Reflections: WHAT HAS BEEN DELIVERED

Connecting VISION TO ACTION: [Council’s commitment to you]

LOCAL ELECTIONS ARE HERE

A PRUDENT DISTRICT DIRECTION

THE WELLBEINGS & what Council is doing about them

AUGUST 2019
This report is intended to stimulate debate and assist you in asking questions about the future of our district.

**CONTENT HIGHLIGHTS**

**Whakataka Te Hau Ki Te Uru**
**Whakataka Te Hau Ki Te Tonga**
**Kia Mākinakina Ki Uta**
**Kia Mātaratara Ki Tai**
**Kia Hi Ake Ana Te Atākura**
**He Tio**
**He Huka**
**He Hau Hū**
**Tihe Mauri Ora!**

Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with a sharpened air.
A touch of frost
A promise of a glorious day
It is life!

**WHAT’S IN THIS REPORT**

The Pre-election report focuses on how the Council is performing, including the current financial position and key spending issues for the coming years.

It provides historic information for the past three years, an overview of the current election year and the Council’s planned financial position for the next three years. It also outlines Council’s broader financial goals, which are included in its 2018-28 Long-term Plan.

**Basis of Preparation**

A Pre-election report is a requirement under the Local Government Act 2002 Section 99a.

This Pre-election Report is supported by information previously published in Council’s Long-term Plan, Annual Plans and Annual Reports and reflects the policies, strategies and decisions of the council at that time.

As required by law, the report is prepared by the Chief Executive independently of the Mayor and Councillors.

**Audit of information**

The Pre-election report is not required to be independently audited. However much of the information in it is drawn directly from reports that have been audited by independent auditors.

Auditing of the information looking back on the most recent financial year (2018/19) is underway but not yet completed at the time of publication.
On 12 October Rotorua residents will vote for a Mayor, Councillors and Community Board members.

This is your democratic opportunity to participate in local government and help shape our district’s future.

As Chief Executive of Rotorua Lakes Council it is my responsibility to provide this report to you.

The purpose of the Pre-election Report under the Local Government Act is to enable informed debate around the opportunities and challenges this council is facing.

This information may also encourage some of you to stand for a leadership role in our district.

Vision 2030 remains our blueprint to position Rotorua as a place people choose to live, work, play and invest and drives everything council does.

Following the 2016 elections a vision refresh reflected on the need to respond to growth while retaining and enhancing Rotorua’s key strengths and opportunities. Change and progress in Rotorua is not happening by chance and further transformational change is needed to drive successful outcomes for the benefit of all Rotorua residents.

To achieve this, major community investment is going into the Museum, the Lakefront, Whakarewarewa Forest and the Sir Howard Morrison Performing Arts Centre.

These four key projects alone amount to a $127.6 million investment $73.5 million (58%) of which is funded by Central Government, funding agencies, trusts and entrepreneurs.

This level of outside investment demonstrates Rotorua is seen as a district on the move and a place for significant investment.

As well as strong plans for projects that promote growth and improve levels of service, the council is also committed to ensuring current assets are well maintained, safe and fit for purpose, now and well into the future. In Council’s 2018-28 Long-term Plan 50% of the $486 million total capital budget is dedicated to replacement of existing infrastructure and amenities, for example upgrades to the city wastewater treatment plant, jetties and boat ramps, stormwater, parks and shared paths.

We must also be financially prudent and ensure the council is positioned to respond to unforeseen circumstances like natural disasters.

At the peak of planned borrowing the council will still have approximately $100 million available to respond in an emergency.

Council has maintained an AA- credit rating from Fitch International three years running.

This rating represents a strong institutional framework, resilient financial performance, and a commitment to sound capital expenditure management, set within clear policy guidelines that are based on rigorous planning and consultation.

Challenges remain and some have come about as a result of the district’s growth and economic success.

During the next three years our strategy will need to focus on a response to challenges such as housing availability, the next stage for inner city revitalisation and safety, climate change mitigation and adaptation, and the reintroduction into local government of the four wellbeings (social, cultural, environmental and economic).

• Should Council invest in public infrastructure to ensure Rotorua continues to attract people and business?
• Is Council’s planned level of investment prudent and sustainable?
• Are our rating levels higher than elsewhere?
• Is debt sustainable?
• Why is growth important?

Your vote will determine the future direction and leaders of the district.

- Geoff Williams
The creation of Te Aka Mauri represents a national, if not global first, in that it successfully co-locates Rotorua’s library service with the local District Health Board’s children’s health hub.

The project was initiated through the DHB’s desire to use central government funds to create a centrally accessible non-hospital environment for whanau and children, in the hope that this might reduce some of the worst “non-attendance” rates being reported for children in the country.

At the same time, Rotorua Lakes Council needed to upgrade the city library building, with particular attention to be paid to watertight issues and earthquake strengthening.

The DHB and Council agreed to co-locate both services under one roof.

The DHB agreed to become an anchor tenant of the refurbished city library building, and on this basis, Council approved the required capital expenditure as part of its 2015-25 long term planning process.

The name Te Aka Mauri was gifted to Rotorua’s unique library and child health hub to reflect the collective vision of the project and the nature of the services within. Te Aka Mauri has exceeded expectations with high attendance rates for child health services and at library events.

This project is a touch of brilliance and we can only hope that other areas of the country will follow your lead.

Chloe Wright - Wright Family Foundation

PROJECT - $12.3 MILLION CONSTRUCTION

Funding/Partners:
Council - $8.5 million
LDHB - $3.8 million

An additional $1.2 million has been received from sponsors who contributed towards the outcomes being sought by the DHB and Council.

Sponsors:
- $277,000 - Wright Family Foundation
- $125,000 - Tompkins Wake
- $40,000 - Pukeroa Oruawhata
- $40,000 - Ngati Whakaue Education Endowment Trust Board
- $100,000 - Unison
- $17,800 - The Southern Trust
- $68,700 - Friends of the Rotorua District Library
- $263,100 - NZ Community Trust
- $5,000 - Bupa
- $40,000 - Francis Moss Boord Trust
- $50,000 - Rotorua Energy Charitable Trust
- $35,000 - Abodo/Donelley Sawmillers Ltd
- $130,000 – BayTrust
- $5,000 – Holland Beckett
- $5,000 - Rotomā No 1 Incorporation
INNER CITY REVITALISATION HAS BEEN A PRIORITY OF COUNCIL SINCE 2013 AND THE FOCUS TO DATE HAS BEEN ON IMPROVING SAFETY, ROADING AND FOOTPATHS, ACTIVITY AND THE LOOK OF THE CBD.

TE MANAWA

Creating a vibrant city centre which attracts people and activities is a goal of the district’s Vision 2030, and has included creating a new space in the very heart of the inner city, Te Manawa. Development of this space was finished in October 2017, creating a new shared space including slow-moving vehicles and opportunities for residents and businesses. The area has been created with Rotorua’s strong culture in mind and was gifted the name Te Manawa, reflecting the “beating hearts” of Te Arawa and the area’s position at the heart of the inner city.

