

A watercolor illustration of a building complex, likely a council or government building, featuring a large palm tree and a bench in the foreground. The style is artistic and sketchy, with muted colors and soft edges. The building has a prominent gabled roof and a balcony. The palm tree is tall and detailed. The bench is simple and sits on a paved area. The background shows more of the building and some foliage.

**ROTORUA**  
**LAKES COUNCIL**  
Te kaunihera o ngā roto o Rotorua

# ANNUAL PLAN

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2017/18

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# LOOKING TO THE PAST TO FORGE THE FUTURE

He tirohanga whakamuri ki te anga whakamua

WHAKATAKA TE HAU KI TE URU  
WHAKATAKA TE HAU KI TE TONGA  
KIA MĀKINAKINA KI UTA  
KIA MĀTARATARA KI TAI  
KIA HĪ AKE ANA TE ATĀKURA  
HE TIO  
HE HUKA  
HE HAU HŪ  
TIHE MAURI ORA!

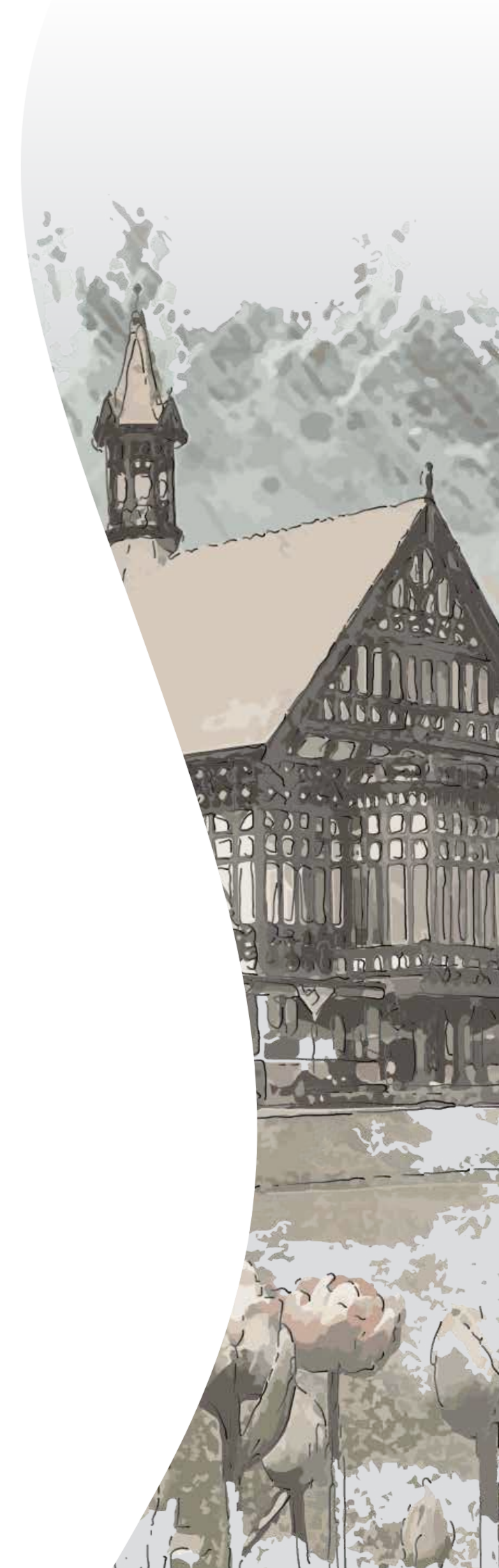
Cease the winds from the west  
Cease the winds from the south  
Let the breeze blow over the land  
Let the breeze blow over the ocean  
Let the red-tipped dawn come with a sharpened air.  
A touch of frost  
A promise of a glorious day  
It is life!

TENEI TE MIHI MAIOHA MAI I TE KAUNIHĒRA KI A  
KOUTOU  
KOUTOU NOA, TO TATAU HAPORI POUNAMU  
NO REIRA, NAU MAI, PIKI MAI, KAKE MAI RA.

Warm greetings to you all  
from Council staff and elected representatives to all  
of you,  
our unique and special community.

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# YOUR COMMUNITY YOUR COUNCIL

## Ngā māngai kaunihere

### E nga iwi puta noa i to tatau rohe o Rotorua Tena koutou katoa

As a Council we are focused on responding to and supporting the progress and sustained growth we're now seeing in Rotorua and meeting the needs and expectations of our communities.

We believe this annual plan achieves that while at the same time maintaining financial sustainability. We are living within our means.

Your input has helped shape Council's decision-making to ensure what we do aligns with what's important to the community.

We have taken into consideration feedback received from the community, which has resulted in some changes to what was originally proposed. Thank you to all those who had their say – the community's involvement is an important part of the process.

Annual Plans are the vehicles for delivering council services and projects that contribute to our district's long-term vision and goals and Council has taken a future-focussed approach in setting the direction for the coming financial year.

As well as continuing to provide the services you expect of the organisation, we need to ensure our district's assets, facilities and infrastructure are up to date, fit for purpose and able to meet the demands and expectations of our community, now and into the future.

You'll start to see improvements in the coming financial year to many of our high-use community assets like sports facilities and forest entry points.

Rural and lakes communities will also benefit from improvements to local facilities, we've added some extra funding to the budget for rural road seal extensions and Council will be working with rural communities that currently don't have access to council-provided waste collection to consider options for extending those services.

We will be progressing with major projects like the East Rotoiti/Rotomā sewerage system and upgrading our wastewater treatment plant. Council will consult on a potential upgrade to the Sir Howard Morrison Performing Arts Centre and the early part of the financial year will see completion of several key inner city projects including the library upgrade, redevelopment of Jean Batten Park and the refresh of Manawa (the former City Focus).

At the same time, Council needs to address the challenges presented by unforeseen circumstances like the closure of Rotorua Museum.

During the 2017/18 financial year Council will work on an investment case to upgrade our Aquatic Centre – something the community has been asking for – and revitalising and linking our key city reserves and parks, including the lakefront and Sanatorium Reserve.

We need to continue to work on how to encourage residential development to help address challenges we face in terms of housing and we will continue to work with NZTA to develop plans and ensure investment in ongoing improvements to our roading networks.

In finalising this annual plan Council has balanced the need to look to the future with the need to retain a focus on financial sustainability and prudent debt levels.

The 2017/18 Annual Plan is year three of our current Long-term Plan – it is a \$47 million plan which will see Council undertaking work and projects that meet and address current and future challenges, needs and expectations.

Thank you again for your input into this plan and for your ongoing contribution to making Rotorua better.

Together we can, and do, make a difference, now and for the future.

**Ma te mahi tahi, ma ten oho tahi, ma teheare tahi  
Ka tutuki nga whakakitenga, ka puawai nga moemoea  
Ka tutuki te korere  
Tatau tatau – We together**

**Hon Steve Chadwick JP  
Rotorua Mayor**



# YOUR COUNCILLORS

## Elected members



Hon Steve Chadwick JP  
**Mayor**



Cr Dave Donaldson QSM  
**Deputy Mayor**



Cr Peter Bentley



Cr Mark Gould JP



Cr Karen Hunt



Cr Rob Kent



Cr Rajmesh Kumar



Cr Trevor Maxwell MNZM  
**Cultural Ambassador**



Cr Merepeka Raukawa-Tait



Cr Charles Sturt



Cr Tania Tapsell

# YOUR COMMUNITY BOARDS

## Lakes Community Board



Phill Thomass  
**Chair**



Jim Stanton  
**Deputy Chair**



Nick Chater



Fred Stevens

## Rural Community Board



Shirley Trumper  
**Chair**



Chris Sutton  
**Deputy Chair**



Euan McLachlan



Bob Martin

Established in 2007 and 2016 respectively, the Rotorua Lakes Community Board and Rotorua Rural Community Board advocate on behalf of residents of the lakes and rural areas in the Rotorua district.

# TE TATAU O TE ARAWA

## The Te Tatau Board of Trustees

### Te Tatau o Te Arawa Board Members:

Te Taru White - Chairperson  
 Ngaroma (Mala) Grant - Deputy Chairperson  
 Eugene Berryman-Kamp  
 Potaua Biasiny-Tule  
 Kingi Biddle  
 Ngahuia Hona-Paku - Rangatahi  
 Dr Ken Kennedy - Te Pukenga Koeke Representative  
 Eraia Kiel  
 Raina Meha-Rangitauira  
 Gina Mohi  
 Ana Morrison  
 Geoffrey Rolleston  
 Te Mauri Tait Kingi - Rangatahi  
 David (Rawiri) Waru



Te Tatau o Te Arawa represents the collective interests of Te Arawa under the Te Arawa partnership agreement with Rotorua Lakes Council.

The Te Tatau board of trustees comprises 14 members, representative of a cross section of Te Arawa stakeholders including koeke (elders), Ngati Whakauae, Te Arawa iwi and hapu, land trusts and incorporations, pan-Te Arawa entities and rangatahi (youth).

Te Tatau was established in 2015, following a robust 18-month process. Te Arawa (voting age members registered on the Te Arawa Lakes Trust register at the time) elected a board of 14 members to represent Te Arawa collective interests and guide the partnership with Council.

The partnership agreement embodies the intention of Te Arawa and Rotorua Lakes Council to establish an enduring partnership which creates a future that benefits the community as a whole.

Under the partnership both parties commit to the following goals:

- provide a framework to work together towards improving Rotorua;
- provide mechanisms and resources that help Te Arawa to participate in Council policy, planning and other decision-making processes;
- facilitate the sharing of information to build better understanding that enhances collaboration and strategic thinking about Rotorua's future;
- assist Te Tatau to:
  - Achieve a Te Arawa 2030 Vision,
  - support the council to grow its capacity and capability to effectively and meaningfully engage with Te Arawa hapu and iwi,
  - Realise opportunities (that arise from time to time) that both parties agree are mutually beneficial,
- assist Council with its decision-making and other processes, exercise of functions, and exercise of powers by meeting five objectives:
  - help Council meet its Rotorua 2030 commitment to effectively partner with Te Arawa;
  - improve the delivery of Council's legal and statutory obligations to Maori;
  - strengthen Te Arawa's participation in Council decision-making;
  - identify strategic opportunities to work closely together for the betterment of the Rotorua district;
  - build iwi capacity and capability to partner with local government.

# VISION 2030: THE ROTORUA WAY

## Keeping focused on achieving our goals

Identifying what's special about Rotorua and identifying its strengths are key to our district's future progress.

Identifying opportunities that will help us to build on those strengths will keep us focused on the right things to achieve our goals.

Rotorua 2030 identifies a future vision and the goals to which we aspire.

During the past few years we have seen the district progress and current indicators point to continued growth and investment. The local economy is performing above the national average, unemployment has been dropping and sectors like tourism, retail and hospitality are doing well. It's important we keep that momentum going.

Our population passed 70,000 during 2016 which is a reversal of a decade-long decline pre-2014.

We acknowledge that with growth and progress come pressures – on infrastructure like roads, water supplies and wastewater systems, on public facilities, housing stock and accommodation and on service and hospitality sectors. These challenges need to be dealt with, but many also present as opportunities.

Establishing what is special to us and our district provides the blueprint for how we want Rotorua to be known.

Being clear about our strengths and the opportunities will allow us to be specific about our focus, and to identify priorities that will have the greatest impact and will support our progress towards the Rotorua 2030 Vision.

### people | culture | place

Koinei tō tātau kāinga.

Ko tātau ōna tāngata.

Nā tātau tonu i ora ai te ahurea Te Arawa me ōna āhuatanga katoa.

He iwi auaha tātau e tuku nei i tā tātau e ako nei.

E kokiri nei tātau i te angitu, i te hihiri me ngā rerekētanga maha.

E kaha tautoko nei tātau i whakapūmāutanga o te taiao.

