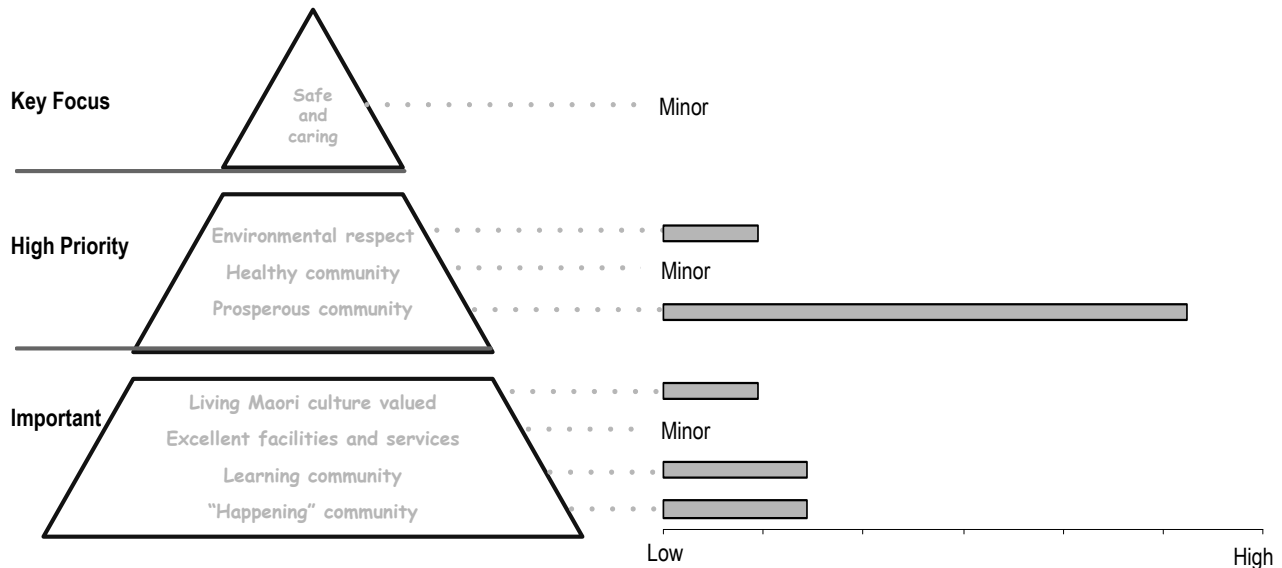


ECONOMY GROUP

Contribution to Community Outcomes by services in Group



Overview of Group

This group is made up of the following activities of Council:

- Destination Rotorua Economic Development
- Destination Rotorua Tourism Marketing
- Tourism Rotorua Travel and Information

Rotorua District has a thriving tourism industry contributing to a strong economy supported by several other sectors. The Economy Group activities ensure that we maintain and grow the district's prosperity for the benefit of all.

- Implementation of the Rotorua BrightEconomy Project. This will provide guidance and direction for the concentration of Destination Rotorua Economic Development resources into the future. The resulting strategy will have some outcomes that will link with other areas of Council to ensure a united approach to the delivery of economic development services in Rotorua.
- Implementing the Rotorua Employment Skills Strategy.
- Implementing the Rotorua CBD Retail Strategy.
- Implementing the Film Volcanic Strategy.

Potential Significant Negative Effects

This group of activities has not identified any significant negative effects.

Destination Rotorua Tourism Marketing

Key strategic issues for the next ten years include:

- Continuing to seek and increase joint venture industry funding will assist in tactical campaigns in key markets.
- Responding to changing travel distribution patterns.
- **Development of the Australian market with a view to establishing trans-Tasman direct air services into Rotorua.**

Strategic Direction and Highlights

Destination Rotorua Economic Development

Key strategic issues for the next ten years include:

- Maintaining current level of service although how this is done may change following advice from the BrightEconomy Advisory Board

It is important that marketing activity in Australia is continued and increased so as to position Rotorua top of mind for both travel trade and consumer, so that when Trans Tasman air services become a reality, these services are well utilised and people will want to fly directly into Rotorua from East Coast Australia.

Marketing activity will also target Conference, Incentive and Event opportunities.

- **Resourcing and ability to joint venture support new Tourism New Zealand Strategic Plan initiatives.**
In order to maximise marketing and promotional spend in existing and emerging international markets, it is important to closely align our planning activities with Tourism New Zealand. This may take the form of specific tactical campaigns in certain markets, that may be aimed at the consumer. Such campaigns are invariably costly so it is important that DRTM is able to participate in such campaigns where appropriate.
- **Alignment and influence of Tourism New Zealand's off shore marketing campaigns.**
Linked in with the above, but taking a more proactive role in ensuring that Rotorua is perceived as having new and fresh product and that this communicated to Tourism New Zealand's offshore offices, so that more trade and media families are encouraged to visit Rotorua. DRTM will also be working to influence Tourism New Zealand to include a greater range of "refreshed" Rotorua imagery in their collateral.