Carvings depicting Hinemoa and Tutanekai were restored by their original carver and now adorn the two remaining pillars.

The project has benefited the inner city by providing:
1. More public open space
2. Clearer, prioritised pedestrian routes
3. Shared space zones east and west
4. Flexible spaces for relaxing and events
5. Mix of paved, lawn and garden surfaces
6. Improved spaces for cafes to open out on to
7. Safe pedestrian and through-vehicle routes
8. No loss of parking spaces

FARMERS MARKET STARTS

In October 2016, The Rotorua Farmers Market launched during the city’s tulip festival. This market is different to other offerings in the district with a focus on locally grown produce and pantry items, demonstrating the concept of manaakitanga (hospitality and sharing) and with a distinctly Rotorua flavour.

Locally grown produce and pantry items such as pickles, jams and artisan breads feature at the market and one-off stalls are available for the likes of community groups and individuals to sell produce.

Inner city revitalisation has been a priority of Council since 2013 and the focus to date has been on improving safety, roading and footpaths, activity and the look of the CBD. The district’s Spatial Plan has identified the need for more work to be done to encourage building improvements, development of more inner city living and encourage tourism accommodation to move into the CBD. Read about some of the next steps for inner city revitalisation on page 25.
**TE ARAWA PARTNERSHIP WITH TE TATAU O TE ARAWA**

**New Zealand’s first bilingual (Reorua) city**
Te Tatau o Te Arawa led the initiative with support from Council and Te Puni Kōkiri. A strong culture is a key element of what makes our district special; our commitment to becoming a bilingual city acknowledges the history and whakapapa of our district, and reinforces our reputation as a heartland of Māori culture.

**Māori language speed sign unveiled in Rotorua**
Rotorua’s first te reo speed sign was erected at the southern gateway into Rotorua and was unveiled in September 2018. The project was supported by roading authority NZTA and also heralded the start of Te Wiki o Te Reo Māori (Māori Language Week).

**Taikākā, the first Rotorua bilingual playground**
An initiative of Rotorua Reorua (Bilingual Rotorua), this was led by Te Tatau o Te Arawa with support from Te Puni Kōkiri, Council and the Ngāti Whakaue Education Endowment Trust Board. The playground located in the Government Gardens, was opened 29 June 2018 with a dawn karakia. The playground feature interpretive panels so that children can learn about aspects of Māori culture and language while playing.

**AWARDS:**
- Winner – Martin Jenkins Judges’ Choice Award for Outstanding Value and Service Delivery
- Highly Commended - Community Engagement category, LGNZ held at the annual LGNZ Conference - 2016
- Winner Māori Language Awards for Council’s Te Amorangi ki Mua, Te Hāpai ō Ki Muri Unit

**HAMURANA RESERVE DEVELOPMENT**
Retaining the natural character of the reserve has been important to both residents and users when considering design elements and undertaking the upgrade.

A formed pathway running the length of the reserve was created out of compacted limechip, a permanent all weather surface.

Along the path wooden park furniture is nestled amongst the natural character of the reserve. Old houses have been removed along with trees and vegetation that were either pests or impacting on the reserve. Signage focuses on points of interest, cultural significance and the history of the area and in particular on the historic Hauraki stream and was completed in collaboration with Ngāti Rangiwewehi.
The goal of the programme (11 projects to date) is to promote cycling as a safe, attractive and convenient form of transport throughout the city.

Council, with matched funding from the New Zealand Transport Authority is working towards a network which will connect suburbs and main arterial routes to the city and major tourist attractions such as the Whakarewarewa Forest / Redwoods. More people riding bikes will reduce gas emissions and lessen the impact on our roading infrastructure. The economic benefits are not limited to cyclists, having outstanding cycling networks promotes Rotorua’s tourism offering and promotes the city as an attractive lifestyle option for people considering moving here.
WESBROOK NETBALL COURTS

Making sure Rotorua has access to facilities that match the sports and recreation talent and the enthusiasm of our local netball community were drivers behind the upgrade to these courts. This was a joint venture between Rotorua Netball and Council and many funders have contributed to the completion of the upgrade. Work included extensive engineering work to increase the footprint of the complex and improve drainage, the 16 courts had a new rubberised surface laid and floodlights were installed over the premier courts. Umpire run lines were also added to keep umpires safe during games.

Project sponsors
- NZ Community Trust
- Rotorua Trust (RECT)
- Lotteries NZ
- NZ Racing Fund
- Lion Foundation
- First Sovereign
- One Foundation
- Rotorua Netball
- Sport Bay of Plenty

KUIRAU PARK

Reflecting our easy lifestyle and active environment, Kuirau Park has an abundance of geothermal activity, sporting facilities and other exciting features. Numerous walkways wind their way through the geothermal setting, offering views of mud pools, boiling lakes and geothermal activity.

The park has been progressively opened up during recent years to enhance the area and increase safety. Shrubs have been removed and lighting has been improved. The footpools have been upgraded and artistic landscapes and sculptures added. New walkways and cycle pathways weave their way through the park connecting the Ranolf Street cycleway to Lake Road.

The next stage of development commenced with the removal of Kuirau House to allow for construction of a purpose-built market space.

SANATORIUM RESERVE

Sanatorium Reserve is a 77 hectare inner city site located on the shores of Lake Rotorua. The fourth largest area of geothermal habitat in New Zealand, it is classified as a ‘critically endangered’ ecosystem. It is a breeding area for at least five threatened bird species, and home to ‘at risk’ geothermal kānuka.

Work has begun on restoring the reserve to its former glory and to re-establish the ecology within. Removal of weed species (bamboo) and other plant and vegetation pests have been the first priority.

A network of low-impact cycling and walking paths has started and will include viewing platforms and cultural/environmental interpretation. Support for the enhancements has been obtained from key stakeholders including Pukenoa Orewa Trust (the mandated body of Ngati Whakaue), Bay of Plenty Regional Council, Department of Conservation and Forest & Bird.