Mō te katoa a Rotorua...Tatau tatau

This is our home.

We are its people.

We're **the heart of Te Arawa culture** and expression.

We're innovative and we share what we learn.

We're driving opportunity, enterprise and diversity.

We're supporting **a legacy of sustainability** for our environment.

Rotorua is **a place for everyone...**

Tatau tatau - We together.

# BIG MOVES FOR 2017/18

## Contributing to Vision 2030

### Planning for future growth (a district spatial plan)

We need to ensure we are prepared for ongoing growth and the challenge is to ensure the way development happens will protect what makes our district special, while at the same time propelling Rotorua forward. Community input will help us develop a spatial plan. It will be the blueprint for how we want our district to look in future, setting out areas for future residential, commercial and industrial development and the intensity of that development. This will be one of several important building blocks that will fit together to help us achieve our 2030 vision.

### Affordable housing that meets needs

We want to ensure housing in the district meets community needs and both Council and the community are concerned about current pressures on housing stock, housing affordability and how we can support people into emergency and subsidised rental housing in the district. Council is investigating the potential to establish, with local partners, a community housing provider that would then have access to Central Government funding. Management of Council's 152 pensioner houses might also be transferred to another provider. This project will also look at zoning within the spatial and district plans and may require plan changes.

### Development company

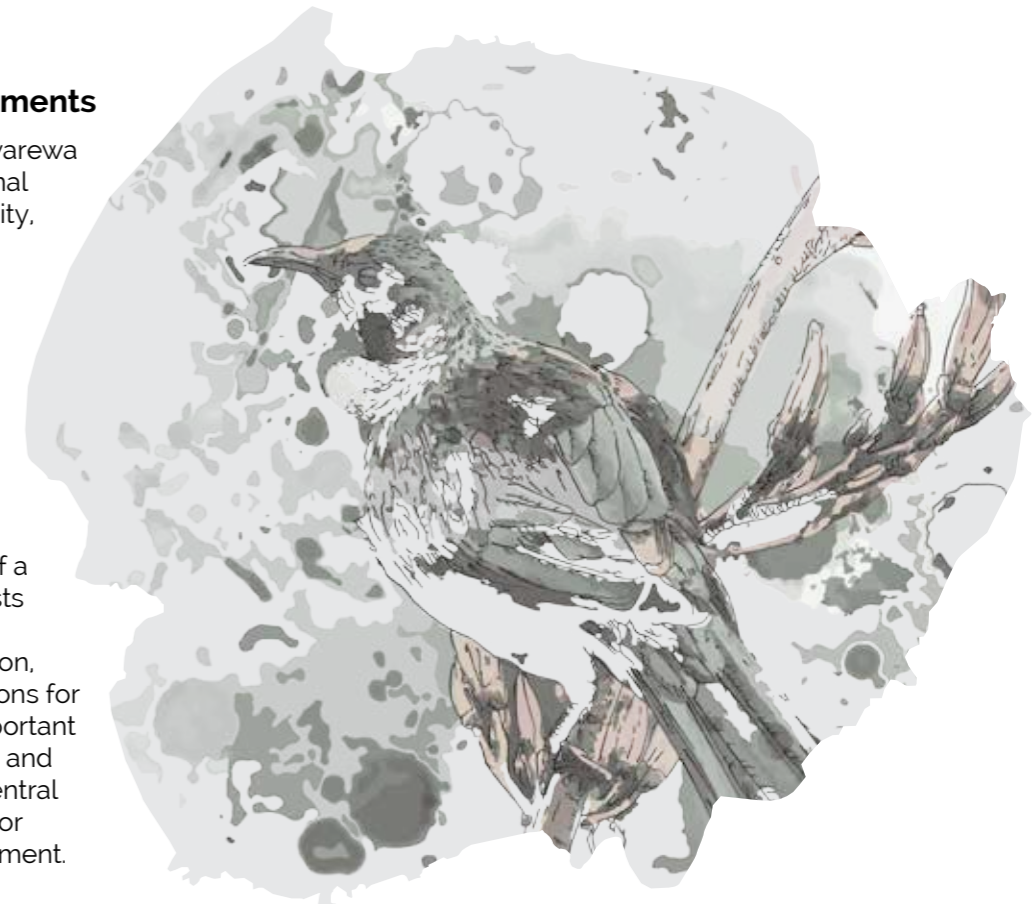
Unlocking land for development remains a focus for the district. Council will look at how to encourage development that supports the need for additional residential sections and commercial/industrial expansion on land Council owns and has identified as surplus. An independent company or council-controlled organisation (CCO) will be needed to ensure transparency and enable investment negotiations to be undertaken. Achieving this may require establishing a new CCO, one that could work more closely with iwi and commercial investors. This presents another important opportunity to support district growth and development.

### Eastern corridor development

A good roading network is vital to the growth of our district, helping us to unlock land for development and ensuring ease of movement across and in and out of our district. Traffic volumes have been increasing and there are pressures on our Eastern corridor in particular. Council is working closely with the New Zealand Transport Agency (NZTA) on plans and a set of actions needed to ensure the local roading network will meet the district's growing needs. In order to keep pace Council may need to consider some early investment (possibly the airport roundabout) to unlock additional land for commercial/industrial development.

### Forest entrance improvements

The Redwoods and Whakarewarewa Forest are important recreational areas for the Rotorua community, as well as being assets that attract events and tourism. Council is considering options for improving Long Mile Road and improvements at Waipa, the high-use entrances to these forest trail networks used by walkers, runners, bikers and horse riders. This will need to be considered in the context of a wider master plan for the forests including investment cases for development of accommodation, chair lift and other service options for forest users. These will be important investment propositions for iwi and have the potential to attract Central Government funding support for tourism infrastructure development.



### Lakefront revitalisation (city ring of reserves)

Council is proposing to undertake some detailed planning with stakeholders and the community on the key reserve areas around the city (Kuirau Park, lakefront, Government Gardens and the Sanatorium Reserve). This work will provide a vision for the reserves development but will also establish areas where private investment can be included to be able to leverage funds to enhance the reserve and provide ongoing revenue.

### Aquatic Centre investment case

The community has asked for investment in our aquatic centre. Council included funding for an upgrade in its 2015-25 Long-term Plan and a strong investment case will be developed to encourage private sector investment to significantly expand the facility. Reserve planning will be another important component. Council will need to make a decision to prioritise the work and will need to choose between a single partnership proposal (ie to agree, with a partner, to upgrade and build at the same time) or to take a two-stage approach (upgrade and then seek a partner for additional elements).

# BIG PROJECTS

## Contributing to Vision 2030

### East Rotoiti/Rotoma sewerage scheme

See page 17 for details on this project

### Completing the library and child health hub

Rotorua Lakes Council and the Lakes District Health Board have collaborated on a unique project which will see modern library services and child support services co-located in a vibrant community hub that caters to all ages and all users of the services. The library building has undergone earthquake strengthening as part of the upgrade and the shared hub will open out onto an extended Jean Batten park. Council set aside \$8.3m towards this innovative project in the Long-term Plan and the project is on track for completion in November 2017.

### Manawa

Creating a vibrant city heart that attracts people and activity was a priority for Council and the Rotorua community and following several rounds of community consultation and input from inner city business people, Council set aside \$1.2m in its Long-term Plan for a refresh of the former City Focus, now renamed Manawa (Heart of the city). The completed works will modernise the area and create a people-friendly space for activity, will improve sight lines and open up the intersection to traffic in all directions. The works are due for completion in August 2017.

### Sir Howard Morrison Performing Arts Centre

Providing a fit-for-purpose, multi-use venue that can showcase all forms of performance will help strengthen Rotorua's cultural and performing arts offering, bringing vibrancy to the centre and maximising its use. The centre also needs earthquake strengthening and the total project – an upgrade and strengthening – will cost an estimated \$6.5million. Council will work with key stakeholders to strengthen the value proposition for the proposed project before a final decision is made and \$1million has been allocated in the 2017/18 year to complete the value case and potentially start detailed design and construction.

### Devolved funding for district development

Improvements which are important to rural and lakes communities in the Rotorua district have received funding for a variety of projects with \$255,000 set aside for roading and \$265,000 for open spaces and recreation. Projects will include boat ramp improvements at Gisborne Point, Lake Rotoiti, and at Lake Okareka with other priorities being undertaken in conjunction with the lakes and rural community boards. This may include reserve enhancement, jetty/boat ramps, local shopping area beautification and enhancing community entranceways.

### Presenting Our Place: Entranceways

Strong entranceway features are among the first things returning locals and tourists see when entering Rotorua city and they often become a powerful symbol that forms part of the district's identity. Council has approved \$300,000 to enhance the city's northern and eastern entrances.

### Sports facility funding

Rotorua's active environment and easy lifestyle are important to its residents and we are striving to ensure that there are outstanding places to play throughout the district.

#### Rugby fields

A new rugby field will be built at Westbrook Park at the bottom of Thebes Street and drainage and playing surfaces on existing fields will be improved, reducing the need for closures due to wet weather and enabling them to be used more frequently.

#### Hockey

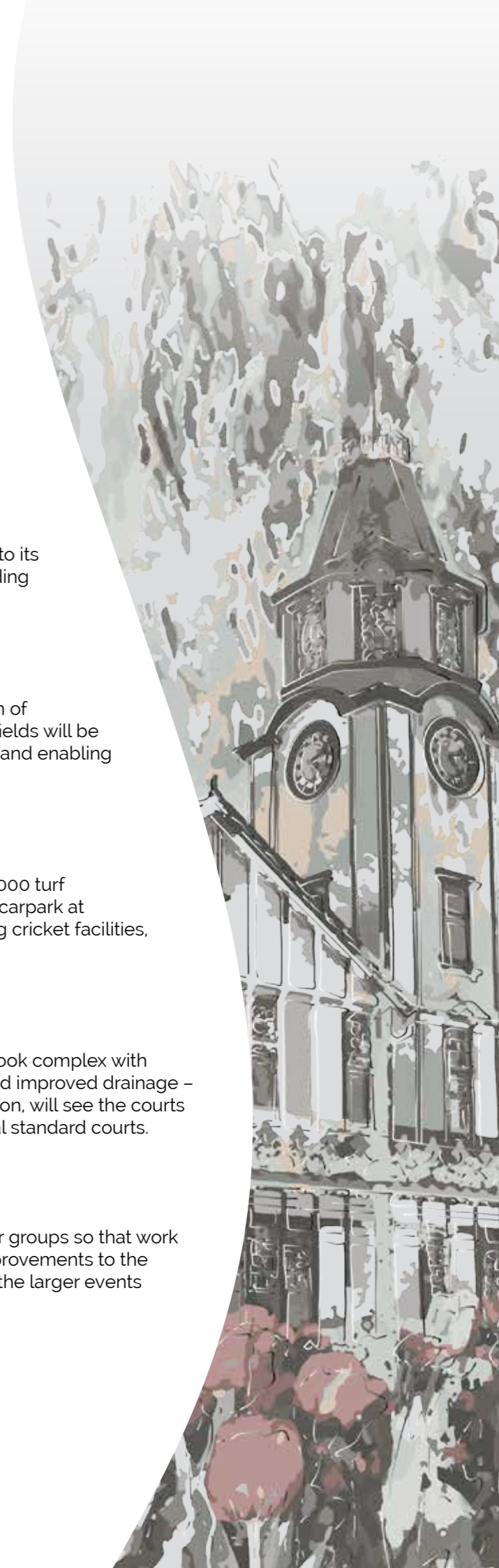
One of the city's two synthetic hockey pitches will get a \$500,000 turf replacement, scheduled for the off-season early in 2018. The carpark at Smallbone Park, which services both hockey and neighbouring cricket facilities, will also be upgraded.