Tourism Rotorua Travel and Information

- **Resourcing**
Visitor numbers are predicted to increase by an average 2.4% annually over the next 10 years. Capacity visitor numbers through the Travel Office (2004-05) were 900,000 which equates to approximately 30% of the total number of visitors to Rotorua. Given the visitor forecast numbers show a 17.8% increase over the next ten years, the Travel Office can expect approx 1.06 million visitors. This increase in visitor numbers will require additional staffing resources in order to service the demand by additional visitor requests.
- **E-commerce**
It is important the Travel Office fully embraces e-commerce developments by expanding its product range and booking opportunities through www.rotoruanz.com.

Destination Rotorua Tourism Marketing and Tourism Rotorua Travel and Information

These Activity Plans has been based on existing levels of service moderated to reflect growth in visitor numbers and economic value that is linked to the New Zealand Tourism Forecasts for Rotorua 2005-2011.

Year	International			Domestic			Total		
	Visits ('000s)	Nights ('000s)	Expenditure (\$NZm)	Visits ('000s)	Nights ('000s)	Expenditure (\$NZm)	Visits ('000s)	Nights ('000s)	Expenditure (\$NZm)
2004	843.3	1,337.5	212.5	2,130.6	2,137.8	227.9	2,973.8	3,475.3	440.4
2005f	872.8	1,342.8	215.7	2,110.3	2,087.7	231.7	2,983.2	3,430.5	447.4
2006f	917.2	1,400.0	229.8	2,130.8	2,107.9	240.0	3,048.0	3,507.8	469.8
2007f	962.4	1,460.6	244.8	2,194.6	2,171.8	253.7	3,156.9	3,632.3	498.5
2008f	1,010.3	1,524.8	261.1	2,271.1	2,248.3	269.5	3,281.5	3,773.2	530.5
2009f	1,060.5	1,594.3	278.5	2,292.9	2,270.6	279.2	3,353.4	3,864.9	557.7
2010f	1,113.3	1,665.5	297.2	2,314.6	2,292.9	289.3	3,427.8	3,958.4	586.5
2011f	1,168.7	1,739.0	316.9	2,335.9	2,314.9	299.6	3,504.6	4,054.0	616.5
Growth 2004-11									
Change	325.4	401.5	104.4	205.4	177.1	71.7	530.8	578.6	176.1
Growth	38.6%	30.0%	49.1%	9.6%	8.3%	31.5%	17.8%	16.7%	40.0%
Annual	4.8%	3.8%	5.9%	1.3%	1.1%	4.0%	2.4%	2.2%	4.9%

These forecasts are projected off the latest International Visitor Survey and Domestic Travel Surveys.

From these estimated figures, a gross increase of 17.8% (equivalent to 2.4% annually) in the number of visitors to Rotorua is predicted and a gross increase of 16.7% (equivalent to 2.2% annually) in the number of visitor nights is predicted.

Collectively all visitors to Rotorua are expected to increase their expenditure by 40% for this period (equivalent to 4.9% annually)

Asset Management Plans Information

The key assets used in this Activity Group are:

- Buildings

Further details are provided in each Activity section.

Summary of Group Net Cost of Service

Description (thousands)	Last Year	Annual Plan										
	Actual	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Destination Rotorua Ec Dev	498	859	917	906	931	982	836	859	877	892	908	919
Desitination Rotorua Tourism Mktg	1,418	1,657	1,792	1,887	1,897	1,974	2,047	2,075	2,123	2,162	2,198	2,231
Tourism Rotorua Travel & Information	200	395	300	335	372	358	470	376	384	383	381	370
Total Economy	2,116	2,911	3,010	3,127	3,200	3,314	3,353	3,310	3,384	3,437	3,486	3,520

Statement of Infrastructure Assets

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 1 July 2006
Buildings	26	1	25
Computer Hardware	317	255	62
Computer Software	48	47	1
Furniture & Fittings	86	24	62
Office Equipment	51	45	6
Plant & Machinery	92	23	69
	620	395	225

Activity Group Revenue Sources

Description (thousands)	Last Year Actual	Annual Plan										
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OPERATIONAL FUNDING												
Funding/Rates	2,109	2,911	3,010	3,127	3,200	3,314	3,353	3,310	3,384	3,437	3,486	3,520
Less depreciation equivalent for capital	-52	-63	-64	-69	-75	-73	-73	-81	-81	-76	-75	-75
Total rates for operations	2,057	2,848	2,946	3,058	3,125	3,241	3,280	3,229	3,303	3,361	3,411	3,445
Subsidies and grants	167	160	190	192	193	165	166	168	169	170	171	172
Investment income	47	12	12	12	12	12	12	12	12	12	12	12
Fees and charges	1,898	1,789	1,989	2,058	2,076	2,160	2,214	2,270	2,328	2,387	2,448	2,511
Internal rate and water by meter	0											
Total operational funding	4,169	4,809	5,137	5,320	5,407	5,578	5,673	5,679	5,811	5,930	6,042	6,141
CAPITAL FUNDING												
Capital funded by:-												
Rates funding (depreciation equivalent)	52	63	64	69	75	73	73	81	81	76	75	75
Loans	105	30	83	-7	-21	-5	-33	4	-13	-45	-10	35
Asset sales	7	0	0	0	0	0	0	0	0	0	0	0
Total capital	164	93	147	63	53	68	40	85	69	31	66	109

Minor roundings may occur in above totals.

