting things fixed in an isolated area is high.
- The building, and its fixtures and fittings, are old so require frequent repairs.
- The type of septic system used is inherently expensive to run. The lack of reliable continuous power supply has caused a number of problems with the operation of this system.

Cleaning of the toilets is the responsibility of the tearoom's licensee. The standard of cleaning over the years has been variable and on occasions Parks & Forest staff have been required to undertake the cleaning to maintain minimum service standards.

The supply of water to the site is also the responsibility of the licensee. Water is sourced from a small stream a few hundred metres from the site and piped to water tanks servicing the toilets and tearooms. Over the years, the tearoom's licensees have, at times, been inconsistent in maintaining the system. This has resulted in problems with obtaining a reliable water supply. Out of frustration, Council has effectively taken over the management of the water supply including a partial upgrade of the collection and reticulation system. Water supply is now relatively trouble free, although on occasions the stream runs dry requiring water to be trucked up to the site.

As outlined above electricity supply continues to be a major problem.

Management of the tearooms licence has also been problematic requiring a high level of Parks & Forests and property consultancy time. The current licensee is not directly involved in the day to day running of the tearooms and is infrequently at the site. Instead, the licensee has entered into informal subletting arrangements with a series of operators of varying quality and experience.

The last operators were trading sporadically, typically opening just 3 days a week. In early April they withdrew from the business and the shop has been closed since that time. As a result the toilets have also been closed for extended periods as there has been no one on site to clean them or maintain power supply to the septic system.

The tearooms licensee has now engaged a new operator who is maintaining the toilets but to our knowledge the tearooms have yet to reopen.

#### 6. Costs

We summarize overleaf Council's current average running costs for the site:

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|   | Per annum |
|---|-----------|
| Repairs & Maintenance                                 | \$5,000   |
| Cleaning (currently undertaken by tearooms licensee)  | \$0       |
| Toilet Requisites (costs shared with local Council's) | \$1,000   |
| Electricity   | \$6,200   |
| Parks & Forest Staff Costs \$40 per hour x 100 hours  | \$4,000   |
| Property Consultancy Costs                            | \$3,600   |
| TOTAL   | \$19,800  |

#### 7. Discussion

Parks and Forests role is to provide outdoor recreation opportunities in our regional parks and forests including appropriate facilities. The provision and maintenance of what is essentially a roadside public toilet does not fall within this definition and therefore cannot be considered core business.

The gradual improvements to the Kaitoke and Rimutaka Hill Roads have greatly reduced travel times to and from the Wairarapa and adequate toilet facilities are now available to the public on both sides of the Rimutaka Hill.

Due to the isolated location of the Rimutaka Summit, and the lack of basic services, providing any public facilities there will always be difficult. While no current data is available about what the level of use is for the site, indications would suggest that the cost to manage and maintain this facility is disproportionate to the benefit it provides, and that these resources would be better employed servicing Council's core activities.

It is interesting to note that the recent closure of the toilets for extended periods has generated no adverse public reaction.

The tearooms licence has proved to be marginal from an operator's point of view. Officers consider the tearooms to be in poor condition and, in the longer term, will require substantial redevelopment.

In addition, the tearooms rely on the use of Council's septic system. Therefore, if the toilets were to be closed, the tearooms would need to provide their own toilet and septic facilities to be able to comply with hygiene standards. Given the past financial performance of the tearooms business we cannot see that such an investment would deliver a return on capital.

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## 8. Future Options

There are a number of approaches available to the Council regarding the future management of the area.

## 8.1 Keep providing the existing services

The Council could continue to provide and maintain public toilet facilities at the Rimutaka Summit.

When considering this option, the Council will need to consider the following:

- (a) The toilets will require substantial upgrade or replacement in the next few years.
- (b) The tearooms licensee is under no obligation to continue beyond the licence expiry date of Dec 2007. Therefore, GW cannot rely on the tearooms licensee continuing to clean the toilets and maintain the water supply. These costs may need to be factored into the ongoing maintenance budget if that occurs.
- (c) The current septic system requires a significant amount of continuous power supply to function properly. The costs and logistics of meeting this power requirement are high in this remote location. The Council should, therefore, consider modifying the septic system to a type that does not require electricity to function.
- (d) The water supply system is adequate but will require ongoing maintenance and the occasional supplementation by tanker supply.

If this option is selected, the Council will need to move towards a position of self-sufficiency whereby it is not reliant on outside parties for the supply of critical services such as electricity, water supply and cleaning.