#### Netball

Council is working with Netball Rotorua to upgrade its Westbrook complex with stage one – court area expansion, improved embankments and improved drainage – already finished. Stage two, to be completed before next season, will see the courts further upgraded with re-surfacing and the creation of national standard courts.

#### Soccer

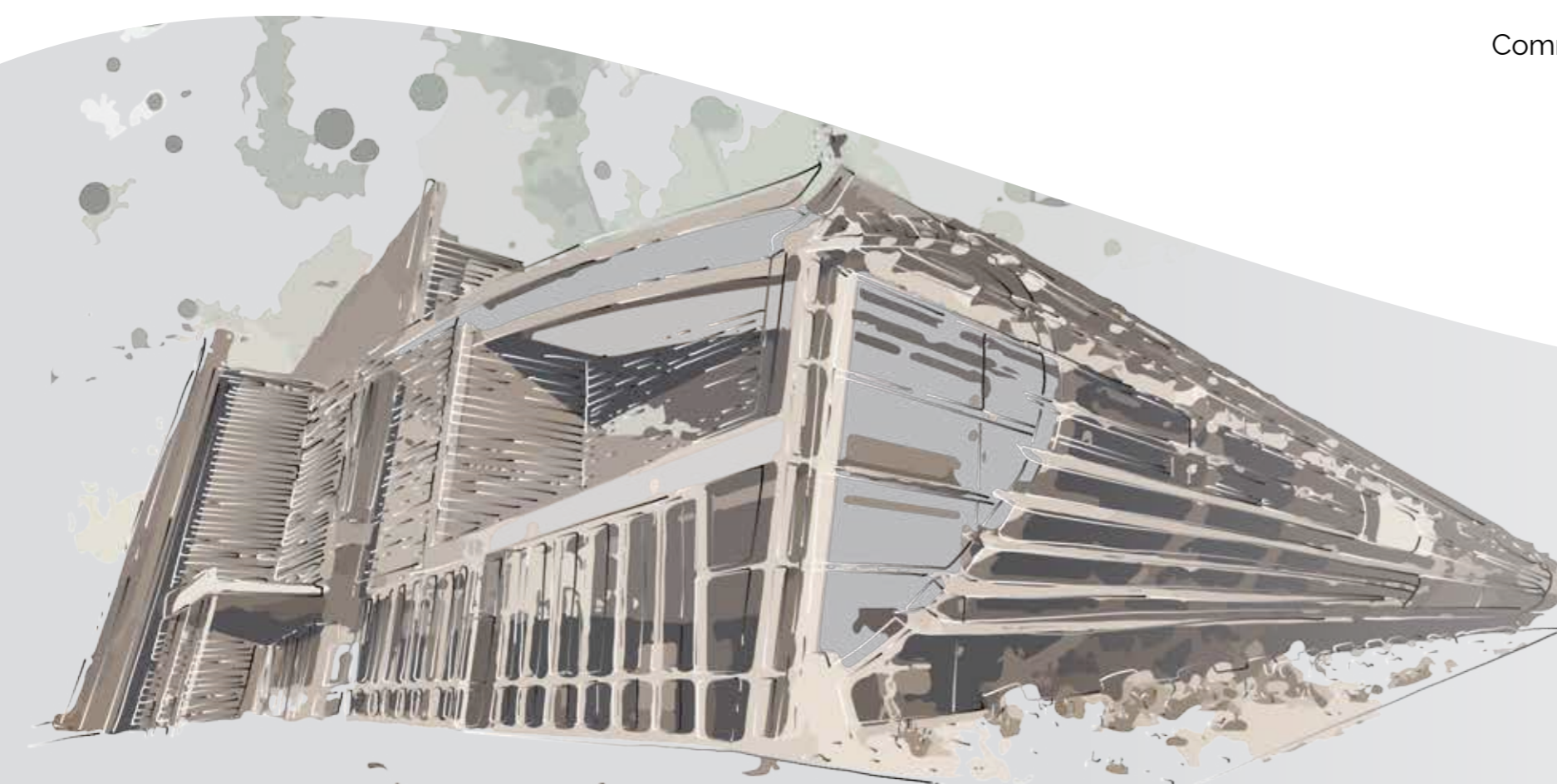
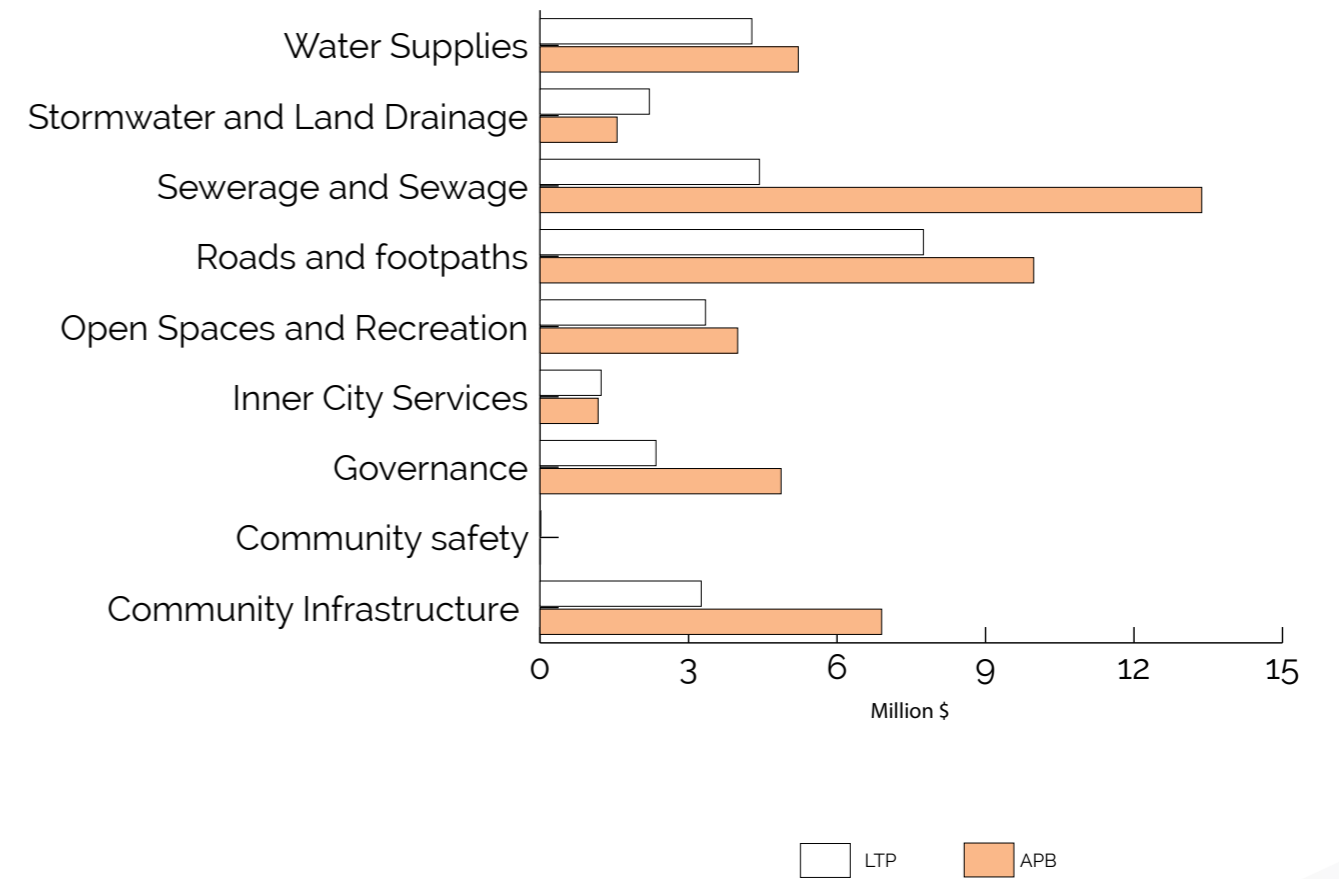
Upgrades needed at Puarenga Park will be identified with user groups so that work can be completed during the year. This will likely focus on improvements to the toilet facilities and establishing other infrastructure that helps the larger events this park frequently hosts.



# CAPITAL EXPENDITURE BY ACTIVITY

Looking after existing assets and creating new ones

Capital spend is split into two areas – looking after existing assets and creating new ones. Renewals is the expenditure required to replace existing assets that have come to the end of their useful life. The new builds expenditure is investment into the creation of new assets, like when the Energy Events Centre was built and new sewerage schemes constructed.





# COUNCIL'S MAJOR PROJECTS 2017/18

## Capital spend 2017/18: Replacing assets and new builds

- KEY PROJECT**  
 See page 19.
- KEY PROJECT**  
 Destination management.
- KEY LONG TERM PLAN PROJECT**  
 City Focus.
- LONG TERM PLAN PROJECT**  
 Commenced 2016.  
 Due to open Nov 2017.
- KEY PROJECT**  
 Proposal to upgrade facilities for hockey, soccer and rugby to enhance the sporting experience at those venues.
- KEY PROJECT**  
 Focus on district revitalisation in lake and rural areas. May include reserve enhancement, jetty/boat ramps, local shopping area beautification, and community entrance ways.

Community Facilities	\$000
Aquatic Centre building and plant renewals	280
<span style="display: inline-block; width: 10px; height: 10px; background-color: black; border-radius: 50%; margin-right: 5px;"></span> Sir Howard Morrison Performing Arts Centre	850
International Stadium renewals	7
<span style="display: inline-block; width: 10px; height: 10px; background-color: orange; border-radius: 50%; margin-right: 5px;"></span> Library and Children's health hub	4,695
Library renewals	180
Ngongotaha Hall renewals	45
Rotorua Energy Events Centre renewals	40
Rotorua Museum building & Government Gardens	675
Sir Howard Morrison Performing Arts Centre renewals	115
<b>Total</b>	<b>\$6,887</b>

Governance	\$000
Civic Centre Renewals	1,122
Core software and hardware renewals	1,172
Information technology system renewals	2,248
Vaughan Road Depot renewals	70
Vehicle Replacements	255
<b>Total</b>	<b>\$4,867</b>

Inner city services	\$000
<span style="display: inline-block; width: 10px; height: 10px; border: 1px solid grey; border-radius: 50%; margin-right: 5px;"></span> CBD Refresh	1,170
<b>Total</b>	<b>\$1,170</b>

Community safety	\$000
Animal control asset renewals	6
<b>Total</b>	<b>\$6</b>

Open Spaces + Recreation	\$000
Carpark upgrades	360
Cemetery developments and improvements	40
<span style="display: inline-block; width: 10px; height: 10px; background-color: grey; border-radius: 50%; margin-right: 5px;"></span> City gateways	300
<span style="display: inline-block; width: 10px; height: 10px; border: 1px solid orange; border-radius: 50%; margin-right: 5px;"></span> Tourism lakes pressures	265
Jean Batten park upgrade	200
Parks and reserve development	1,268
Parks and reserves renewal programme	303
<span style="display: inline-block; width: 10px; height: 10px; background-color: grey; border-radius: 50%; margin-right: 5px;"></span> Sports facility funding	1,280
<b>Total</b>	<b>\$4,016</b>

Roads and footpaths	\$000
<span style="display: inline-block; width: 10px; height: 10px; border: 1px solid orange; border-radius: 50%; margin-right: 5px;"></span> Devolved funding	255
Lighting, safety, other transport network renewals	3,361
Rural seal extensions	895
Transport renewal programme	5,249
Urban street upgrades	210
<b>Total</b>	<b>\$9,970</b>

Sewage Disposal	\$000
Sewerage renewal programme	2,391
Wastewater treatment and disposal upgrade	978
Rotoiti/Rotomā sewerage system	10,000
<b>Total</b>	<b>\$13,369</b>

Water Supplies	\$000
Pipes replacement, backflow prevention, pressure management	1,785
Water supply renewal programme	3,432
<b>Total</b>	<b>\$5,218</b>

Stormwater	\$000
Stormwater renewal programme	1,555
<b>Total</b>	<b>\$1,555</b>

<b>GRAND TOTAL</b>	<b>\$47,059</b>
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# EAST ROTOITI/ROTOMĀ SEWERAGE SCHEME

## Sewerage reticulation scheme for East Rotoiti and Rotomā

Council committed through its Long-term Plan to a reticulated sewerage scheme for East Rotoiti/Rotomā. The project will contribute to Rotorua Te Arawa Lakes Programme goals to improve lakes water quality and protect public health and features a strong commitment to respecting traditional cultural values and broader community expectations.