Destination Rotorua Economic Development

Overall aim of the activity

Destination Rotorua Economic Development actively works alongside the wider Rotorua business and government community with the aim of creating an environment that encourages and stimulates economic growth.

Activity purpose – why we provide the service

Council provides this service as part of its role to provide community leadership and to meet ratepayers' expectations.

The operations of Destination Rotorua Economic Development are guided by the Rotorua BrightEconomy strategy, which is the Rotorua regional economic development strategy developed through a comprehensive programme of research and consultation with key Rotorua business people and organisations. The strategy was prepared to provide a framework from an economic perspective, to create future wealth and prosperity for the people of Rotorua.

The primary purpose of the activity is to facilitate and encourage sustainable economic development since this will lead to a prosperous Rotorua community. This activity stimulates sound investments, encourages and embraces economic growth, more employment opportunities, higher incomes and a greater lifestyle quality for residents.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

A safe and caring community

- Aims to increase employment opportunities as a result of working with key sectors and enhancing business capability.

A prosperous community

Destination Rotorua Economic Development focuses on:

- Providing public access to timely, accurate and relevant Rotorua economic information.

- Facilitating private sector access to economic development initiatives, networks and activity within Rotorua.
- Marketing Rotorua as a great place to live, work, invest and do business nationally and internationally.
- Working with the key economic sector groups to develop an environment that will stimulate growth.
- Ensuring that the private sector has a key role in advising Council on business and economic development related issues.
- Working with local industry to minimise the impact of skill shortages on their business and the Rotorua economy.
- Facilitating the opening up of more business land in the Rotorua District.
- Building partnerships between key local, regional and central government agencies and the Rotorua business community.

A community that respects its environment

- Helps develop and promote sustainable business opportunities that benefit the economic, cultural and environmental aspects of the District.

A community with excellent facilities and services

- Develops networks and produces information to the business community.
- Works with key industry sectors to assess and develop key infrastructure needs in relation to providing a business growth environment.

A learning community

- Works with the local industry and education providers to try and minimise the impact of skill shortages on their businesses and the wider Rotorua community.

A community that values its living Maori culture

- Helps develop and promote business opportunities that benefit the cultural and environmental aspects of the District.
- Provides assistance to Maori economic development initiatives and networks.

A “happening” community

- Promoting and facilitating the Central North Island as a world class screen production location.
- Facilitation of the promotion and revitalisation of the Rotorua CBD.

What we say we will do

OUTCOME PROMOTED – A prosperous community						
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Targets			
			2006/07	2007/08	2008/09	2009/10 to 2015/16
<ul style="list-style-type: none"> • More investment in our district • More new business • Celebrating and promoting our districts unique qualities • Encouraging Growth • Encouraging development of Maori Land • Reducing unemployment rate • More employment opportunities 	Provide public access to timely, accurate and relevant Rotorua economic information.	Website statistics.	<ul style="list-style-type: none"> • Website visits to reach 10,000 per month by June 2007. 	<ul style="list-style-type: none"> • Website visits to reach 12,000 per month by June 2008. 	<ul style="list-style-type: none"> • Website visits to reach 15,000 per month by June 2009. 	<ul style="list-style-type: none"> • Website visits to reach 15,000 per month by June each year.
	Facilitate public access to economic development initiatives, networks and activity within Rotorua	<ul style="list-style-type: none"> • Inquiry database system. • BITC¹ database and tracking system. • Inquiry database and client management system. 	<ul style="list-style-type: none"> • Respond to 95% of business and relocation inquiries within 3 working days. • Attract and maintain 70 new clients into the BITC¹ program. • Attract \$100K business development funding into Rotorua companies from Government Business Development Programs. 	<ul style="list-style-type: none"> • Respond to 95% of business and relocation inquiries within 3 working days. • Attract and maintain 90 clients into the BITC¹ program. • Attract \$150K business development funding into Rotorua companies from Government Business Development Programs. 	<ul style="list-style-type: none"> • Respond to 95% of business and relocation inquiries within 3 working days. • Attract and maintain 120 clients into the BITC¹ program. • Attract \$150K business development funding into Rotorua companies from Government Business Development Programs. 	<ul style="list-style-type: none"> • Respond to 95% of business and relocation inquiries within 3 working days. • Attract and maintain 120 clients into the BITC¹ program. • Attract \$150K business development funding into Rotorua companies from Government Business Development Programs.
	Market Rotorua as a great place to live, work, invest and do business nationally and internationally.	<ul style="list-style-type: none"> • Website statistics. • Skilled migrant inquiry tracking database. • Inquiry database system. 	<ul style="list-style-type: none"> • Website visits to reach 10,000 per month by June 2007. • Generate 500 UK skilled migrant relocation inquiries – NZ Opportunities Expo 2006. • Generate 400 new Rotorua specific business and relocation inquiries by June 2007. 	<ul style="list-style-type: none"> • Website visits to reach 12,000 per month by June 2008. • Generate 600 UK skilled migrant relocation inquiries – NZ Opportunities Expo 2007. • Generate 500 new Rotorua specific business and relocation inquiries by June 2008. 	<ul style="list-style-type: none"> • Website visits to reach 15,000 per month by June 2009. • To be reassessed as to whether this is the most appropriate marketing activity. • Generate 500 new Rotorua specific business and relocation inquiries by June 2009. 	<ul style="list-style-type: none"> • Website visits to reach 15,000 per month by June each year. • To be reassessed as to whether this is the most appropriate marketing activity. • Generate 500 new Rotorua specific business and relocation inquiries by June each year.