In March, long-tailed bats were found at two sites within the Sanatorium Reserve, making it the third confirmed urban or semi urban bat location in New Zealand.
KEY DATES FOR THE 2019 LOCAL ELECTIONS:

Friday 19 July
Friday 16 August
Friday 20 September - Wednesday 25 September
Friday 20 September - Saturday 12 October
Saturday 12 October
Thursday 17 October - Wednesday 23 October

Nominations opened
Nominations closed
Voting papers delivered
Special voting period
Voting closes (noon)
Official declaration
<table>
<thead>
<tr>
<th>Month</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>Sep 2018</td>
<td>Māori language speed sign unveiled</td>
</tr>
<tr>
<td>Nov 2018</td>
<td>MBIE funding $453,250 allocated to infrastructure improvements at Lake Okareka</td>
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<td>Oct 2018</td>
<td>Opening of a Performance and Training Centre at Rotorua International Stadium</td>
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<td>Nov 2018</td>
<td>Provincial Growth Fund announcement - $97.4 million lakefront and Whakarewarewa Forest</td>
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<td>Nov 2018</td>
<td>Architect appointed for restoration and development of Rotorua Museum</td>
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<tr>
<td>Nov 2018</td>
<td>Hannahs Bay Management Plan Review - consultation</td>
</tr>
<tr>
<td>Oct 2018</td>
<td>District Plan Change 6 - Holiday rentals becomes operative</td>
</tr>
<tr>
<td>Nov 2018</td>
<td>Draft Climate action Plan</td>
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<tr>
<td>Dec 2018</td>
<td>Westbrook sports field development netball completed</td>
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<tr>
<td>Dec 2018</td>
<td>Rotorua Trust grant $10 million towards Rotorua Museum project</td>
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<td>Apr 2019</td>
<td>Landfill capped and sealed reducing carbon emissions and the production of leachate</td>
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<td>Apr 2019</td>
<td>Tarawera Road slip from the April 16 emergency restored</td>
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<td>May 2019</td>
<td>Adoption of traffic bylaw</td>
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<tr>
<td>Jun 2019</td>
<td>Parliament Valley Road slip restored</td>
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<tr>
<td>Mar 2019</td>
<td>Te Ngae/Owhata Road slip lane upgrade</td>
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<tr>
<td>Apr 2019</td>
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<tr>
<td>Jul 2019</td>
<td>Draft Climate action Plan</td>
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CONNECTING VISION TO ACTION

COUNCIL'S KEY PLACE-MAKING PROJECTS

COUNCIL'S COMMITMENTS:

Te whakaora i ō tātau taonga
Reviving our facilities

OUR COMMITMENT: Ensure our facilities are modern, safe, fit-for-purpose and meet our needs and our lifestyle.

Te Toitūtanga o te Taiao
Environmental sustainability

OUR COMMITMENT: Enhance the environment that defines Rotorua; a unique volcanic landscape characterised by lakes, rivers, mountains and geothermal features.

Te Whakawhanake i to tātau Rohe
Growing our district

OUR COMMITMENT: Increase the resilience and vibrancy of our communities and villages by ensuring our land, housing and infrastructure is in the best condition it can be to meet the present and future needs of growth.

Tuia te kawe, tairanga te kawe, ko te kawe o te haere
Keeping the foot on the pedal of progress

OUR COMMITMENT: Plan for future progress by developing bold visions that continue to enhance our special district and position us for future investment based on our strengths: environment, lifestyle, culture, opportunities.

Key projects identified in the Long-term Plan 2018-28 enhance Rotorua’s strengths and offer opportunities to bring about further change, encourage future investment and raise the quality of life within our district.
Welcoming to the young, the experimental and the innovative, that will retain the gem of a renovated Civic Theatre.

ROTORUA MUSEUM
Rotorua’s history needs to continue to be told through the stories portrayed in the exhibitions and our culture needs to be preserved and relived through the experience offered at Te Whare Taonga o Te Arawa – Rotorua Museum. This is reflected in Council’s commitment to restore, maintain and re-open our beloved historic museum. It is considered vital to the vibrancy of Rotorua, both culturally and from a visitor attraction perspective.

Project - $54.0 million
Funding/Partners:
- Council - $15.0 million
- Rotorua Trust - $10 million
- Lottery Significant Projects Fund - $6.0 million

Council awaits the outcome of a funding application to Central Government required to fully fund this project.

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<th>This year</th>
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<td>$8.8m</td>
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*Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented

AQUATIC CENTRE
Rotorua is surrounded by lakes and rivers as part of our active environment. It is imperative that our children have access to safe, fun aquatic facilities for both access to water safety programmes and for leisure.

The centre
- Has the only outdoor heated (geothermal) 50m pool in the country
- Is popular for training camps and competitions
- Attracts 350,000 visitors a year
- Teaches more than 11,000 children annually in learn-to-swim programmes

Council will develop a masterplan that will focus on bringing the service up to the level our community expects, including:
- Fixing and deepening the outdoor 50m heated outdoor pool (now 43 year old)
- Replacing roofing, installing a new hi-vac system and upgrading the main pool hall
- Constructing a dedicated learn-to-swim pool
- Enhancements to the main entrance and changing facilities.

More investment and additional features like a bomb pool, water slides and outdoor play areas will be reliant on establishing partnerships with external investors.

Investment $7.5 million

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SIR HOWARD MORRISON PERFORMING ARTS CENTRE
Closure of the Sir Howard Morrison Performing Arts Centre for earthquake strengthening has provided the opportunity to review the future value proposition of the arts and culture offerings in Rotorua.

There are two key objectives for this project:
- Establishing the facility as a fit-for-purpose performing arts centre while protecting what is a Category One heritage building; and
- Addressing long-term issues of earthquake strengthening, repairs (including from previous additions to the building) and deferred maintenance.

Project - $22.1 million

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<td>$0.1m</td>
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Funding/Partners:
- Council- $11.5 million
- Sir Owen Glenn- $3.0 million
- Lottery’s Significant Projects- $4.0 million
- Rotorua Trust- $1.5 million
- One Foundation- $125,000
- NZCT- $750,000
- Lottery- Heritage and Environment Fund- $450,000
- Lottery- Community Facilities Fund – 750,000

*Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented
Council has worked with key stakeholders including iwi to explore and identify a better, more sustainable wastewater treatment and management alternative.

The upgraded plant will also increase capacity to cater to future demand.

**Investment $35.0 million**

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<td>This year</td>
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<td>$16.6m</td>
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*Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented

**COMPLETION OF: EAST ROTOITI/ROTOMĀ SEWERAGE SCHEME**

This is the final stage of a multi year project. When completed approximately 700 properties will be connected to a new, stand-alone wastewater treatment plant, which will treat wastewater to a very high standard before it is discharged to land. This will replace current septic tanks.

This part of the project will commence the laying of pipes to connect residents in Rotoiti and investigate the type of and support for pre-treatment methods required at each property.

Properties at East Rotoiti are expected to be gradually connected to the scheme from July 2020.

**Project - $35.3 million**

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<th>Year</th>
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<tr>
<td>This year</td>
<td>$8.9m</td>
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**Funding/Partners**

- Council: $1.15 million
- Ministry of Health: $4.46 million
- Bay of Plenty Regional Council: $8.6 million
- Ministry for the Environment: $11.6 million
- Residents and owners: $9.49 million

A proposed Tarawera sewerage scheme estimated to cost approximately $15-19.0 million is scheduled for year 5 and 6 of Council’s 2018-28 Long-term Plan. Work on this scheme will be funded and the type of scheme to be supported is currently underway.