There are about 700 properties in the proposed service area for this scheme, which will replace current septic tanks. Allowance has been made for some future growth.

Council has worked alongside a community-led steering committee for the East Rotoiti/Rotomā community since 2013 to establish a preferred option. Properties will connect to a stand-alone wastewater treatment plant which will treat wastewater to a very high standard before it is discharged to land.

**The total estimated capital cost of the scheme is \$35.3 million which would largely be covered by subsidies.**

Ministry of Health	\$4.46 million
Bay of Plenty Regional Council	\$8.6 million
Ministry for Environment	\$11.6 million
Rotorua Lakes Council	\$1.15 million

The balance (\$9.4 million) will be initially funded by Rotorua Lakes Council and will be repaid by the ratepayer through targeted rates.

It is proposed the borrowing be spread across the 2018/19 and 2019/20 financial years.

There are some time pressures on the project with a deadline for using the Ministry of Health funding which means the Rotomā part of the scheme needs to be completed by June 2018, impacting on the 2017/18 financial year budgets.

Individual households will either make an upfront payment of \$14,100 (GST inclusive) or pay \$1,080 (GST inclusive) per annum over 25 years.

Note: The above cost is based on a STEP pre-treatment system for Rotomā and Biolytix (or similar pre-treatment system) for Rotoiti with a common Membrane Bioreactor (MBR) wastewater treatment plant.

### What Council proposed

Council consulted on a proposal to progress with the scheme and introduce the capital targeted rate for East Rotoiti/Rotomā ratepayers from the 2017/18 financial year (paid in total up front or over 25 years).

Ongoing maintenance of the treatment plant will cost an estimated \$1.4m per year. To cover that, Council would need to increase the current sewage rate for all serviced rateable properties in the district by 8% or \$37 (including GST).

### Council decision

The project is supported by the residents of East Rotoiti/Rotomā following ongoing work by the steering committee and community-wide engagement. Council supports the steering group's preferred option for a STEP system at Rotomā and Biolytix (or similar pre-treatment system, subject to trial outcomes) for Rotoiti, and both communities connecting to a common treatment plant and land disposal system.

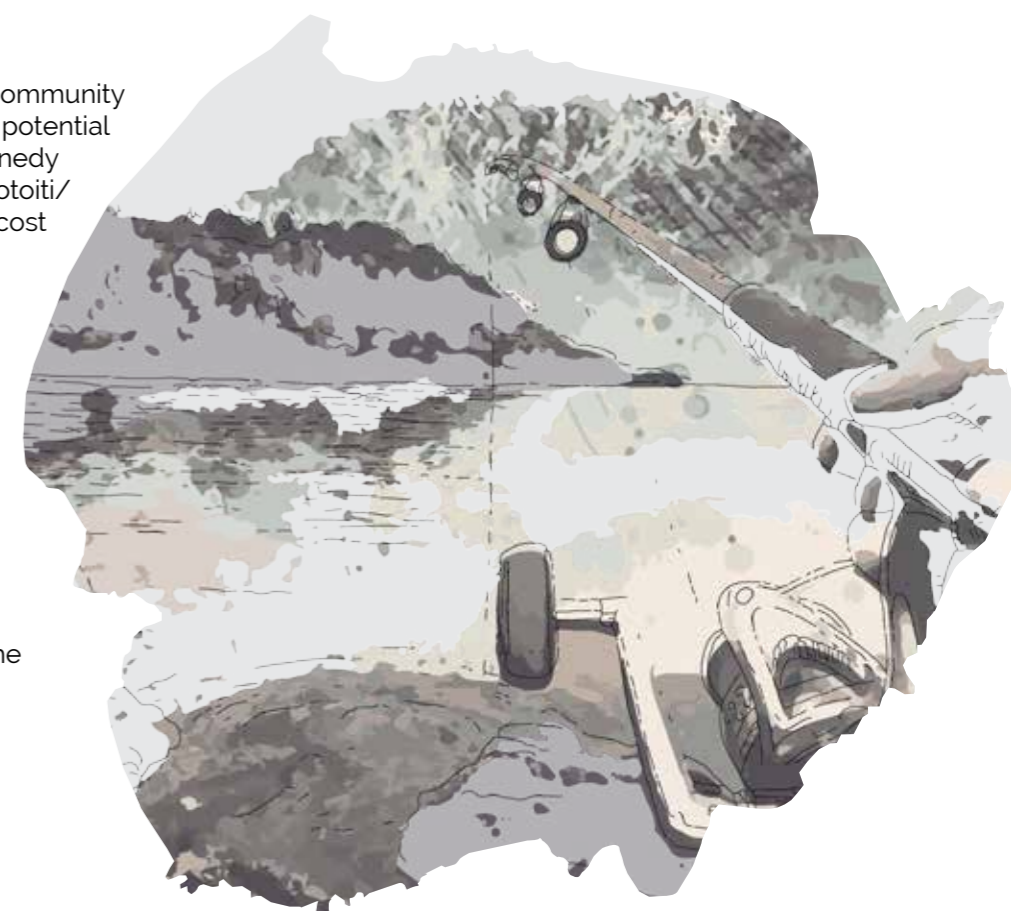
Following feedback, Council decided to defer introducing the capital contribution until the schemes have been commissioned. For Rotomā this will be 2018/2019 and for Rotoiti 2019/2020.

As a result of starting this project a district-wide increase to the pan charge (for all wastewater-serviced properties) will be required from the 2018/19 year.

### Rotoehu

Representatives of the Rotoehu community made submissions calling for the potential inclusion of properties within Kennedy Bay and Otautu Bay to the East Rotoiti/Rotomā scheme. The estimated cost of connection to the scheme for the existing 77 properties (and a further 17 in future) is about \$3.5 million.

Having agreed to signal its commitment to wastewater management infrastructure as a core service for the district, Council supports a full wastewater reticulation and treatment scheme serving all of lake Rotoehu, including Kennedy and Otautu, subject to securing the required funding.



# WASTE MANAGEMENT SERVICES

## Additional waste management services for rural communities

During the 2016/17 year Council introduced new waste management services including kerbside recycling, replacing rubbish bags with wheelie bins and implementing new contracts for the kerbside collections and for management of the landfill.

Council is also looking at the potential to extend waste management services into rural communities currently not serviced by council-provided services and has reviewed options for funding the overall service.

### Waste Strategy 2016

The Strategy aims to reduce the amount of waste being produced and increase the amount of residual waste that the district recycles and/or recovers for beneficial use.

### What was proposed

Council proposed that kerbside collection or an equivalent service be provided to all properties in the district where it is possible.

To do this and to ensure services continue to be self-sustaining (ie pay for themselves), it was proposed that:

- Everyone in the district where the service can be provided pay the targeted rate and everyone who receives the service pays the same amount. This will remove the option to "opt out" of the services;
- Urban, rural and suburban businesses be charged the same targeted rate for system simplification;
- Businesses in the inner city be charged a double rate for larger capacity bins;
- A partial amount be charged to vacant land to reflect service availability and improved amenity value;
- Provision of the service be completely funded through a 100% targeted rate to make the service fully cost transparent and to more readily enable the costing of future service additions if required.

**Currently Council's funding policy funds the service 80% through a targeted rate and 20% general rate. The 20% general rate covers services including waste minimisation education, general litter collection, the monitoring and recovery of illegal dumping.**

Following engagement it is clear there is mixed support for a service in rural communities and that residents want a service that is fair, ie the same service for all those charged the same amount.

Affected communities have indicated they are open to further discussion with Council about extending the refuse and recycling service and Council has decided to continue working with these residents to find agreeable options. This will be reported back during the Council's 2018-2028 LTP process.

Council has decided it is prudent to retain the status quo in terms of funding for the service (80% from targeted rates, 20% from general) to ensure everyone pays for at least litter collection, landfill operations, education etc.

### Council has agreed to:

- Remove the option for those in council-serviced areas to "opt-out";
- Charge a partial amount for vacant urban land (equates to 50% of the targeted amount);
- Charge a double rate for larger capacity bins provided in the inner city.



# PERFORMING ARTS CENTRE

## Enhancing cultural and performing arts for the district

Low use of the Sir Howard Morrison Performing Arts Centre and performing arts groups identifying that the facility does not meet their needs prompted community engagement in 2014 to consider improvements to revitalise performing arts in the city. There was also strong feedback that the pricing structure was limiting for community groups.

Work to date has resulted in some concepts for changing the building. However, following Annual Plan consultation it was clear the true value of the project to performing arts is not well understood.

Working to a current estimate of \$6.5million, it was proposed the project include upgrades to the current facility as well as earthquake strengthening.

Work will be undertaken with key stakeholders in 2017/18 to strengthen the value proposition for the project.

Council will then make a decision on the outcomes and direction for the project. A budget of \$1million has been set aside in 2017/18 to complete the value case and depending on Council's decision, complete detailed design and potentially start construction.

### Project outcomes

- Address opportunities to strengthen the cultural and performing arts offering by providing a venue that can showcase all forms of performance, create vibrancy and increase of the centre;
- Upgrade the building for earthquake stability;
- Create a fit-for-purpose venue to encourage more users/promoters/presenters to offer more performing arts for Rotorua and visitors;

### Benefits of the project

- Enriched creative experiences for the community;
- Increased use of the facility by theatre groups;
- Alternative performance space for shows;
- Provide affordable performance space for local or smaller shows;
- Offer a variety of entertainment options for locals and visitors;
- Create a positive identity reflecting Rotorua's strong arts, performance and Māori culture.
- Support the Vision 2030 strand – strong culture





# EXCEPTIONS TO YEAR 3

## What are we doing differently?

### Funding Museum services

Council proposed the introduction of a 0.5% targeted rate to cover a revenue shortfall caused by the unexpected closure in November 2016 of Rotorua Museum following the discovery of damage following the Kaikoura earthquake.

While the long term goal is to re-open, until the damage is fully quantified and solutions for restoration are agreed on, the business and delivery models need to change. A revised business model has been developed to support museum operations while it remains closed, provided by a core staff who were retained to maintain services and prepare for future re-opening.

The revised business plan cannot accommodate for the direct loss of revenue generated from

visitor admissions which was projected to be \$2million in the 2016/2017 year.

Ongoing review of the business plan continues as Council develops a better understanding of the likely work required. While Council will not need to fund a \$400,000 decrease in depreciation expenses, \$675,000 in capital expense relating to completion of a structural design plan for the museum's restoration will be incurred.

The community did not support introduction of a museum recovery targeted rate so to fund the shortfall, Council will increase the Uniform Annual General Charge (UAGC) by \$14.20. Every household will pay the same amount and when the Museum re-opens this contribution can be reduced.

This method of funding is in line with Council's current funding policy.

### Remove the community board targeted rate

Council will update its funding policy to apply 100% funding for the Lakes Community Board into the general rate. This will remove the current targeted rate of \$21.50 per property for the Lakes Community Board.

As there is now also a rural community board and the Te Tatau o Te Arawa board, this decision shows Council's commitment to consistency in how it works alongside its boards and partners to guide decision-making. It also fulfills the commitment made by Council during the Representation Review 2016 to treat all community boards and partners equally.