Assuming the Council becomes self sufficient in managing the toilets, there will be an increase in cost. Along with the upgrade or replacement of the toilet block, will be the cost of the modified septic system and solar lightning, as detailed in the following table:

| TOTAL:                        | \$120,000 |
|-------------------------------|-----------|
| Solar lighting system         | \$5,000   |
| Septic System Modification    | \$25,000  |
| Upgrade/Replace Toilet Blocks | \$90,000  |

These upgrades could be incorporated into the Parks and Forests capital works programme, but will have ongoing loan servicing costs. The estimated future ongoing maintenance costs are as follows:

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| Estimated Future Running Costs                        | Per annum |
|---|-----------|
| Repairs & Maintenance                                 | \$5,000   |
| Cleaning (3 x \$60/clean/week).                       | \$9,360   |
| Toilet Requisites (costs shared with local Council's) | \$1,000   |
| Electricity   | \$0       |
| Parks & Forest Staff Costs                            | \$4,000   |
| Property Consultancy Costs                            | \$1,500   |
| Loan Cost for the Capital Upgrade                     | \$12,000  |
| TOTAL   | \$32,860  |

# 8.2 Keep providing the existing services but minimise the cost to GWRC

The Council could consider staying with the current operation (and its expected capital upgrade) but try to minimise its capital upgrade and operating costs by either:

- (a) Making the toilets part of the tearooms lease by handing the ownership of them over to the leaseholder. With this approach, the Council's only involvement with the site in future would be as the landlord of the site. The responsibility for providing any toileting facilities at the Summit, and the standard of those facilities, would then lie with the tearooms operator
- (b) Renegotiating the contribution from the local Territorial Authorities to include more that just the cost of consumables. The Council could ask the Territorial Authorities to contribute towards any capital upgrades that are required, and to pay a larger/equal share of the toilet's maintenance and consumables.

## 8.3 Look to close down all existing facilities

With the licence for the tearooms due to expire in December 2007, the Council could consider this a prime opportunity to review the long term future use of the entire site. Council could then explore more manageable and financially viable uses for the site that would encourage the public to better enjoy the summit (e.g. a viewing platform, picnic tables and perhaps some modest interpretation).

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## 9. Discussion of options

Due to its physical remoteness and lack of essential utilities the site has, and will continue to be, very expensive and problematic to manage.

The point has been reached whereby the existing toilet block is outdated and will require significant upgrading or replacement to maintain the level of amenity Council would typically wish to provide. The current septic system, which is reliant on a sizeable amount of continuous power supply, is inappropriate for the site and will require replacement.

The demand for the toilets as a facility appears to have diminished over time. While there is no empirical data to establish the number of users to the site or the toilets, no complaints have been received by the Council when the facilities are closed. Initial discussions with the Wairarapa and Upper Hutt Councils indicate that they would not oppose any closure as long as there are adequate toilet facilities on either side of the Rimutaka Hill.

If Council were to resolve to close the toilets, the tearooms would need to provide toilet and septic facilities of their own. The financial performance of the tearooms in the past has been marginal and it is unlikely the business could sustain the required investment.

Alternatively, the Council could elect to hand the ownership of the toilets over to the tearooms at no cost. However, past experience would indicate that the service provided to the public at this site has often been unsatisfactory and the Council would still need to maintain a presence to make sure that adequate service standards are met.

Taking into account the above factors it is the Officers' recommendation that the Rimutaka toilets should be permanently closed and the improvements removed from site. This would free up funds and resources that would be better employed servicing Council's core activities.

The tearooms licence will expire in December 2007 at which point the licensee can be required to remove their improvements from the site. It is also the Officers' recommendation that no further licence term be offered beyond December 2007 to allow Council the freedom to explore the provision of more publicly beneficial uses of the site on a more cost effective and manageable basis.

Due to the reciprocal arrangements with the tearooms, closure of the toilets prior to the tearooms licence expiry is not recommended. In the interim GW should adopt a holding position by maintaining current arrangements.

However, we would make these recommendations subject to further consultation with interested parties

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## 10. Communications

No communications are necessary at this point.

## 11. Recommendations

That the Committee:

- 1. **Receive** the report
- 2. **Note** the contents
- 3. **Agree in principle** to not renewing the lease for the Rimutaka Summit Tearooms and closing the Rimutaka Summit toilets in December 2007, *subject to* consultation with the affected Councils and other interested parties.

Report prepared by: Report approved by:

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**Murray Waititi**Manager, Parks and Forests

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