OUTCOME PROMOTED – A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Targets			
			2006/07	2007/08	2008/09	2009/10 to 2015/16
	Work with the local forest and wood processing industry to develop an environment that will stimulate and grow the sector.	<ul style="list-style-type: none"> NZTE² MR³ process. Amount of investor ready industrial land available. 	<ul style="list-style-type: none"> To facilitate successfully attracting \$1 million government investment to assist in developing a major industry initiative by 2007. To contribute to the opening up of 30 hectares of investor ready business land by June 2007. 	<ul style="list-style-type: none"> To facilitate successfully attracting \$300K private sector investment to assist in developing a major industry initiative by 2008. To contribute to the marketing of investor ready business land by June 2008. 	<ul style="list-style-type: none"> Reassessment of future targets required as initiative business plan developed. To contribute to the provision of future investor ready business land by June 2009. 	<ul style="list-style-type: none"> Reassessment of future targets required as initiative business plan developed. To contribute to the provision of future investor ready business land by June 2009.
	Advisory board to lead implementation of the BrightEconomy Strategy and advise council on business and economic development related issues.	<ul style="list-style-type: none"> BrightEconomy appointment and review panel board performance appraisal. Monitor BEAB⁴ Project achievement against strategy targets. 	<ul style="list-style-type: none"> To attract \$150K government and private sector funding to assist in implementing the Bright-Economy Strategy. To develop the BEAB⁴ focus work program for 2006/07. 	<ul style="list-style-type: none"> To attract \$150K government and private sector funding to assist in implementing the Bright-Economy Strategy. To implement 50% of the BEAB⁴ focus work program for 2007/08. 	<ul style="list-style-type: none"> To attract \$250K government and private sector funding to assist in implementing the Bright-Economy Strategy. To implement 75% of the BEAB⁴ focus work program for 2008/09. 	<ul style="list-style-type: none"> To attract \$250K government and private sector funding to assist in implementing the Bright-Economy Strategy. To implement 100% of the BEAB⁴ focus work program for 2009/10.

OUTCOME PROMOTED – A “happening” community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Targets			
			2006/07	2007/08	2008/09	2009/10 to 2015/16
<ul style="list-style-type: none"> Lots of events including sporting, cultural, festivals, arts. Leading edge activity events. Foster artistic expression, art, music, dancing, public performances and exhibitions. 	Promote and facilitate the Central North Island as a location for world class screen production.	Film volcanic screen production inquiry system.	To contribute to generating at least 30 screen production inquiries within the region by June 2007.	To contribute to generating at least 50 screen production inquiries within the region by June 2008.	To contribute to generating at least 50 screen production inquiries within the region by June 2009.	To contribute to generating at least 50 screen production inquiries within the region by June each year.

OUTCOME PROMOTED – A learning community						
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Targets			
			2006/07	2007/08	2008/09	2009/10 to 2015/16
<ul style="list-style-type: none"> Learning activities accessible to everyone. Addressing skill shortages through the right training. Increasing participation in tertiary education. 	Work with the local industry to try and minimise the impact of skill shortages on their business and Rotorua through the Rotorua Employment Skills Project (RESP).	<ul style="list-style-type: none"> RESP* database system and action plans. Lion Foundation – Rotorua Trust Young Enterprise Scheme database system. 	<ul style="list-style-type: none"> Have 350 businesses involved in the Rotorua Employment Skills cluster program. Have 100 students involved in the Rotorua Young Enterprise Scheme. Attract \$120K external funding towards the implementation of the RESP⁵. 	<ul style="list-style-type: none"> Have 400 businesses involved in the Rotorua Employment Skills cluster program. Have 150 students involved in the Rotorua Young Enterprise Scheme. Attract \$120K external funding towards the implementation of the RESP⁵. 	<ul style="list-style-type: none"> Have 400 businesses involved in the Rotorua Employment Skills cluster program. Have 200 students involved in the Rotorua Young Enterprise Scheme. Attract \$120K external funding towards the implementation of the RESP⁵. 	<ul style="list-style-type: none"> Have 400 businesses involved in the Rotorua Employment Skills cluster program. Have 200 students involved in the Rotorua Young Enterprise Scheme. Attract \$120K external funding towards the implementation of the RESP⁵.

¹ BITC = Business Mentors NZ

² NZTE = New Zealand Trade and Enterprise

³ MRI = Major Regional Initiative

⁴ BEAB = BrightEconomy Advisory Board

⁵ RESP = Rotorua Employment Skills Project

Assets used in Destination Rotorua Economic Development Activity

Asset Type	(thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 1 July 2006
Computer Hardware		24	15	9
Office Equipment		5	4	-
		29	19	9

How the local authority will assess and manage changes in demand, consumption or change in level of service

This will occur through continued monitoring of achievements measured against targets in the Destination Rotorua Economic Development activity and strategic plans.