**LAKEFRONT REDEVELOPMENT**

Rotorua’s lakefront is a special place with a rich history and is enjoyed by many locals and visitors. Enhancing this popular recreation space will create a landscape representative of our unique cultural identity, will support a vibrant CBD and provide the basis for further investment and economic benefit. The enhancements will pay tribute to our history and honour the intrinsic beauty of our place – Rotorua-nui-a-Kahumatamomoe.

**Project - $40 million**

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<td>This year</td>
<td>$14.0m</td>
<td>$15.3m</td>
<td>$9.4m</td>
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**Funding/Partners**

- Council: $20.1 million
- Central Government Provincial Growth Fund: $19.9 million

*Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented*
**WHAKAREWAREWA FOREST**

Mountain biking and trail walking/running in the Tokorangi and Whakarewarewa forests are part of Rotorua’s DNA which attracts many visitors and events.

The project identifies key recreational, cultural and commercial opportunities specifically in the Tokorangi forestry block with services supporting the users and visitors, the establishment of integrated trails, development of an outdoor event area, and the placement of interpretation information, lookouts, playgrounds and picnic areas.

The vision for the area has been developed through collaboration between Ngāti Whakaue, Tūhourangi Ngāti Wāhiao, CNI Iwi Holdings Ltd (the vested land holders of Whakarewarewa) and Council.

**Project - $14.5 million**

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**Funding/Partners:**

- Council - $7.5 million
- Provincial Growth Fund - $7.0 million

*Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented*

**KUIRAU PARK + SKATE PARK**

Ongoing development of our iconic family-friendly inner city geothermal park will further enhance and strengthen connectivity to our environment, culture and lifestyle.

Features in the overall plan include a new children’s water play area, new parking, creation of a fit-for-purpose market space and new toilets and changing facilities.

Within the park it is also proposed to develop a skate park to replace the current facility at Sheaf Park. Council has committed $750,000 for this project and is working to secure the additional funding required to progress the skate park.

**Project - $6.25 million (includes $750,000 towards skatepark)**

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**DEVELOPMENT CONTRIBUTIONS POLICY**

Well-managed population and economic growth can be an opportunity for the district. Growth can improve prosperity and wellbeing for the whole community. It can increase demand for goods and services, supporting existing business and encouraging new local businesses, it can bring new skills, ideas and wealth which in turn creates a vibrant economy and contributes to thriving communities. During the last five years (2013-2018) the district has experienced an average 1.2% growth. Planning for infrastructure that supports this growth means including funding for roading, water supplies, wastewater and stormwater.

The overarching question is who should pay for this additional growth?

Council proposes to have a discussion around the re-introduction of a development contribution policy. This could see the costs of meeting the demands arising from development repaid by those who benefit from it.
A PRUDENT DISTRICT DIRECTION

Working towards and delivering on the goals and aspirations of Vision 2030 is only achievable when Council acts in the most appropriate way; as the stewards for the community now and in the future. Having a robust and tested financial strategy provides the certainty that planned levels of investment are prudent and sustainable.

The objectives of Council’s 2018-28 financial strategy are based on:

- Maintaining existing infrastructure so it is fit-for-purpose now and into the future
- Providing infrastructure to accommodate a growing district
- Investing in the future of the district
- Keeping rates affordable and managing debt

Council continues to deliver those objectives by keeping a focus on three key components that support a prudent financial position - funding (revenue), capital spend and borrowing. Balancing these will help to ensure the future sustainability of services and finances.

For Council, financial prudence means:

- Cost of borrowing is affordable
- Cost of borrowing is fairly spread across current and future ratepayers preserving sufficient debt headroom in case of a natural disaster
- Impact of growth is considered and funded
- Actual borrowing is at a level that ensures Council can obtain the best interest rates on existing borrowing
- Planned borrowing programme is adhered to over the life of the Long-term Plan

ASSURANCE & REVIEW: CREDIT RATING

Council has been successful in maintaining an internationally recognised credit rating for the last three years. A credit rating estimates the ability of an organisation to fulfill its financial commitments, based on previous dealings.

Since 2016 Council has held a AA-rating, on a par with the performance of the four big New Zealand trading banks. This rating is provided by international agency Fitch International.

Totally independent, the rating is provided following a very critical review of Council’s performance and the forward work plan within the Long-term Plan.

Fitch considers Council to have a strong institutional framework, resilient financial performance and achievable financial forecasts.

Council has maintained the rating despite major challenges, like the closure of some of our major facilities which has affected revenue, and damage from adverse weather inflicting additional costs.
BORROWING & DEBT:
IS DEBT SUSTAINABLE?

Development of the district, including investment into place-making projects requires investment. We need to continue with a strategy of financial partnering and to borrow to achieve this; our community can’t fund this alone.

Unlike residential and business borrowing, which is secured against assets, Council’s borrowings are secured against its revenue, (mainly the rates that can be collected).

Based on this we can borrow up to 2.5 times the revenue we receive.

Council has determined a prudent level of borrowing needs to be one that can be serviced without putting pressure on finances. Council has determined a prudent level based on a multiplier of 2.25 times its revenue.

Are Rotorua’s rates higher than elsewhere?

Recently Council refocused the foundations of its rating framework to define best practice rating principles. Each time revaluations, new services, new projects are considered the principles are tested to make sure rating is in accordance with the principles.

Affordability:
Affordability and challenges relating to fixed income and socio-economic status of communities will be recognised in the balancing of where rates are allocated.

Balancing fixed and variable rates:
The rating system should conform to accepted taxation principles and seek to appropriately balance the levels of fixed (targeted rates and the UAGC – regressive taxes) and variable rates (progressive taxes based on the increasing value of a property).

Fairness and equity:
The rating system should as far as possible be fair and equitable to all ratepayers. This means treating equals equally (Horizontal equity) but also treating those in different circumstances (e.g. property value) differently.

Transparency:
The system should be readily understandable by ratepayers. Sustainability principles need to be considered where there is an opportunity to consider behavioural changes through charges.

Stability:
The system should be capable of remaining stable and seek to avoid, wherever possible, major shifts or variations in rates by sector or individual property e.g. recognising the challenge of valuations.

Enforceable:
The system should be administratively simple to operate and able to be complied with.