### Reduced farming remission

The farming remission was introduced in the 2015-25 Long-term Plan. Prior to 2015/16 year, capital valuations in the farming sector soared, particularly for dairy farms. This was coupled with estimates for milk solid prices being based on prices from the profitable previous year and saw farms facing rates increases of between 20 and 30%. In reality, milk prices were not as profitable, creating a big gap between projected income and a huge increase in rates, driven by high capital values.

Council responded by introducing a farming remission, capping rates increases for some farm properties to that of the increase in capital value.

The farming remission cost Council \$260,000.

In 2017 milk prices began returning to more sustainable forecast payouts and with property revaluations on the horizon, Council will need to rethink its rating framework. In the meantime, Council has signaled that the remission is likely to be removed in the next Long-term Plan and to prepare the farming community for this, the remission will be reduced by 50% in the 2017/18 year, saving \$130,000.

### Increase in rural road seal extension

Funding in the Long-term Plan for year three (2017/18) was proposed to be \$595,000, allowing for about 3-4km of seal to be completed.

Council decided to increase this budget by \$300,000 which will enable the sealing of approximately 1km more in 2017/18.

Council will also consider a possible accelerated seal extension programme, or targeted funding options, when it considers and consults on its 2018-28 Long-term Plan.

# FINANCIAL STATEMENTS

## Purpose of financial statements

### Prospective statement of comprehensive income

This statement discloses the net surplus or deficit and their components, arising from activities or events during the year that are significant for assessing past and future financial performance.

### Prospective statement of financial position

Information about economic resources controlled by Council and its capacity to modify those resources is useful in assessing Council's ability to generate cash and/or provide services in the future. Information about the financing structure is useful in assessing future borrowing needs, and how future surpluses and cashflows may be distributed. The information is also useful in assessing how successful the council is likely to be in raising further finance.

### Prospective statement of cash flows

This statement reflects Council's prospective cash receipts and cash payments during the year and provides useful information about the Council's activities in generating cash through operations to:

Repay debt; or

Reinvest to maintain or expand operating capacity.

### Statement of accounting policies

The accounting policies adopted by Council can have a significant impact on financial and service performance, financial position and cash flows that are reported in its financial reports. Therefore, for an appreciation of those reports, users need to be aware of:

- the measurement system underlying preparation of financial reports; and
- the accounting policies followed in respect of individual items in the financial reports, especially where there are acceptable alternatives for dealing with such items; and
- any changes in the measurement system, assumptions or particular accounting policies.

## Prospective statement of comprehensive revenue and expense

As at 30 June	Annual Plan 2016/17 (\$000)	Long Term Plan 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
<b>Revenue</b>			
Rates, excluding targeted water supply rates	77,226	79,657	81,058
Targeted rates for water supply	4,200	4,329	4,238
Development and financial contributions	-	-	-
Subsidies and grants (incl Capital subsidies)	7,650	7,865	19,400
Other revenue	18,225	21,440	16,446
Finance income	100	50	134
Gains	-	-	-
<b>Total Revenue</b>	<b>107,402</b>	<b>113,341</b>	<b>121,276</b>
<b>Expenditure</b>			
Personnel costs	24,840	27,837	25,055
Depreciation and amortisation expense	25,220	26,527	24,842
Other expenses	49,688	50,993	50,120
Finance costs	7,569	9,020	7,457
<b>Total operating expenditure</b>	<b>107,317</b>	<b>114,376</b>	<b>107,474</b>
Surplus / (deficit) for the period	85	(1,036)	13,802
Loss for the period from discontinued operations	-	-	-
Surplus / (deficit) before tax	85	(1,036)	13,802
Income tax expense	-	-	-
<b>Surplus / (deficit) after tax</b>	<b>85</b>	<b>(1,036)</b>	<b>13,802</b>
<b>Other comprehensive income</b>			
Revaluation on property, plant and equipment	27,031	28,910	28,910
Revaluation on intangibles	-	-	-
Net change in fair value of investments	-	-	-
Net change in fair value of hedges	-	-	-
<b>Other comprehensive income</b>	<b>27,031</b>	<b>28,910</b>	<b>28,910</b>
<b>Total comprehensive</b>	<b>27,116</b>	<b>27,874</b>	<b>42,712</b>

## Prospective statement of changes in Net assets/Equity

As at 30 June	Annual Plan 2016/17 (\$000)	Long Term Plan 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
<b>Balance as at 1 July</b>	<b>998,127</b>	<b>995,127</b>	<b>971,796</b>
Total Comprehensive Income as stated	27,116	27,874	42,712
Balance at 30 June	1,025,243	1,022,236	1,014,508
<b>Total Comprehensive Income attributable to:</b>	<b>27,116</b>	<b>27,109</b>	<b>42,712</b>

## Prospective statement of financial position

As at 30 June	Annual Plan 2016/17 (\$000)	Long Term Plan 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	1,000	1,000	1,000
Debtors and other receivables	8,610	9,086	13,945
Inventories	1,328	1,396	153
Derivative Financial Instruments	-	-	-
Non-Current Assets held for sale	-	-	-
<b>Total Current Assets</b>	<b>10,938</b>	<b>11,482</b>	<b>15,098</b>
<b>Non-current Assets</b>			
Loans and Receivables (Airport Loans)	15,000	-	15,000
Property, plant and equipment	1,156,164	1,194,163	1,148,134
Investment Property	-	-	-
Intangible Assets	2,559	2,559	3,318
Other Financial Assets	31,470	31,470	38,039
<b>Total Non-current Assets</b>	<b>1,205,193</b>	<b>1,228,192</b>	<b>1,204,491</b>
<b>Total Assets</b>	<b>1,216,131</b>	<b>1,239,674</b>	<b>1,219,589</b>

## Prospective statement of financial position (continued)

As at 30 June	Annual Plan 2016/17 (\$000)	Long Term Plan 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors and Other Payables	17,487	17,975	24,677
Provisions	672	707	300
Employee Benefit Liabilities	6,243	6,361	3,304
Borrowings	20,000	36,150	37,763
Derivative Financial Instruments	-	-	397
Taxation Payable	-	-	-
<b>Total Current Liabilities</b>	<b>44,402</b>	<b>61,193</b>	<b>66,440</b>
<b>Non-current Liabilities</b>			
Borrowings	129,100	125,925	121,700
Borrowings held on behalf of Airport	15,000	-	15,000
Provisions	2,127	2,182	1,916
Employee Benefit Liabilities	259	264	25
<b>Total Non-current liabilities</b>	<b>146,486</b>	<b>128,371</b>	<b>138,641</b>
<b>Total Liabilities</b>	<b>190,888</b>	<b>189,564</b>	<b>205,081</b>
<b>Net Assets</b>	<b>1,025,243</b>	<b>1,050,110</b>	<b>1,014,508</b>
<b>Net Assets/Equity</b>			
Capital Contributed by			
Accumulated comprehensive revenue and expenses	736,487	731,781	732,504
Restricted Equity	4,867	5,530	8,077
Reserves	283,889	312,799	273,927
Minority Interest	-	-	-
<b>Total Net Assets/Equity</b>	<b>1,025,243</b>	<b>1,050,110</b>	<b>1,014,508</b>

## Prospective statement of cashflows

As at 30 June	Annual Plan 2016/17 (\$000)	Long Term Plan 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
<b>Cash flows from operating activities</b>			
Receipts from rates revenue	81,426	83,986	85,296
Receipts from customers and other services	18,225	21,440	16,446
Receipts from Grants and Subsidies	7,650	7,865	19,400
Goods and Services Tax (Net)	-	-	-
Interest received	100	50	134
Dividends received	-	-	-
Payments to Suppliers	(49,533)	(50,917)	(50,120)
Payments to Employees	(24,718)	(27,597)	(25,055)
Interest paid	(7,569)	(9,020)	(7,457)
Income tax refund/(paid)	-	-	-
<b>Net cash from operating activities</b>	<b>25,582</b>	<b>25,807</b>	<b>38,644</b>
<b>Cash flows from investing activities</b>			
Proceeds from medium term investments	-	-	-
Proceeds from sale of property, plant and equipment	1,019	1,051	1,051
Proceeds from community loan repayments	-	-	-
Purchase of property, plant and equipment	(29,601)	(28,858)	(47,059)
Purchase of intangible assets	-	-	-
Purchase of other investments	-	-	-
<b>Net cash from investing activities</b>	<b>(28,582)</b>	<b>(27,807)</b>	<b>(46,008)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	-	2,000	7,363
Repayment of borrowings	-	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>2,000</b>	<b>7,363</b>
<b>Net increase/(decrease) in cash and cash equivalents and bank overdraft</b>	<b>(3,000)</b>	<b>(0)</b>	<b>(0)</b>
Cash and cash equivalents and bank overdraft at beginning of the year	<b>4,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Cash and cash equivalents and bank overdraft at end of the year</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

## Overall council Funding Impact Statement

Council wide	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties	48,304	49,767	51,969
Targeted Rates	33,122	34,218	33,327
Subsidies and grants for operating purposes	3,636	3,372	3,759
Fees and charges	7,902	7,114	8,237
Interest and Dividends from Investments	100	50	125
Local Authorities, fuel tax, fines, infringements fees and other receipts	10,326	14,327	8,206
<b>Total operating funding (A)</b>	<b>103,390</b>	<b>108,848</b>	<b>105,623</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	74,527	78,829	75,160
Finance Costs	7,570	9,020	7,457
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>82,097</b>	<b>87,849</b>	<b>82,617</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>21,293</b>	<b>20,999</b>	<b>23,006</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	4,014	4,493	15,642
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	2,000	7,363
Gross proceeds from sale of assets	1,025	1,051	1,051
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>5,039</b>	<b>7,544</b>	<b>24,056</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	8,119	11,664	22,468
- to replace existing assets	21,481	17,194	24,592
Increase (decrease) in reserves	(3,268)	(315)	2
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>26,332</b>	<b>28,543</b>	<b>47,062</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(21,293)</b>	<b>(20,999)</b>	<b>(23,006)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Community Infrastructure Funding Impact Statement

Community Infrastructure	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties	12,168	11,788	11,922
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	276	276	579
Fees and charges	1,603	1,646	693
Internal charges and overheads recovered	10	98	39
Local Authorities, fuel tax, fines, infringements fees and other receipts	4,986	5,121	3,490
<b>Total operating funding (A)</b>	<b>19,043</b>	<b>18,929</b>	<b>16,723</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	12,362	12,806	11,447
Finance Costs	974	1,117	959
Internal charges and overheads applied	2,481	2,524	2,235
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>15,817</b>	<b>16,447</b>	<b>14,641</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,226</b>	<b>2,482</b>	<b>2,082</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	3,992
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	850
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>4,842</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	33	51	40
- to replace existing assets	5,181	3,206	6,847
Increase (decrease) in reserves	(1,988)	(775)	37
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,226</b>	<b>2,482</b>	<b>6,924</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,226)</b>	<b>(2,482)</b>	<b>(2,082)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Community Safety Funding Impact Statement

Community Safety	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties	1,341	1,379	1,141
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	10	10	462
Fees and charges	2,018	2,073	2,125
Internal charges and overheads recovered	-	-	14
Local Authorities, fuel tax, fines, infringements fees and other receipts	109	112	112
<b>Total operating funding (A)</b>	<b>3,478</b>	<b>3,574</b>	<b>3,854</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,433	2,494	2,914
Finance Costs	-	-	-
Internal charges and overheads applied	1,045	1,080	906
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,478</b>	<b>3,574</b>	<b>3,820</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-</b>	<b>-</b>	<b>34</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	39	15	6
Increase (decrease) in reserves	(39)	(15)	28
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>-</b>	<b>34</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>-</b>	<b>-</b>	<b>(34)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## District Development Funding Impact Statement