Anticipated capacity changes and whether they are the result of demand or service level changes

There will be no changes involving assets.

How the provision of any additional capacity will be undertaken

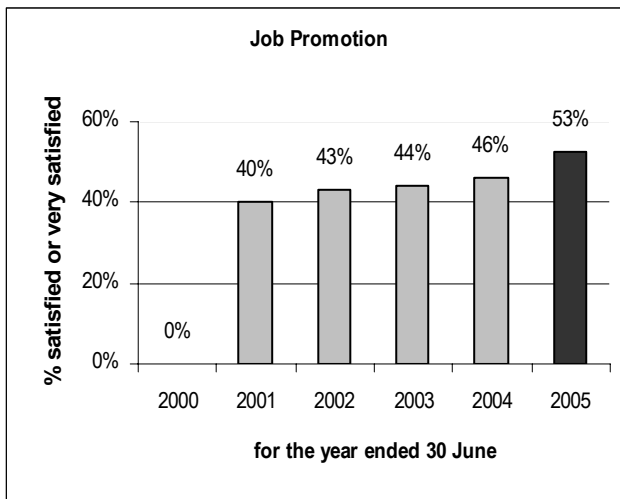
There are no assets in respect of which additional capacity might be required for this activity.

How maintenance, renewal and replacement will be undertaken.

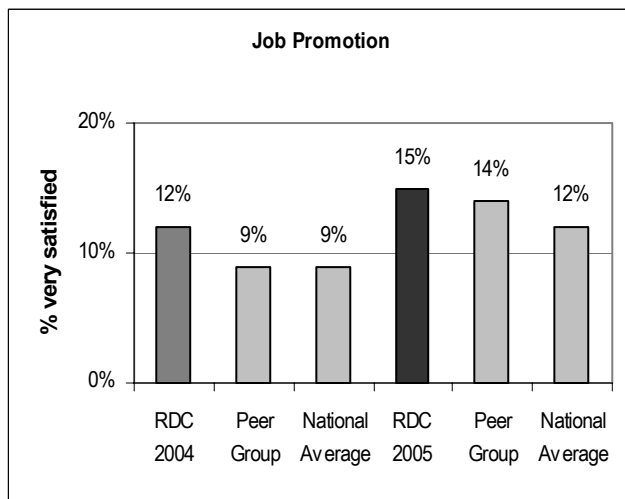
No assets are managed in the Destination Rotorua Economic Development area.

Service Assessment

The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are satisfied and very satisfied with this service over the last 6 years. It is important to note that, of the respondents that had a view or knew about job promotion, 90% were very or fairly satisfied.



This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last 2 years and compares it with our peer group and the national average.

Funding

Who benefits from the activity?

- The economy as a whole benefits from improved economic activity, promotion of destination, choice, employment opportunities and incomes.
- Individual businesses benefit directly from specific initiatives.

What is the period of benefit?

- Benefits are ongoing for the entire economy; this includes infrastructure development and the flow-on effects of marketing, promotion, and providing support to business initiatives.
- Some initiatives also provide short term benefits to groups.

Who creates need for the activity?

- The need to undertake this activity derives from the community as a whole from economic development.
- However the Business community plays a key role in influencing the specific areas of focus for the unit; in the main this will be communicated through the activity of the recently created BrightEconomy Advisory Board.

Funding source

It is considered that the benefits of expenditure on this activity address both private and especially public benefits. Individuals and groups derive benefits from the provision of information and assistance to individuals and businesses. However, this frequently leads to public/community benefits if acted upon successfully. These can be measured in terms of employment and social and business confidence levels.

Recovery of costs by direct charging is limited by the opportunities available.

Destination Rotorua Economic Development financial summaries (forecast 2007-2016)

Description (thousands)	Last Year	Annual Plan										
	Actual	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
DAY TO DAY OPERATIONS												
COST OF SERVICE STATEMENT												
OPERATING COSTS												
Direct costs	662	1,013	1,113	1,103	1,131	1,154	1,009	1,033	1,053	1,068	1,085	1,098
Depreciation	4	5	6	5	5	4	4	5	5	5	5	5
Finance	0	0	0	0	0	0	0	0	0	0	0	0
Total costs	667	1,019	1,118	1,108	1,136	1,158	1,014	1,038	1,057	1,073	1,090	1,102
REVENUE												
Subsidies and grants	167	160	190	192	193	165	166	168	169	170	171	172
Fees and charges	1	0	11	11	11	11	11	11	11	11	11	11
Total revenue	168	160	201	203	204	176	177	179	180	181	182	183
Net cost of service	498	859	917	906	931	982	836	859	877	892	908	919
INVESTING IN THE FUTURE												
CAPITAL COSTS												
Other renewals	6	8	4	5	4	4	5	4	4	5	4	4
Total Capital	6	8	4	5	4	4	5	4	4	5	4	4
HOW WE PAY FOR THIS ACTIVITY												
OPERATIONAL FUNDING												
Net cost of service	498	859	917	906	931	982	836	859	877	892	908	919
Funding	498	859	917	906	931	982	836	859	877	892	908	919
Less depreciation for Capital	-4	-5	-6	-5	-5	-4	-4	-5	-5	-5	-5	-5
Total Rates for/(from) Operations	494	853	912	900	926	978	832	854	873	887	903	914
CAPITAL FUNDING												
Capital funded by:-												
Rates funding (depreciation equivalent)	4	5	6	5	5	4	4	5	5	5	5	5
Loans from/(to) Corporate Funds	1	2	-2	-1	-1	0	0	-1	-1	0	-1	-1
Total capital	6	8	4	5	4	4	5	4	4	5	4	4