Revenue from rates is Council’s major source of funding. To reduce the council’s reliance on rates funding, appropriate increases in direct user fees will need to be introduced alongside strategies to look for additional revenue outside the traditional funding mechanisms. While this objective is in place it is hard to shift this balance when revenue-generating facilities like the Museum and Sir Howard Morrison Performing Arts Centre are closed.
### Average Residential Rates: How Rotorua Compares

#### Top 5

1. Western Bay of Plenty District Council: $3192
2. Auckland Council: $3136
3. Gisborne District Council: $3096
4. Tasman District Council: $3053
5. Manawatu District Council: $2970

#### Bay of Plenty Rankings

1. Western Bay of Plenty District Council: $3192
3. Gisborne District Council: $3096
10. Whakatane District Council: $2600
13. Tauranga City Council: $2553
35. Rotorua Lakes Council: $2251
57. Kawerau District Council: $1943

*Source: Taxpayers Union – 2018 ratepayers’ report*

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**There are 67 territorial local authorities across New Zealand. As of September 2018 our average rates have been ranked 35 in the annual Taxpayers Union report. This report is published after reviewing data published in all territorial’s Annual Reports.**

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### Rotorua and Comparative Councils’ Revenue Composition

<table>
<thead>
<tr>
<th>Council</th>
<th>Rates</th>
<th>Fees and Charges</th>
<th>Interest Income</th>
<th>Other Revenue</th>
<th>Development Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Bay of Plenty</td>
<td>0%</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
<td>90%</td>
</tr>
<tr>
<td>Auckland</td>
<td>0%</td>
<td>20%</td>
<td>0%</td>
<td>0%</td>
<td>80%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>0%</td>
<td>40%</td>
<td>20%</td>
<td>0%</td>
<td>40%</td>
</tr>
<tr>
<td>Hastings</td>
<td>10%</td>
<td>70%</td>
<td>15%</td>
<td>0%</td>
<td>15%</td>
</tr>
<tr>
<td>Queenstown Lakes</td>
<td>0%</td>
<td>30%</td>
<td>35%</td>
<td>0%</td>
<td>35%</td>
</tr>
<tr>
<td>Hutt</td>
<td>0%</td>
<td>50%</td>
<td>25%</td>
<td>0%</td>
<td>25%</td>
</tr>
<tr>
<td>Napier</td>
<td>10%</td>
<td>60%</td>
<td>30%</td>
<td>0%</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Source: Stats NZ (2018a, 2018c)*

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**GARDENER’S COTTAGE**

**GOVERNMENT GARDENS**

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**SULPHUR POINT**

**LAKE ROTORUA**

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**OUR PLACE. YOUR VOTE. YOUR HOME. YOUR CULTURE. YOUR VOTE. YOUR FUTURE. YOUR PEOPLE.**
GROWTH – WHY IS IT IMPORTANT?

Vibrant, inclusive communities are the building blocks of our fast-paced, increasingly urban world. To thrive, communities want to be connected, resilient, healthy and inspiring.

More people means new customers and can be an opportunity for the district. It means a greater ability to invest in future development, for example more roads, public transportation, the arts, public amenities and recreation/parks.

It can increase demand for goods and services, supporting our existing business and encouraging new local businesses. It can bring new skills, ideas and wealth which in turn creates a vibrant economy and contributes to thriving communities.

There is a belief by some that Council should stop investment and cut spending.

This could be done. Levels of service would have to be drastically reduced and no future investment into infrastructure and amenities. That could be a strategy.

Over time however, two things would start to happen:

1. Not renewing assets would create a backlog and cost more in the longer term. This was the case 10 or more years ago with ongoing under investment in major facilities like the Museum, Aquatic Centre and SHMPAC leading to these now requiring substantial investment to return them to the service levels expected.

2. Secondly, places and spaces that make Rotorua unique and special would become less so without investment and, as other parts of the country continue to invest, competition would draw people away from our district. Fewer people drives the burden of running a district towards increased debt per ratepayer.

We are aiming for balance – sustainable growth, not growth that we can’t accommodate.

During the last five years (2013-18) the district has experienced an average 1.2% growth. This is above previously projected growth of 0.7%.

These numbers are encouraging and allow Rotorua as a district to keep things in balance, develop in a sustainable manner and invest in order to accommodate future growth in key infrastructure and assets.

Rotorua has much to offer- an easy lifestyle, active environment, diverse opportunities and strong culture. Encouraging people to our district will support continued investment that grows connected, resilient, healthy and inspiring communities and that is what we are setting out to achieve.

Following this strategy over time, growth combined with investment, will work towards a reduction in the debt per ratepayer ratio.

LOCAL GOVERNMENT ACT BENCHMARKS AND INDICATORS

The Local Government (Financial Reporting and Prudence) Regulations 2014 were developed to disclose the council’s planned financial performance in relation to various benchmarks, to enable an assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. These are required to be published each year in the Annual Report and are subject to review by independent auditors, Audit New Zealand. The disclosures used in this report are based on the latest forecast year end result. These will be finalised in October when the audit review is completed.
DISCLOSURE STATEMENT
Forecast Annual report disclosure statement year ending 30 June 2019

Rates affordability benchmark
The council meets the rates affordability benchmark if:
• its actual rates revenue equals or is less than each quantified limit on rates; and
• its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability
The following graph compares the council’s actual rates revenue with a quantified limit on rates contained in the financial strategy, included in the Long-term Plan. The quantified limit is that council will limit total rates as a proportion of total revenue to less than 80% (previously 70%).

Debt affordability benchmark
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the long-term plan. The quantified limit is that total debt will be lower than 175% of total income (previously 180%).

Rates (increases) affordability
The following graph compares the council’s actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Long-term Plan. The quantified limit is a one-off 7% increase in the first year, and from year two onwards at the prevailing rate of inflation applied to our cost base (previously capped at 3.5%).

Balanced budget benchmark
The following graph displays the council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The council meets this benchmark if its revenue equals or is greater than its operating expenses.
**Essential services benchmark**

The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

**Debt control benchmark**

The following graph displays the council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

**Debt servicing benchmark**

The following graph displays the council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the district’s population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

**Operations control benchmark**

This graph displays the council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.
STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position is also known as the ‘balance sheet’. It covers what the council owns (assets) and what it owes (liabilities) at the end of the financial year. The total sum of assets and liabilities is referred to as ‘net assets’. This is the net worth of the council, providing a ‘snapshot’ of its financial condition at that particular point in time.