District Development	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties	8,013	7,593	5,471
Targeted Rates	5,667	5,906	5,798
Subsidies and grants for operating purposes	90	92	29
Fees and charges	1,093	1,587	1,697
Internal charges and overheads recovered	-	-	53
Local Authorities, fuel tax, fines, infringements fees and other receipts	102	1,898	30
<b>Total operating funding (A)</b>	<b>14,965</b>	<b>17,076</b>	<b>13,078</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	11,623	14,034	11,101
Finance Costs	1,010	1,247	995
Internal charges and overheads applied	1,123	1,795	1,144
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>13,756</b>	<b>17,076</b>	<b>13,240</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,209</b>	<b>-</b>	<b>(162)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	1,954	-	-
Increase (decrease) in reserves	(745)	-	(162)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,209</b>	<b>-</b>	<b>(162)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,209)</b>	<b>-</b>	<b>162</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Governance and Community Engagement Funding Impact Statement

Governance and Community Engagement	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties	4,047	3,553	7,058
Targeted Rates	54	56	64
Subsidies and grants for operating purposes	53	53	29
Fees and charges	1,980	453	1,489
Internal charges and overheads recovered	10,703	12,401	13,598
Local Authorities, fuel tax, fines, infringements fees and other receipts	1,066	1,152	1,133
<b>Total operating funding (A)</b>	<b>17,903</b>	<b>17,668</b>	<b>23,371</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	15,237	15,454	19,171
Finance Costs	323	401	318
Internal charges and overheads applied	808	829	707
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>16,368</b>	<b>16,684</b>	<b>20,196</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,535</b>	<b>984</b>	<b>3,175</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	2000	0
Gross proceeds from sale of assets	1,025	1,051	1,051
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,025</b>	<b>3,051</b>	<b>1,051</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	130	134	128
- to replace existing assets	3,376	2,208	4,740
Increase (decrease) in reserves	(946)	1,693	(642)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,560</b>	<b>4,035</b>	<b>4,226</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,535)</b>	<b>(984)</b>	<b>(3,175)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Inner City Services Funding Impact Statement

Inner City Services	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties	1,403	1,704	2,134
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	-	-	8
Fees and charges	155	159	177
Internal charges and overheads recovered	1	1	50
Local Authorities, fuel tax, fines, infringements fees and other receipts	2,336	2,399	2,079
<b>Total operating funding (A)</b>	<b>3,895</b>	<b>4,263</b>	<b>4,448</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,517	1,578	2,856
Finance Costs	113	112	112
Internal charges and overheads applied	1,565	1,633	422
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,195</b>	<b>3,323</b>	<b>3,390</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>700</b>	<b>940</b>	<b>1,058</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,126	1,072	1,170
- to replace existing assets	6	162	-
Increase (decrease) in reserves	(432)	(294)	(112)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>700</b>	<b>940</b>	<b>1,058</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(700)</b>	<b>(940)</b>	<b>(1,058)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Open Spaces and Recreation Funding Impact Statement

Open Spaces and Recreation	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties	9,054	10,491	10,535
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	219	5	3
Fees and charges	36	36	106
Internal charges and overheads recovered	-	-	6
Local Authorities, fuel tax, fines, infringements fees and other receipts	683	701	762
<b>Total operating funding (A)</b>	<b>9,992</b>	<b>11,234</b>	<b>11,412</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,735	1,691	7,110
Finance Costs	811	945	798
Internal charges and overheads applied	6,040	6,238	572
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>8,586</b>	<b>8,874</b>	<b>8,480</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,406</b>	<b>2,360</b>	<b>2,932</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	30	32	-
Development and financial contributions	-	214	-
Increase (decrease) in debt	-	-	365
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>30</b>	<b>32</b>	<b>365</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,553	2,327	3,747
- to replace existing assets	750	1,016	269
Increase (decrease) in reserves	(867)	(737)	(719)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,436</b>	<b>2,606</b>	<b>3,297</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,406)</b>	<b>(2,360)</b>	<b>(2,932)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Roads and Footpaths Funding Impact Statement

Roads and Footpaths	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties	8,124	9,495	9,543
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	2,588	2,722	2,649
Fees and charges	31	32	33
Internal charges and overheads recovered	-	-	183
Local Authorities, fuel tax, fines, infringements fees and other receipts	635	652	563
<b>Total operating funding (A)</b>	<b>11,378</b>	<b>12,901</b>	<b>12,971</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	6,298	6,589	6,548
Finance Costs	1,787	2,042	1,760
Internal charges and overheads applied	683	695	444
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>8,768</b>	<b>9,326</b>	<b>8,752</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,610</b>	<b>3,575</b>	<b>4,219</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	3,292	3,055	4,709
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,292</b>	<b>3,055</b>	<b>4,709</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,161	2,229	4,721
- to replace existing assets	5,349	5,517	5,249
Increase (decrease) in reserves	(1,608)	(1,116)	(1,042)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>5,902</b>	<b>6,630</b>	<b>8,928</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,610)</b>	<b>(3,575)</b>	<b>(4,219)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Sewerage and Sewage Funding Impact Statement

Sewerage and Sewage	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties			
Targeted Rates	14,669	15,100	14,410
Subsidies and grants for operating purposes	-	-	-
Fees and charges	690	709	646
Internal charges and overheads recovered	501	527	675
Local Authorities, fuel tax, fines, infringements fees and other receipts	1	1	19
<b>Total operating funding (A)</b>	<b>15,861</b>	<b>16,337</b>	<b>15,750</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	4,888	5,880	5,521
Finance Costs	545	710	538
Internal charges and overheads applied	3,152	3,178	3,845
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>8,585</b>	<b>9,768</b>	<b>9,904</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>7,276</b>	<b>6,569</b>	<b>5,846</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	692	1,406	5,400
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	4,600
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>692</b>	<b>1,406</b>	<b>10,000</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,102	3,062	11,020
- to replace existing assets	1,349	1,371	2,349
Increase (decrease) in reserves	4,517	3,542	2,477
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>7,968</b>	<b>7,975</b>	<b>15,846</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(7,276)</b>	<b>(6,569)</b>	<b>(5,846)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Stormwater and Land Drainage Funding Impact Statement

Stormwater and Land Drainage	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties	3,092	3,764	2,797
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	1
Internal charges and overheads recovered	-	-	224
Local Authorities, fuel tax, fines, infringements fees and other receipts	13	13	-
<b>Total operating funding (A)</b>	<b>3,105</b>	<b>3,777</b>	<b>3,022</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	465	483	1,427
Finance Costs	634	832	625
Internal charges and overheads applied	751	779	257
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,850</b>	<b>2,094</b>	<b>2,309</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,255</b>	<b>1,683</b>	<b>713</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	2,028	2,209	1,556
Increase (decrease) in reserves	(773)	(526)	(843)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,255</b>	<b>1,683</b>	<b>713</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,255)</b>	<b>(1,683)</b>	<b>(713)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Waste Management Funding Impact Statement

Waste Management	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties	1,063	-	1,368
Targeted Rates	4,252	4,382	4,475
Subsidies and grants for operating purposes	400	-	-
Fees and charges	290	412	943
Internal charges and overheads recovered	-	1,276	11
Local Authorities, fuel tax, fines, infringements fees and other receipts	200	2,025	-
<b>Total operating funding (A)</b>	<b>6,205</b>	<b>8,095</b>	<b>6,797</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	4,905	3,415	5,332
Finance Costs	841	956	828
Internal charges and overheads applied	459	3,609	565
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>6,205</b>	<b>7,980</b>	<b>6,725</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-</b>	<b>115</b>	<b>72</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	115	72
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>115</b>	<b>72</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>-</b>	<b>(115)</b>	<b>(72)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Water Supplies Funding Impact Statement

Water Supplies	Annual Plan 2016/17	Long Term Plan 2017/18	Annual Plan 2017/18
<b>Sources of operating funding</b>			
General Rates, uniform annual charges, rates penalties			
Targeted Rates	8,480	8,774	8,580
Subsidies and grants for operating purposes	-	-	-
Fees and charges	6	6	327
Internal charges and overheads recovered	426	444	457
Local Authorities, fuel tax, fines, infringements fees and other receipts	295	303	143
<b>Total operating funding (A)</b>	<b>9,207</b>	<b>9,527</b>	<b>9,507</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,299	2,418	3,994
Finance Costs	532	658	524
Internal charges and overheads applied	4,299	4,374	1,952
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>7,130</b>	<b>7,450</b>	<b>6,470</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,077</b>	<b>2,077</b>	<b>3,037</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	1,541
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	1,548
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>3,089</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,014	2,789	1,642
- to replace existing assets	1,449	1,490	3,576
Increase (decrease) in reserves	(386)	(2,202)	908
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,077</b>	<b>2,077</b>	<b>6,126</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,077)</b>	<b>(2,077)</b>	<b>(3,037)</b>
<b>Funding balance ((A-B)-(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# FINANCIAL PRUDENCE REGULATIONS

## Keeping focused on achieving our goals

### What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

### Rates affordability benchmark

The council meets the rates affordability benchmark if-

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rates increases equal or are less than each quantified limit on rates increases.

### Rates (income) affordability

The council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is rates as a proportion of total revenue is less than 80%.

### Rates (increases) affordability

The council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this 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.

### Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that total debt will be lower than 175% of total income.

### Balanced budget benchmark

The council's planned revenue (excluding development contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

### Essential services benchmark

The council's planned capital expenditure on network services as a proportion of expected depreciation on network services. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

### Debt servicing benchmark

The council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

The benchmarks and limits are shown in the table below:

Disclosure statement			
Benchmark	Limit	Planned	Met
Rates			No
- income	Rates as a proportion of total revenue is less than 80%	67%	
- increases	Prevailing rate of inflation applied to costbase	1.9%	
Debt affordability benchmark	175%	144%	Yes
Balanced budget benchmark	100%	113%	Yes
Essential services benchmark	100%		
Debt servicing benchmark	10%	6%	Yes

Because Statistics New Zealand projects the council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

# RESERVE FUND STATEMENTS

**Self Funding Reserves** - Self funding reserves are reserves established at Council's will for activities that will generate enough revenue over time to cover the cost of their operation.

**Council Created Reserves** - Council created reserves are established by Council resolution. Transfers to and from these reserves is at the discretion of Council. The Reporoa and Waikite Domain reserves were established to account for the domain board committee current account balances. These were established when the Reserves Act came into effect. The reserve recognises a future call on funding towards improvements to various categories of capital assets; for example the Waikite Domain reserve assists with development of Waikite Hot Pools.

**Restricted Reserves** - Restricted reserves are subject to specific conditions either set by legislation, trust or bequests and the purpose may not be changed without reference to the courts of a third party.

Reserve Development - Section 108 of the Resource Management Act 1991 requires funds to be set aside for the development of reserves.

Creative New Zealand Reserve - Funds held and used in accordance with the policies of organisations external to Council; for example RDC allocates funds on behalf of creative NZ on application for funding. Funding rounds occur approximately two times per year dependent on funds.

	Opening balance 1 July 2017 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30 June 2018 (\$000)
<b>Self Funding Reserve</b>				
Pensioner Housing	2,249	300	-	2,549
<b>Total Self Funding Reserve</b>	<b>2,249</b>	<b>300</b>	<b>-</b>	<b>2,549</b>
<b>Council Created Reserves</b>				
Reporoa Domain	73	-	-	73
Waikite Domain	19	-	-	19
<b>Total Council Created Reserves</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>92</b>
<b>Restricted Reserves</b>				
Te Arawa Lakes Enhancement reserve	3,505	-	-	3,505
Reserves Development	1,909	-	-	1,909
Creative NZ Reserve	22	26	26	22
<b>Total Restricted Reserves</b>	<b>5,436</b>	<b>26</b>	<b>26</b>	<b>5,436</b>
<b>Grand Total</b>	<b>7,777</b>	<b>326</b>	<b>26</b>	<b>8,077</b>

# RATES FUNDING IMPACT STATEMENT

## Rates for 2017/18

### Rates funding impact statement

#### Rates for 2017/18

- All figures stated do not include GST.
- Amounts to be collected are stated prior to remissions.
- To be read in conjunction with the Revenue and Financing policy.