Minor roundings may occur in above totals.

For further details of the allocation of capital expenditure between backlog, renewal and growth, see Appendix E of the Development Contributions Policy in Part C Section 2.

Destination Rotorua Tourism Marketing

Overall aim of the activity

A visitor sector that is making a maximum contribution to Rotorua's economic, social, cultural and environmental well-being by continually promoting Rotorua as an exciting, vibrant and high quality destination to existing and new markets. A key focus is to encourage visitors to stay longer and spend more so that new money is brought into the local economy which in turn will create more jobs within the District.

Activity purpose – why we provide the service

The primary function of this department is focussed on promotional activity through the tourism industry networks, specifically targeting trade, media and consumer. This is carried out across the areas of international, domestic, retail and event marketing, as well as conference and incentive promotion.

An emerging function of this department is supporting the development of new product and infrastructure as well as the management of growing the visitor industry and therefore

contributing toward the Rotorua District Council Growth Strategy and prioritised Community Outcomes.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

A prosperous community

- Celebrating and promoting our district's unique qualities
- More employment opportunities

A community that respects its environment

- Managing and protecting geothermal resources and springs, trout, lakes, forests and geysers
- People using and enjoying our natural environments

A community that values its living Maori culture

- Fostering Maori cultural activities and expression
- A community that recognises the value of partnerships including the Treaty of Waitangi

What we say we will do

OUTCOME PROMOTED – A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Targets			
			2006/07	2007/08	2008/09	2009/10 to 2015/16
<ul style="list-style-type: none"> • Celebrating and promoting our district's unique qualities • More employment opportunities 	Marketing Rotorua as a destination to international, domestic and C & I markets	Support and backing of Marketing Plan by TAB	Produce and implement international marketing campaigns in Australia, Japan, Asia, India UK/ Europe, US in partnership with key stakeholders	Produce and implement international marketing campaigns in Australia, Japan, Asia, India UK/ Europe, US in partnership with key stakeholders	Produce and implement international marketing campaigns in Australia, Japan, Asia, India UK/ Europe, US in partnership with key stakeholders	Produce and implement international marketing campaigns in Australia, Japan, Asia, India UK/ Europe, US in partnership with key stakeholders
		Update to Finance and Strategic Planning Committee	Run extended low/shoulder season domestic promotional campaign	Run extended low/shoulder season domestic promotional campaign	Run extended low/shoulder season domestic promotional campaign	Run extended low/shoulder season domestic promotional campaign

OUTCOME PROMOTED – A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Targets			
			2006/07	2007/08	2008/09	2009/10 to 2015/16
<ul style="list-style-type: none"> Celebrating and promoting our district's unique qualities More employment opportunities 	Marketing Rotorua as a destination to international, domestic and C & I markets	Analysis of the monthly commercial and private accommodation monitor.	Facilitate the attraction of 12 conferences per annum to Rotorua	Facilitate the attraction of 14 conferences per annum to Rotorua	Facilitate the attraction of 18 conferences per annum to Rotorua	Facilitate the attraction of 22 conferences per annum to Rotorua
		Analysis of monthly visitor arrival statistics	Contribute to 1.33 million visitors staying on average 2.3 nights and spending \$233 per day/person	Contribute to 1.36 million visitors staying on average 2.3 nights and spending \$239 per day/person	Contribute to 1.39 million visitors staying on average 2.3 nights and spending \$245 per day/person	Contribute to 1.42 million visitors staying on average 2.3 nights and spending \$252 per day/person

OUTCOME PROMOTED – A community that values its living Maori culture

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Targets			
			2006/07	2007/08	2008/09	2009/10 to 2015/16
<ul style="list-style-type: none"> Fostering Maori cultural activities and expression A community that recognises the value of partnerships including Treaty of Waitangi 	Maori cultural elements and the concept of Manaakitanga will underpin all marketing	Produce and distribute cultural heritage brochure	Marketing collateral includes increased Maori product - produce cultural heritage brochure	Marketing collateral includes increased Maori product - produce cultural heritage brochure	Marketing collateral includes increased Maori product - produce cultural heritage brochure	Marketing collateral includes increased Maori product - produce cultural heritage brochure