### Annual Report vs. Forecast vs. Annual Plan vs. Long Term Plan

<table>
<thead>
<tr>
<th></th>
<th>Actual 16/17</th>
<th>Actual 17/18</th>
<th>Forecast 2018/19</th>
<th>Approved 2019/20</th>
<th>Prospective 2020/21</th>
<th>Prospective 2021/22</th>
<th>Prospective 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>1808</td>
<td>440</td>
<td>4,902</td>
<td>114</td>
<td>1,502</td>
<td>1,682</td>
<td>1,874</td>
</tr>
<tr>
<td>Debtors &amp; Other Receivables</td>
<td>16,936</td>
<td>14,103</td>
<td>29,839</td>
<td>30,496</td>
<td>18,043</td>
<td>18,440</td>
<td>18,864</td>
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<tr>
<td>Inventories</td>
<td>143</td>
<td>97</td>
<td>-</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Derivative Financial Instruments</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>3,779</td>
<td>340</td>
<td>2,437</td>
<td>437</td>
<td>1,400</td>
<td>800</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>22,666</td>
<td>14,980</td>
<td>37,178</td>
<td>31,047</td>
<td>20,945</td>
<td>20,922</td>
<td>21,738</td>
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<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans &amp; Receivables</td>
<td>14,333</td>
<td>15,151</td>
<td>14,400</td>
<td>14,400</td>
<td>12,400</td>
<td>10,400</td>
<td>8,400</td>
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<tr>
<td>Property Plant &amp; Equipment</td>
<td>1,148,112</td>
<td>1,183,324</td>
<td>1,228,018</td>
<td>1,307,452</td>
<td>1,324,525</td>
<td>1,374,846</td>
<td>1,449,142</td>
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<tr>
<td>Investment Property</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>2,240</td>
<td>3,692</td>
<td>5,732</td>
<td>7,115</td>
<td>4,531</td>
<td>3,400</td>
<td>2,329</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>34,950</td>
<td>52,961</td>
<td>52,961</td>
<td>52,961</td>
<td>34,950</td>
<td>34,950</td>
<td>34,950</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>1,199,635</td>
<td>1,255,128</td>
<td>1,301,111</td>
<td>1,381,928</td>
<td>1,376,407</td>
<td>1,423,596</td>
<td>1,494,820</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>1,222,301</td>
<td>1,270,108</td>
<td>1,338,289</td>
<td>1,412,974</td>
<td>1,397,352</td>
<td>1,444,517</td>
<td>1,516,558</td>
</tr>
</tbody>
</table>

### Liabilities

|                      |              |              |                  |                  |                     |                     |                     |
| **Current Liabilities** |              |              |                  |                  |                     |                     |                     |
| Creditors & Other Payables | 24,609     | 21,572       | 22,003           | 22,488           | 26,218              | 26,795              | 27,411              |
| Provisions           | 200          | 95           | 95               | 99               | 209                 | 214                 | 218                 |
| Borrowings           | 32,050       | 48,960       | 26,900           | 15,000           | 20,000              | 20,000              | 5,000               |
| Derivative Financial Instruments | -      | -            | 0                | 0                | 0                   | 0                   | 0                   |
| Taxation Payable     | -            | -            | 0                | 0                | 0                   | 0                   | 0                   |
| Other Financial Liabilities | 89         | 89           | 89               | 89               | 246                 | 246                 | 246                 |
| **Total Current Liabilities** | 60,032     | 73,737       | 52,108           | 40,767           | 49,987              | 50,641              | 36,340              |

|                      |              |              |                  |                  |                     |                     |                     |
| **Non-Current Liabilities** |              |              |                  |                  |                     |                     |                     |
| Borrowings           | 136,700      | 140,700      | 179,600          | 225,174          | 224,404             | 242,603             | 275,789             |
| Provisions           | 2,235        | 2,200        | 2,200            | 2,249            | 2,334               | 2,386               | 2,441               |
| Employee Benefit Liabilities | 105        | 109          | 109              | 111              | 110                 | 112                 | 115                 |
| Derivative Financial Instruments | 246      | -            | 0                | 0                | 0                   | 0                   | 0                   |
| **Total Non-Current Liabilities** | 139,286    | 143,009      | 181,909          | 227,535          | 226,848             | 245,101             | 278,345             |
| **Total Liabilities** | 1,222,301    | 1,270,108    | 1,338,289        | 1,412,974        | 1,397,352           | 1,444,517           | 1,516,558           |

|                      |              |              |                  |                  |                     |                     |                     |
| **Net Assets / Equity** |              |              |                  |                  |                     |                     |                     |
| Capital Contributed by |              |              |                  |                  |                     |                     |                     |
| Accumulated Comprehensive Revenue and Expenses | 717,660    | 717,717      | 770,292          | 791,181          | 760,840             | 764,570             | 777,965             |
| Restricted Equity     | 5,562        | 4,533        | 6,171            | 6,171            | 5,662               | 5,662               | 5,662               |
| Reserves              | 299,762      | 331,112      | 327,809          | 347,321          | 351,671             | 375,380             | 414,245             |
| Minority Interest     | -            | 0            | 0                | 0                | 0                   | 0                   | 0                   |
| **Total Net Assets / Equity** | 1,022,984  | 1,053,362    | 1,104,272        | 1,144,673        | 1,120,517           | 1,145,612           | 1,197,872           |
FUNDING IMPACT STATEMENT

The Funding Impact Statement identifies how the council will fund everything it does. It shows:

- where funding comes from including income from rates
- the amount each source is expected to produce
- how those funds will be applied