### General rates

#### General rate on capital value

Council sets a general rate on capital value on a differential basis, assessed on all rateable land in the district. The general rate funds that part of the general revenues of Council that is not funded by the uniform annual general charge.

The relationship between the differential categories for the general rate and the indicative rate per dollar of capital value is:

Differential categories	Relative differentials	Rate per \$ of capital value
<b>2017/18</b>		
1. General Rate – Base	1.0	0.002802
2. General Rate – Rural Residential	0.955	0.002676
3. General Rate – Business	1.72	0.004819

The amount to be collected for 2017/18 is \$38,093,000

#### Definition of differential categories for the general rate on capital value

**Base:** Every property not otherwise categorised.

**Rural Residential:** Every property in the rural sector which is not more than five hectares in area and used for residential purposes.

**Business:** Every property which is:

- used for any business or industrial purpose.
- vacant land which is not zoned residential or rural.

This category includes utilities but does not include Rotorua Lakes Council utilities or residential investment properties, regardless of the number of units, provided they are let for long term tenancies.

#### Uniform annual general charge

Council sets a uniform annual general charge as a fixed amount of \$570.00 per rateable rating unit.

The UAGC is for the purposes of, but not necessarily limited to, funding the following types of activities:

- Governance & Strategic Direction
- District Library
- Aquatic Centre
- Rotorua Museum (part)
- Events & Venues (part)
- Cemeteries and crematorium
- Animal Control
- Emergency Management/Rural Fire

The UAGC is set at a level that is determined by Council each year, subject to the maximum allowed under Section 21 of the Local Government (Rating) Act 2002.

The amount to be collected for 2017/18 is \$16,040,000.

#### Targeted rate for lakes enhancement

Council sets a targeted rate for lakes enhancement as a fixed amount of \$17.58 per rating unit, on all rateable land in the district excluding rating units within the Environment Waikato region.

The rate is to contribute to lakes enhancement by way of improving water quality.

The amount to be collected for 2017/18 is \$470,000.

#### Targeted rates for business and economic development

Council sets 2 targeted rates to fund business and economic development on all rating units in the specified categories including vacant land that is in one of the three differential categories below because the underlying district plan zoning or district valuation roll category for the land indicates the differential categories apply (except Kaingaroa Village rating unit 07010 514 01A and Rotorua Lakes Council utilities), contributing to the cost of:

- Economic Projects
- Destination Rotorua Marketing
- Tourism Rotorua Travel and Information Centre

The relationship between the three differential categories for the purposes of setting these targeted rates in terms of the total revenue to be gathered has been set as follows:

Revenue gathering split for the Business and Economic Development targeted rates	
1. Business	80%
2. Industrial	10%
3. Farming	10%
Total revenue to be generated	100%



The amount to be collected for 2017/18 is \$5,798,000.

- a. Council will set a targeted rate as a fixed amount per rateable rating unit, on a differential basis as set out in the table below:

Differential categories	Relative differentials	Rate per rating unit
Business Urban and Rural	100	189.39
Industrial	100	189.39
Farming	25	47.35

Where part of a rating unit is secondary to the principal use and is for the business of providing short-term accommodation the rate will be charged on the basis of 100% of the targeted rate where 1 or more bedrooms are used for providing short-term accommodation.

- b. In addition, Council will set a targeted rate in the dollar on capital value set on a differential basis for the following categories of properties, as follows:

Differential categories	Revenue to be collected \$	Rate per \$ of capital value
Business Urban and Rural	4,408,000	0.003169
Industrial	460,000	0.000915
Farming	499,000	0.000175

The differentiated targeted rate in the dollar on capital value will be set on every rating unit where either:

- the principal use of that rating unit falls into one of the three categories described below, or
- part of the rating unit has a significant secondary use that falls into one of the categories described except where that use is the business of providing short-term accommodation.

This rate will apply only to the part of the rating unit allocated to the appropriate category.

#### Definition of differential categories for the business and economic development targeted rates

**Business, Urban and Rural:** Every property in the urban or rural sector and is used for any business purpose except industrial. This category includes utilities and their networks.

**Industrial:** Every property that has been categorised in the District Valuation Roll as being used for industrial purposes in accordance with the Rating Valuation Rules 2008.

**Farming:** Every property which is used for farming purposes

Notes: "Providing short-term accommodation" for the purposes of this rate includes the provision of accommodation such as a B&B, lodge, retreat, farm stay or homestay or the provision of other similar short-term accommodation."

#### Targeted rate for refuse collection and waste management services

Council sets a targeted rate for refuse collection and waste management services on rating units in the district (excluding council reserves) shown on maps Z, AA & AB on a differential basis, based on the location of the rating unit, the use to which the rating unit is put, and the provision or availability of the service to the rating unit. The rate is set as an amount per separately used or inhabited part (SUIP) of a rating unit, where service is provided, and is set as an amount per rating unit for rating units that are "Serviceable".

The targeted rate funds refuse collection service which includes recycling. The targeted rate also funds waste management services, which include litter bin provision and the management of as well as the removal of illegal littering and waste dumping on council controlled land, conducting of waste minimisation information and education programmes as well as other associated costs to Council in providing the service.

#### Serviced (CBD business SUIP) rating units

For commercial rating units in the CBD area identified in the map, the Council will provide [a 240L MGB for refuse and 240L MRB for recycling collection and 40L crates for glass collection]. The Council will collect refuse weekly and recycling fortnightly from the kerbside.

The relationship between the differential categories for the waste collection rates and the amount of the rate for the 2017/18 year is as follows:

Waste Collection	Relative differentials (%)	2017/18 indicative \$
The total amount to be collected in 2017/18 is \$4,253,000		
Serviced	100	146.90 per SUIP
Serviced (CBD business SUIP)	200	293.80 per SUIP
Serviced (Non-rateable land)*	50	73.45 per SUIP
Serviceable (urban)	50	73.45 per rating unit

\*The differential of 50% reflects targeted rates paid by rating units in this differential category only fund kerbside refuse collection service and not other aspects of waste management services.

#### Description of differential categories for the refuse collection and waste management services rates

**Serviced:** All rating units shown in maps AA & AB, except those that fall under the "Serviced (CBD business SUIP)" category or the "Serviceable" category. This includes rating units used for residential purposes within the CBD area identified in the map Z.

**Serviced (CBD business SUIP):** All rating units used for commercial purposes within the CBD area identified in the map Z.

**Serviceable (urban):** All rating units shown in map V where the service is available to a rating unit, but is not used. This includes any rating units that are vacant (including bare land).

**Serviced (non-rateable land):** All rating units that are non-rateable land under section 8 of the Local Government (Rating) Act 2002 where the kerbside refuse collection service (including recycling) is provided in relation to the land.

Notes: Council reserve tenants will have the option of entering a private contract with Council's contractor if they wish to use the collection service.

## Targeted rates for water supply

Council sets targeted rates for water supply to properties within the service areas shown on the rating maps in this funding impact statement based on the location of the rating unit and the provision or availability to the land of a water supply.

The targeted rates for water supply are as follows:

Water supply (except Kaharoa and Reporoa) (Service areas shown on Map A, Map B, Map C, Map D, Map E, Map F)	Relative differentials (%)	Factor of liability	2017/18 Rate \$
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The amount to be collected is \$8,598,000 (Metered water \$3,412,000; General water rate \$4,368,000)

### A differential targeted rate of:

A fixed amount on each separately used or inhabited part of a rating unit connected (and not metered)	100	Per SUJP	217.98
A fixed amount on each serviceable rating unit capable of connection.	50	Per rating unit	108.99
A fixed amount on each connection to a rating unit (and metered)	100	Per connection	217.98
A targeted rate on each metered connection to a rating unit of a fixed amount per cubic metre supplied in excess of 56 cubic metres per quarter.		Per cubic metre	0.9671
<b>Kaharoa</b> (Service areas shown on Map G)			

The amount to be collected is \$238,000

A targeted rate of a fixed amount per connection to a rating unit.		Per connection	264.86
A targeted rate on each metered connection to a rating unit of a fixed amount per cubic metre supplied to the rating unit.		Per cubic metre	0.3413
<b>Reporoa</b> (Service areas shown on Map H)			
	Relative differentials (%)	Factor of liability	2017/18 Rate \$

The amount to be collected is \$580,000

### A differential targeted rate:

A fixed amount per connection on each Domestic/Non-Farming rating unit connected	64	Per connection	155.24
A fixed amount per connection on each Farming/Dairy-Factory rating unit connected.	100	Per connection	242.57

### A differential targeted rate:

A fixed amount on each metered connection to a Domestic/Non-Farming rating unit per cubic metre supplied in excess of the 82 cubic metres per quarter.	100	Per cubic metre	0.4665
A fixed amount on each metered connection to a Farming/Dairy-Factory rating unit per cubic metre supplied in excess of 207 cubic metres per quarter.	64	Per cubic metre	0.2986

## Definition of differential categories for the water supply rates

**Connected rating unit:** is one to which water is supplied from a council water supply service.

**Serviceable rating unit:** is one to which water is not provided, but the whole, or some part of the rating unit is within 100 metres of a council water supply service and is within a water supply area and could be effectively connected to that water supply service.

### For the Reporoa water supply:

**Domestic/non-farming rating unit:** means a rating unit where the water supply is not subject to water allocation and a corresponding restriction on a flow or time basis. This applies to rating units primarily for domestic, commercial or industrial use excluding the Reporoa Dairy Factory.

**Farming/dairy factory rating unit:** means a rating unit primarily for farming of livestock and also includes the Reporoa Dairy Factory. Such rating units are subject to a daily water allocation restricted on a flow or time basis.

Notes: Targeted rates for metered supply are invoiced quarterly by separate invoice.

Leakage: In respect of all metered water supply, where leakage is detected, the amount of water supplied will be determined in accordance with Council's procedure relating to account reassessments.

## Targeted rates for sewage disposal

Council sets targeted rates for sewage collection and disposal to properties within the service areas shown on Map I, J, K, L, M, N, O, P, Q, R, S, T, and U on a differential basis, based on the provision or availability to the land of sewage disposal services, as follows:

Sewerage Disposal	Relative differentials (%)	Factor of liability	2017/18 Rate \$
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The amount to be collected is \$13,651,000

### 1. Rating unit connected:

Category 1 - means the rating units with 1 to 4 toilets (water closets or urinals)	100	Per WC/urinal	396.09
Category 2 - means the rating units with 5 to 10 toilets (water closets or urinals)	85	Per WC/urinal	336.67
Category 3 - means the rating units with 11 or more toilets (water closets or urinals)	80	Per WC/urinal	316.87

### 2. Serviceable

- means the rating units which are serviceable rating units.	50	Per rating unit	198.04
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### Definition of differential categories and other definitions for the sewage disposal rates

**Connected rating unit:** means a rating unit from which sewage is collected either directly or by private drain to a public sewerage system.

**Serviceable rating unit:** means a rating unit from which sewage is not collected but the rating unit (or part) is within 30 metres of Council's sewerage system and could be effectively connected to the sewerage scheme.

**WC/urinal:** means: a) a water closet; or b) each 1.5 metres or part thereof of urinal; or c) from 1 to 4 wall mounted urinettes.