OUTCOME PROMOTED – A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Targets			
			2006/07	2007/08	2008/09	2009/10 to 2015/16
<ul style="list-style-type: none"> Managing and protecting geothermal resources and springs, trout, lakes, forests and geysers People using and enjoying our natural environments 	Market and promote major events taking place in Rotorua District.	Log of events	20 Events marketed and promoted per year	20 Events marketed and promoted per year	20 Events marketed and promoted per year	20 Events marketed and promoted per year

Assets used in Destination Rotorua Tourism Marketing Activity

Asset Type	(thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 1 July 2006
Computer Hardware		121	101	20
Computer Software		5	5	1
Furniture & Fittings		54	17	37
Office Equipment		26	20	6
Plant & Machinery		10	5	4
		216	148	68

How the local authority will assess and manage changes in demand, consumption or change in level of service

Visitor number trends will be monitored on a monthly basis and close liaison with Tourism New Zealand maintained to ensure that accurate market intelligence is acted upon where necessary and tactical campaigns are modified or developed accordingly to meet changes in demand.

Anticipated capacity changes and whether they are the result of demand or service level changes

Impact of Trans Tasman air services, Rotorua Energy Events Centre, new accommodation, attractions and activities could lead to re assessment of current marketing activity and re evaluation of existing service levels.

How the provision of any additional capacity will be undertaken

No additional capacity is anticipated for this activity.

How maintenance, renewal and replacement will be undertaken.

No significant assets are associated with this activity.

Funding

Who benefits from the activity?

- Individual residents of Rotorua will benefit as they are living in a vibrant and diverse district resulting from visitors and the associated activities provided.
- Individual businesses will benefit directly from specific initiatives
- The economy as a whole benefits from improved economic activity and positive outlook/attitudes.

What is the period of benefit?

- Benefits are ongoing for the entire economy.

Who creates need for the activity?

- The economy as a whole creates the need for city marketing as a tool for regional promotion.
- Businesses create the need for exposure to wider markets.

Funding source

It is considered that the benefits of expenditure in this activity benefit the community as a whole by creating economic prosperity to the wider community, including employment opportunities. In addition, it benefits individual business owners and their employees by creating income opportunities.

Destination Rotorua Tourism Marketing financial summaries (forecast 2007-2016)

Description (thousands)	Last Year Actual	Annual Plan										
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
DAY TO DAY OPERATIONS												
COST OF SERVICE STATEMENT												
OPERATING COSTS												
Direct costs	2,056	2,365	2,497	2,579	2,575	2,703	2,799	2,848	2,919	2,984	3,046	3,103
Depreciation	28	34	25	25	27	26	24	27	27	23	21	23
Finance	0	1	1	1	1	1	1	1	1	1	1	1
Total costs	2,085	2,400	2,523	2,605	2,602	2,730	2,825	2,875	2,946	3,009	3,068	3,126
REVENUE												
Fees and charges	667	742	731	718	706	756	778	800	823	846	870	895
Total revenue	667	742	731	718	706	756	778	800	823	846	870	895
Net cost of service	1,418	1,657	1,792	1,887	1,897	1,974	2,047	2,075	2,123	2,162	2,198	2,231
INVESTING IN THE FUTURE												
CAPITAL COSTS												
Other renewals	18	17	27	27	6	27	10	24	27	10	6	47
Total Capital	18	17	27	27	6	27	10	24	27	10	6	47
HOW WE PAY FOR THIS ACTIVITY												
OPERATIONAL FUNDING												
Net cost of service	1,418	1,657	1,792	1,887	1,897	1,974	2,047	2,075	2,123	2,162	2,198	2,231
Funding	1,418	1,657	1,792	1,887	1,897	1,974	2,047	2,075	2,123	2,162	2,198	2,231
Less depreciation for Capital	-28	-34	-25	-25	-27	-26	-24	-27	-27	-23	-21	-23
Total Rates for/(from) Operations	1,389	1,624	1,767	1,862	1,870	1,948	2,022	2,049	2,097	2,139	2,176	2,208
CAPITAL FUNDING												
Capital funded by:-												
Rates funding (depreciation equivalent)	28	34	25	25	27	26	24	27	27	23	21	23
Loans from/(to) Corporate Funds	-10	-16	2	2	-21	1	-14	-2	1	-13	-15	25
Total capital	18	17	27	27	6	27	10	24	27	10	6	47

Minor roundings may occur in above totals.

For further details of the allocation of capital expenditure between backlog, renewal and growth, see Appendix E of the Development Contributions Policy in Part C Section 2.

Tourism Rotorua Travel and Information

Overall aim of the activity

First contact for information and bookings of things to see and do around Rotorua and the rest of New Zealand.

Activity purpose – why we provide the service

Council undertakes this activity to meet community expectations and to provide information and booking requirements for visitors to encourage them to stay longer and increase spending so that as many Rotorua businesses as possible, benefit from this activity.

The Tourism Rotorua Travel Office operates 364 days a year.