<table>
<thead>
<tr>
<th>Annual Report</th>
<th>Forecast</th>
<th>Annual Plan</th>
<th>Long term Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Actual</td>
<td>Estimated</td>
<td>Approved</td>
</tr>
<tr>
<td>Sources of operating funding</td>
<td></td>
<td></td>
<td>Prospective</td>
</tr>
<tr>
<td>General rates, uniform annual general charges, rates penalties</td>
<td>49,726</td>
<td>52,975</td>
<td>57,392</td>
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<tr>
<td>Targeted Rates</td>
<td>32,505</td>
<td>33,006</td>
<td>34,935</td>
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<tr>
<td>Subsidies and grants for operating purposes</td>
<td>4,763</td>
<td>4,604</td>
<td>4,112</td>
</tr>
<tr>
<td>Fees and charges</td>
<td>6,629</td>
<td>6,330</td>
<td>7,885</td>
</tr>
<tr>
<td>Interest and dividends from investments</td>
<td>107</td>
<td>579</td>
<td>134</td>
</tr>
<tr>
<td>Local authorities fuel tax, fines, infringement fees, and other receipts</td>
<td>10,528</td>
<td>10,821</td>
<td>8,070</td>
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<tr>
<td>Total operating funding (A)</td>
<td>104,258</td>
<td>108,315</td>
<td>112,528</td>
</tr>
<tr>
<td>Applications of operating funding</td>
<td>80,782</td>
<td>83,080</td>
<td>84,023</td>
</tr>
<tr>
<td>Payments to staff and suppliers</td>
<td>7,005</td>
<td>7,587</td>
<td>8,364</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other operating funding applications</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total applications of operating funding (B)</td>
<td>87,787</td>
<td>90,667</td>
<td>92,387</td>
</tr>
<tr>
<td>Surplus (deficit) of operating funding (A-B)</td>
<td>16,471</td>
<td>17,649</td>
<td>20,141</td>
</tr>
<tr>
<td>Sources of capital funding</td>
<td>4,000</td>
<td>1,053,362</td>
<td>3,692</td>
</tr>
<tr>
<td>Subsidies and grants for capital expenditure</td>
<td>6,396</td>
<td>9,870</td>
<td>27,246</td>
</tr>
<tr>
<td>Development and financial contributions</td>
<td>328</td>
<td>741</td>
<td>0</td>
</tr>
<tr>
<td>Increase (decrease) in debt</td>
<td>4,650</td>
<td>20,910</td>
<td>16,900</td>
</tr>
<tr>
<td>Gross proceeds from sale of assets</td>
<td>2,278</td>
<td>1,028</td>
<td>1,500</td>
</tr>
<tr>
<td>Exhibition and other contributions</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lump sum contributions</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other dedicated capital funding</td>
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<td>0</td>
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<tr>
<td>Total Sources of Capital Funding (C)</td>
<td>13,652</td>
<td>32,549</td>
<td>45,646</td>
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<tr>
<td>Applications of Capital Funding</td>
<td>30,123</td>
<td>50,198</td>
<td>65,787</td>
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<tr>
<td>Capital expenditure</td>
<td>-</td>
<td>472</td>
<td>1,969</td>
</tr>
<tr>
<td>- to meet additional demand</td>
<td>15,078</td>
<td>31,116</td>
<td>43,950</td>
</tr>
<tr>
<td>- to improve the level of service</td>
<td>21,292</td>
<td>20,048</td>
<td>16,006</td>
</tr>
<tr>
<td>- to replace existing assets</td>
<td>240</td>
<td>2379</td>
<td>-600</td>
</tr>
<tr>
<td>Increase (decrease) of investments</td>
<td>-6486.3</td>
<td>-3817</td>
<td>4,462</td>
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<tr>
<td>Increase (decrease) in reserves</td>
<td>-2,000</td>
<td>-2,000</td>
<td>-2,000</td>
</tr>
<tr>
<td>Total applications of capital funding (D)</td>
<td>30,123</td>
<td>50,198</td>
<td>65,787</td>
</tr>
<tr>
<td>Surplus (deficit) of capital funding (C-D)</td>
<td>-16,471</td>
<td>-17,649</td>
<td>-20,141</td>
</tr>
<tr>
<td>Funding balance ((A-B)+(C-D))</td>
<td>0</td>
<td>-1</td>
<td>0</td>
</tr>
</tbody>
</table>
Planning for and progressing towards Vision 2030 presents challenges for our district. Some challenges come about because of growth and economic success while others will require intervention to address social issues. These are the areas that test us and should be the core of future decision making and leadership. Four areas are identified as the focus for the next three years - housing availability, the next steps for inner city revitalisation and safety, resilience to and adapting to climate change and the re-introduction of the four wellbeings.

**HOUSING AVAILABILITY**

**Driver/influence**
- Population growing faster than homes being built
- Increasing visitor numbers
- Short-term rental accommodation
- Cost to manage stormwater

**The issues**
An increase in population has put pressure on Rotorua’s housing market because there are not enough homes for the number of people wishing to live in the district. Although we have a large amount of land available for homes, as in other growing centres, development is not happening fast enough to meet demand. Housing demand in Rotorua is a relatively recent phenomenon and to some extent the lack of supply of new homes is simply reflective of the time it takes to undertake green field housing developments.

The management of stormwater has become particularly challenging. Regional policy statements now require all new developments to reduce stormwater run-off by 20% below current levels.

**Council’s response/role**

The district’s spatial plan has identified areas where Council can have a positive impact on housing challenges such as more efficient use of land, encouraging a variety of housing types and creating a Rotorua Housing Plan.

Council’s Long-term Plan also made a commitment to the ongoing provision of pensioner housing. Council has agreed to look at improved ways to better meet the needs of tenants by looking to address the quality of units and is considering the options available to best provide the support services required.

Solutions require partnerships. In August 2017 Council and the Government signed a Rotorua Housing Accord, agreeing to work together to address housing supply and affordability. One of the key housing partners for Council is Housing New Zealand.

In April 2017 the Government announced its intention to make up to 80 new social housing properties available in Rotorua by 2020. These are expected to be a mix of new builds and existing properties. The government has also encouraged community housing providers to partner with the Ministry of Social Development to help reach this goal. Council’s intention is to work with central government to ensure the location and design of these homes meets the objectives of the district’s spatial plan.

Council’s role is also one of advocacy. For example, Council is currently working with the Ministry of Housing and Urban Development to ensure the ‘Housing First’ initiative, which includes the provision of housing and wrap-around support services for the chronically homeless, is successful.

There is an also an opportunity to ensure Council processes promote and support the creation of papakainga housing.

There exists a related opportunity to also explore new ways of enabling housing development on Māori land without necessarily transferring title.

Support for housing aspirations has been explicitly stated in the Rotorua Housing Accord, making the assistance of Te Puni Kokiri available to explore options for the development of papakainga housing.
INNER CITY AND SAFETY

Driver/influence

- Size and footprint
- Change in use
- Perceived safety – begging, homelessness, crime

The issues

The central city or CBD is a focal point of a city. It is the commercial, office, retail, and social centre of Rotorua and the centre point for transportation networks. It is often a visitor’s first experience of our city and a location for many to work. While work to revitalise the CBD during recent years has resulted in some quick wins (intersection upgrades, changes to parking and bus route changes), there is still more to be done.

Most consider that our CBD has more commercial retail space than required resulting in a somewhat fragmented retail offer punctuated by some empty tenancies. While the spatial plan sets out a future form for the inner city, achieving the necessary change is fraught, given the fragmented ownership of inner city blocks.

Safety in the CBD remains a priority for the Police and Council.

It is important to acknowledge the significant number of development and renovation projects already completed or currently underway. During the last few years, for example, we have seen a number of new commercial office buildings completed and new retail and food premises opened. Plans are also currently underway for hotel, spa and apartment developments.

Council’s response/role

The issues outlined have been identified in the district’s spatial plan and Council has the ability to drive some of the necessary changes by leading actions required within the regulatory and enforcement roles of council. The spatial plan, adopted in 2018, identified a number of actions:

- Reduction in CBD size – undertake plan change to reduce size
- Consolidating tourism accommodation into the CBD
- Enhancing and connecting city reserves
- Quality urban design

The planned revitalisation of the lakefront, inner city activations, further roading enhancements and parking options will all encourage continued investment and development in the CBD. Council will, however, need to reflect on the nature and speed of ensuing development to determine if further actions or interventions are necessary. Council and the Police are working on solutions to CBD safety concerns together. A joint CBD safety campaign started in December 2018 aims to ensure Rotorua is a safe and attractive place for both locals and visitors. A number of initiatives were introduced including:

- Increased Police, Safe City Guardian and Security staff during day and night 7 days a week to provide a joined up approach and zero tolerance toward anti-social behaviour
- Joint communications between Police and Council/security staff patrols along with rostered hours and zones to provide high levels of visibility and coverage for deterrence and detection purposes
- Increased monitoring of council’s CCTV network for crime prevention purposes and direction of personnel on foot toward potential trouble
- Trespass procedures redefined and used to help stamp out anti-social behaviour
- A clear focus on increasing activation in the CBD to help bring about a positive change in the way our inner city is used and viewed

Constant monitoring of the campaign has illustrated that a combined, focused approach can produce a safer and more vibrant CBD for retailers, customers, locals and visitors. A longer term plan needs to be developed to provide a long term sustainable approach to safety within the CBD throughout the year, in a way that also contributes to the vibrancy of the inner city.
**CLIMATE CHANGE RESILIENCE AND ADAPTATION**

**Driver/influence**
- Duration/intensity of weather events
- Impact of weather events on wastewater and stormwater infrastructure
- Leadership - carbon footprint, electric cars/bikes, kerbside recycling, climate action plan

**The issues**
A commitment to climate change resilience and adaptation is a focus of the Rotorua District’s 2030 Vision through Council’s sustainable living strategy.