The office is active not only in information provision but also offers a comprehensive domestic travel reservation service available to local residents and visitors. Commercial returns are earned through commissions on sightseeing and travel sales.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

A prosperous community

- Celebrating and promoting our district's unique qualities
- More employment opportunities

A community that respects if living Maori culture

- Fostering Maori cultural activities and expression
- A community that recognised the value of partnerships in Treaty of Waitangi

A community that respects its environment

- Managing and protecting geothermal resources and springs, trout, lakes, forests and geysers
- People using and enjoying our natural environments

What we say we will do

OUTCOME PROMOTED – A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Targets			
			2006/07	2007/08	2008/09	2009/10 to 2015/16
<ul style="list-style-type: none"> • Celebrating and promoting our district's unique qualities • More employment opportunities 	Booking services are provided to visitors to Rotorua to encourage extended length of stay and visitor spend	Financial report of Travel Office	Achieve at least approx 920,000 visitors per annum through the travel office.	Achieve at least approx 940,000 visitors per annum through the travel office.	Achieve at least approx 960,000 visitors per annum through the travel office.	Achieve at least approx 960,000 visitors per annum through the travel office.

Assets used in Tourism Rotorua Travel and Information Activity

Asset Type	(thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 1 July 2006
Buildings		26	1	25
Computer Hardware		172	139	34
Computer Software		42	42	-
Furniture & Fittings		32	7	25
Office Equipment		21	21	-
Plant & Machinery		82	18	64
		375	228	148

How the local authority will assess and manage changes in demand, consumption or change in level of service

Conduct annual customer satisfaction survey and respond accordingly to the results.

Anticipated capacity changes and whether they are the result of demand or service level changes

- Additional staffing resources
- Additional space requirements.

Both are a result of demand.

How the provision of any additional capacity will be undertaken

- Additional staffing resources employed
- Expansion of Travel Office into Restaurant area of travel building

How maintenance, renewal and replacement will be undertaken.

Council's property asset manager constructs maintenance, renewal, replacement schedules with work being carried out in consultation with the Travel Office Manager.

Funding

Who benefits from the activity?

- The community as a whole benefits from improved economic activity and positive outlook/attitudes.
- Individual businesses benefit directly from specific initiatives.
- Visitors to Rotorua benefit from this service
- Residents of Rotorua benefit from this service through the provision of information

What is the period of benefit?

- Benefits are ongoing for the entire economy.

Who creates need for the activity?

- The economy as a whole creates the need for city marketing as a tool for regional promotion.
- Businesses create the need for exposure to wider markets.
- Visitors both domestic and international to the Rotorua District create the need for the service.

Funding source

- It is considered this activity primarily benefits those who use its services. These beneficiaries are visitors to the Centre who obtain information and the tourism operators whose services are sold to the tourist.
- The service also benefits the district as a whole by way of positive effects on the local economy created by the spending of tourists and visitors. Further, the activity compliments Tourism Marketing and the community benefits of that activity.

Tourism Rotorua Travel and Information financial summaries (forecast 2007-2016)

Description	Last Year	Annual Plan										
(thousands)	Actual	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
DAY TO DAY OPERATIONS												
COST OF SERVICE STATEMENT												
OPERATING COSTS												
Direct costs	1,451	1,429	1,524	1,635	1,698	1,717	1,860	1,794	1,836	1,874	1,907	1,937
Depreciation	26	24	33	39	43	43	45	50	50	48	49	47
Finance	0	1	2	2	3	3	3	3	3	3	3	3
Total costs	1,477	1,454	1,559	1,676	1,744	1,763	1,908	1,847	1,889	1,925	1,959	1,986
REVENUE												
Investment income	47	12	12	12	12	12	12	12	12	12	12	12
Fees and charges	1,230	1,047	1,247	1,329	1,360	1,393	1,425	1,459	1,494	1,529	1,566	1,605
Total revenue	1,277	1,059	1,259	1,341	1,372	1,405	1,437	1,471	1,506	1,541	1,578	1,617
Net cost of service	200	395	300	335	372	358	470	376	384	383	381	370
INVESTING IN THE FUTURE												
CAPITAL COSTS												
Buildings Upgrade												
Level of Service Charge/ Backlog	118	26	81	0	0	0	0	0	0	0	0	0
Other renewals	22	42	35	31	44	37	26	57	38	16	56	58
Total Capital	140	68	116	31	44	37	26	57	38	16	56	58
HOW WE PAY FOR THIS ACTIVITY												
OPERATIONAL FUNDING												
Net cost of service	200	395	300	335	372	358	470	376	384	383	381	370
Funding	200	395	300	335	372	358	470	376	384	383	381	370
Less depreciation for Capital	-26	-24	-33	-39	-43	-43	-45	-50	-50	-48	-49	-47
Total Rates for/(from) Operations	174	371	267	296	329	315	426	326	333	335	332	323
CAPITAL FUNDING												
Capital funded by:-												
Rates funding (depreciation equivalent)	19	24	33	39	43	43	45	50	50	48	49	47
Loans from/(to) Corporate Funds	114	44	83	-8	1	-6	-19	8	-13	-32	7	11
Asset sales	7	0	0	0	0	0	0	0	0	0	0	0
Total capital	140	68	116	31	44	37	26	57	38	16	56	58

Minor roundings may occur in above totals.

For further details of the allocation of capital expenditure between backlog, renewal and growth, see Appendix E of the Development Contributions Policy in Part C Section 2.