Today the effects of climate change are undeniable and include raised temperatures and sea levels and increased frequency of extreme weather events. The occurrence of these changes is projected to become more pronounced in the future and poses a serious threat to long-term community wellbeing. For Rotorua changes to our climate could mean:

- Higher temperatures
- More heavy rainfall events and more frequent flooding
- Water shortages, drought, reduced water quality and increased risk of wildfires
- Longer crop growing season and fewer frosts
- Increased risk of invasive pests and weeds
- Increase in water-, food- and vector-borne diseases

**Council’s response/role**
Rotorua Lakes Council has responsibilities to prepare the community for, and manage the risks of, climate change related to natural hazards.

Adaptation for climate change is already a priority consideration in the planning and management of our infrastructure.

Mitigation through energy efficiency, emission reduction and other conservation initiatives can help slow the effect of climate change, as well as offering considerable potential cost savings.

The Government’s Zero Carbon Bill sets a net zero emissions target for 2050 and Council’s commitment to the Global Covenant of Mayors for Climate and Energy requires that our target be at least at the level set by our government.

Our council is focussing on development of a climate action plan for the Rotorua district.

**Adaptation actions** will be focussed around developing resilience through:

- Infrastructure
- Communities
- Natural Environment
- Economy
- Governance, leadership and advocacy
- e.g. ensuring our stormwater system is designed for projected rainfall events, preparing and supporting communities through civil defence, planting for erosion control

**Emissions reductions actions** will be focussed on the following areas:

- Buildings and Energy Systems
- Transportation and Urban Form
- Consumption and Waste
- Leadership, Advocacy and Education
- Natural Environment and Rural Economy
- e.g. encouraging energy efficient building design for heating and cooling, supporting active and public transport including through urban design, waste reduction, afforestation (i.e. increased tree planting) and supporting our rural community
WELLBEINGS

Driver/influence

• Social issues – affordable homes, homelessness, deprivation, employment and income, family violence
• Government re-introduction of the four wellbeings.

The issues

Government has signaled an intention to work differently to address the social issues facing local communities. One way it plans to do this is through the re-introduction of the four wellbeings to the Local Government Act. This will ensure that councils and their communities contribute to the achievement of an improved quality of life and higher living standards for all New Zealanders.

Council’s response/role

The Vision 2030 goals include moves to address these issues. They are also identified in the objectives of the Rotorua Sustainable Living Strategy. Reintroduction of the four wellbeings to Local Government’s purpose will bring a much greater focus on these issues.

Council will have a key role in leading the actions that will flow from this including:

• Consultation with the community and partners
• Prioritising local areas of need
• Planning a collaborative programme of work
• Measuring the outputs and outcomes of this work.

The agreed programme of work, which is likely to be a feature of the next long-term plan, will not rest with Council alone but will require partnerships with the community, local organisations and Central Government agencies.

Deprivation

Census data from 2013 and the associated NZDep2013 indicate that 45 per cent of Rotorua District’s population, including 50 per cent of children from 0 to 14, live in circumstances that mirror those of the 20 per cent of New Zealanders living in the areas of highest deprivation, (NZDep 9 and 10). While this information is now six years old, indications are that the situation has changed little, if at all. Factors contributing to this level of deprivation include housing and income, but the impact of deprivation also creates other problems.

Growing up in poverty may mean homelessness or living in a cold, damp or overcrowded house, not having enough to eat, not having warm clothing, not having access to health care and social services, not having sufficient focus to learn at school, not being able to participate in things that other children take for granted like sport or learning to play a musical instrument. In addition, many children do not have a safe environment at home or in the wider community. In the short to medium term these factors result in higher rates of admission to hospital, poor performance at school and lower rates of achievement in NCEA. In the long term more than half of children who grow up in circumstances that mirror those of the 20 per cent of children from 0 to 14, live in circumstances that mirror those of the 20 per cent of New Zealanders living in the areas of highest deprivation, (NZDep 9 and 10). While this information is now six years old, indications are that the situation has changed little, if at all. Factors contributing to this level of deprivation include housing and income, but the impact of deprivation also creates other problems.

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The challenge for Rotorua is to interrupt this cycle of deprivation.

Community Safety

A number of inter-related issues are contributing to the level of public safety in Rotorua.

Family Harm is a major issue with 4238 family harm episodes reported to the Police in the 12 months to 15 March 2018. This involved 7,293 adults and 4,200 children.

In addition, there are the closely related issues of alcohol and drug misuse, mental health disorders, and homelessness that are contributing to street disorder and public safety concerns.

Housing

The aforementioned housing availability and cost pressures in Rotorua directly impact on those least able to respond. Some of the results being:

• 177 applicants on the Rotorua district Housing Register as at December 2018. This represents applicants not currently in, but assessed as eligible for, public housing.
• 388 Rotorua based applicants received $2,695,049 in Emergency Housing Special Needs Grants in the year to 31 December 2018. This is significantly higher than other areas of the Bay of Plenty, both in actual numbers and in the average grant received.

Employment and Income

Recent news indicates improvements in employment and household income in the Rotorua district. However, recent statistics suggest Rotorua is still behind many other New Zealand districts.

The median household income in Rotorua in 2017 was $62,900, compared with $72,700 nationally.

In June 2018 7.7 per cent of Rotorua’s working age population were receiving Job Seeker Support. This was a record high and put Rotorua 57th out of New Zealand’s 66 Territorial Authorities for this measure.

Benefit dependence - 7139 people were receiving a main benefit in December 2018 and at that time 5,284 children lived in households dependant on a main benefit.

The unemployment rate among working age young people is higher than for the full working age population. Significant numbers of this group are ‘Not in Education, Employment or Training’ (NEET).
YOUR HOME. CULTURE. VOTE.
YOUR VOICE. PLACE. VOTE.
YOUR FUTURE. PEOPLE. VOTE.

PŌTI 2019
ROTORUA LAKES COUNCIL
VOTE 2019
LOCAL ELECTIONS