**Category 1:** means the rating units with 1 to 4 toilets.

**Category 2:** means the rating units with 5 to 10 toilets.

**Category 3:** means the rating units with 11 or more toilets.

Note: a rating unit used primarily as a residence for 1 household will be treated as having only 1 water closet or urinal

### Targeted Rates for Urban Sewerage Development

Council sets targeted rate for urban sewerage development rate on all rateable land in the area shown on Map Y as a fixed amount of \$2.89 per rating unit.

The rate funds the cost of sewerage capital work in the Ngongotaha, Fairy Springs and Hinemoa Point areas.

The amount to be collected in 2017/18 is \$63,000.

### Targeted Rates for Capital Cost of Sewerage Schemes

Council sets separate targeted rates for the capital costs of the following sewerage schemes:

- Okawa Bay
- Mourea
- Marama Point
- Amora Lake Resort
- Hinemoa Point
- Brunswick
- Brunswick stages 4 and 6
- Rotokawa
- Lake Okareka/Blue lake
- Okere Falls/Otaramarae/Whangamarino
- Paradise Valley
- Hamurana/Awahou
- Waikuta Marae

The rating units liable for this rate are those in the service areas as identified below.

	Factor of liability	2017/18 Rate \$
<b>Amora Lake Resort</b> (Rating unit 06961 052 00)		
The amount to be collected is \$12,250 A fixed amount per rating unit	Per rating unit	12,250.34
<b>Brunswick Stages 4 and 6</b> (Service areas shown on Map M)		
The amount to be collected is \$9,659 A fixed amount on each household unit equivalent (HUE)	Per HUE	292.74
<b>Brunswick</b> (Service areas shown on Map N)		
The amount to be collected is \$54,254 A fixed amount on each household unit equivalent (HUE)	Per HUE	609.49
<b>Hamurana/Awahou</b> (Service areas shown on Map O)		
The amount to be collected is \$125,566 A fixed amount on each household unit equivalent (HUE)	Per HUE	426.08
<b>Hinemoa Point</b> (Service areas shown on Map K)		
The amount to be collected is \$24,515 A fixed amount on each household unit equivalent (HUE)	Per HUE	495.25
<b>Lake Okareka/Blue Lake</b> (Service areas shown on Map P)		
The amount to be collected is \$166,857 A fixed amount on each household unit equivalent (HUE)	Per HUE	897.09
<b>Marama Point</b> (Service areas shown on Map Q)		
The amount to be collected is \$14,691 A fixed amount on each household unit equivalent (HUE)	Per HUE	233.20
<b>Mourea</b> (Service areas shown on Map J)		
The amount to be collected is \$27,562 A fixed amount on each household unit equivalent (HUE)	Per HUE	291.67
<b>Okawa Bay</b> (Service areas shown on Map L)		
The amount to be collected is \$8,634 A fixed amount on each household unit equivalent (HUE)	Per HUE	454.46
<b>Okere Falls / Otaramarae / Whangamarino</b> (Service areas shown on Map R)		
The amount to be collected is \$98,812 A fixed amount on each household unit equivalent (HUE)	Per HUE	404.47

Continued...	Factor of liability	2017/18 Rate \$
<b>Paradise Valley</b> (Service areas shown on Map S)		
The amount to be collected is \$4,886 A fixed amount on each household unit equivalent (HUE)	Per HUE	375.85
<b>Rotokawa</b> (Service areas shown on Map T)		
The amount to be collected is \$34,209 A fixed amount on each household unit equivalent (HUE)	Per HUE	187.96
<b>Waikuta Marae</b> (Service areas shown on Map U)		
The amount to be collected is \$2,136 A fixed amount on each household unit equivalent (HUE)	Per HUE	356.14

These rates fund the capital cost of establishing the schemes over 25 years.

The targeted rates for the respective sewerage schemes are applied only to those properties that have not taken the opportunity to pay their contribution towards the capital costs as an informal single lump sum payment (where available). Those ratepayers who have made or make an informal single lump sum payment will not be liable for the sewerage scheme capital cost targeted rate. Payments of informal single lump sum payments must be received by 15 June prior to 1 July of the first financial year that Council charges a targeted rate for capital costs for the respective sewerage scheme. The option for ratepayers to settle the residual amount of their share of the capital cost of their particular scheme will be available throughout the remaining term of the targeted rate i.e. anytime during the 25 years. This ability exists for all schemes and is provided through a specific remission policy included elsewhere in this plan.

For future developments or connections Council reserves the right to select the funding mechanism(s) that will be used. This may include either of the options referred to above i.e. assessing a targeted rate over a 25 year term or inviting a capital payment before the service connection is completed.

### Definitions for the sewerage rates

**Nominated rating units:** means properties which existed as rating units at the date of commissioning each scheme.

**Household unit equivalent (HUE):** means a household equivalent to enable industrial, commercial and multiple dwelling developments to be included in the calculations. It is used to convert industrial, commercial and multiple dwelling developments to a household equivalent equating to a single dwelling. Where used as the factor to determine a rating unit's liability for a rate, HUE corresponds to the extent of provision of the service to the rating unit as objectively measured by the floor area calculation noted below.

A minimum of one HUE will apply to all nominated rating units including those where no building exists i.e. are vacant. Where multiple dwellings exist, each household unit additional to the primary dwelling will be assessed on the following basis:

Floor Area of Additional Household Unit	% Charge/HUE
Less than 40m <sup>2</sup>	No charge*
40m <sup>2</sup> to less than 60m <sup>2</sup>	50% HUE
60m <sup>2</sup> to less than 70m <sup>2</sup>	60% HUE
70m <sup>2</sup> to less than 80m <sup>2</sup>	70% HUE
80m <sup>2</sup> to less than 90m <sup>2</sup>	80% HUE
90m <sup>2</sup> to less than 100m <sup>2</sup>	90% HUE
100m <sup>2</sup> or greater	100% HUE or 1 HUE

The first additional household unit of less than 40m<sup>2</sup> will not attract a separate sewerage capital targeted rate or voluntary contribution charge. Any further household units of less than 40m<sup>2</sup> will be assessed a sewerage capital targeted rate or voluntary contribution charge of 50% HUE. All subsequent dwellings constructed after the completion of a sewerage scheme will be charged a capital contribution targeted rate or voluntary contribution towards the sewerage scheme calculated on the same basis.

### Definition of separately used or inhabited part of a rating unit

**Separately used or inhabited part (SUIP):** means any separately used or inhabited part of a rating unit including any part of a rating unit that is or is able to be used or inhabited by the ratepayer or by any other person or body having a right to use or inhabit that part by virtue of tenancy, lease, licence or other agreement.

### Voluntary Lump Sum Capital Contributions

Council had set amounts for ratepayers who elected to pay one-off voluntary lump sum capital contributions for the capital cost of sewerage schemes.

Lump sum options for all current schemes have expired, however ratepayers may still choose to settle their outstanding contribution at any time. Council offers a specific remission policy for this purpose.

Except as stated above, the Council will not accept lump sum contributions in respect of any targeted rate.

## Rates Postponement

To cover costs, the following fees and charges are set for the 2016/17 rating year. All fees and charges for this will be added as either a one-off or annual charge as the case may be, to the approved applicants rate account.

Initial Charges - One-Off (plus GST at the prevailing rate)	Charging Unit	2017/18
Application Fee	One-Off	\$88.89
Contribution to Counselling	One-Off	\$250.00
<b>Half Year Interest Charges</b>		
Interest calculated on councils marginal borrowing rate 6 monthly on all amounts outstanding		
Annual Charges (plus GST at the prevailing rate)	Charging Unit	2017/18
Annual Account Fee	Annual	\$44.44
Administration Fee	Annual	1.0%
Reserve Fund Fee	Annual	0.25%
Property Insurance *	Annual	TBA
* Property Insurance: A ratepayer must submit a current insurance certificate annually. If the ratepayer cannot afford separate cover council will arrange cover, and the cost will be added to the balance of postponed rates.		

## Due dates for payment of rates

All rates excluding targeted rates for metered water supply will be payable in four instalments by the due dates, as follows:

Instalment	Due Date	Penalty Date
Instalment Number 1	20 August 2017	21 August 2017
Instalment Number 2	20 November 2017	21 November 2017
Instalment Number 3	20 February 2018	21 February 2018
Instalment Number 4	20 May 2018	21 May 2018

Targeted rates for metered water supply charged quarterly (separately) will be payable within 30 days of invoice.

## Discount for Prompt Payment

A discount, at a rate set annually, is allowed to any ratepayer who pays the total rates, charges, and levies as specified on the rates assessment (excluding targeted rates for metered water supply charged quarterly), by the due date for the first instalment. The discount for 2017/18 is 2.0 %.

## Penalties on unpaid rates

### Current overdue rates instalments:

- A penalty will be added to any part of an instalment that remains unpaid after the due date for payment of the instalment on the penalty dates above. The penalty will be 10% of the unpaid instalment.

### Arrears of rates (including past instalments):

- A further penalty of 10% will be added on 6 July 2017 to rates assessed in any previous financial year and which remain unpaid on 30 June 2017.
- A further penalty of 10% will be added on 9 January 2018 to rates assessed in any previous financial year, plus any previous further penalty, and which remain unpaid on 8 January 2018.

Note: Penalties will not be applied to rating units approved by the Chief Financial Officer in cases where:

- applying penalties would serve to be detrimental to the collection of all or part of the balance of the outstanding rates; or
- applying penalties would only add to what is deemed to be an uncollectable debt; or
- there is a Direct Debit authority to pay the full amount of rates owing by regular payments within the current rating year, and any default is promptly rectified.
- Land is designated 'Maori Freehold land title'; and
  - Is under multiple ownership; and
  - Is unoccupied

## Due dates for payment of targeted rates for metered water supply

Targeted rates for metered water supply will be read and invoiced quarterly. The due date for payment for each of the quarters is as follows:

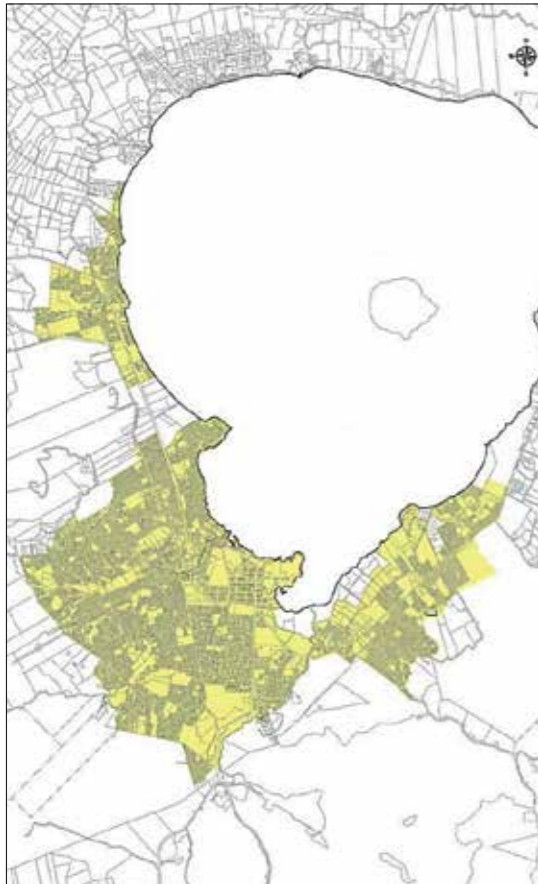
Billing cycle	Billing month	Due date	Penalty Date
May – August	August	25 September 2017	26 September 2017
August – November	November	24 December 2017	29 December 2017
November – February	February	25 March 2018	27 March 2018
February – May	May	25 June 2018	26 June 2018

## Penalties on unpaid water invoices

A penalty will be added to any part of a current invoice that remains unpaid after its due date. The penalty will be 10% of any unpaid part of the invoice.

# RATING MAPS

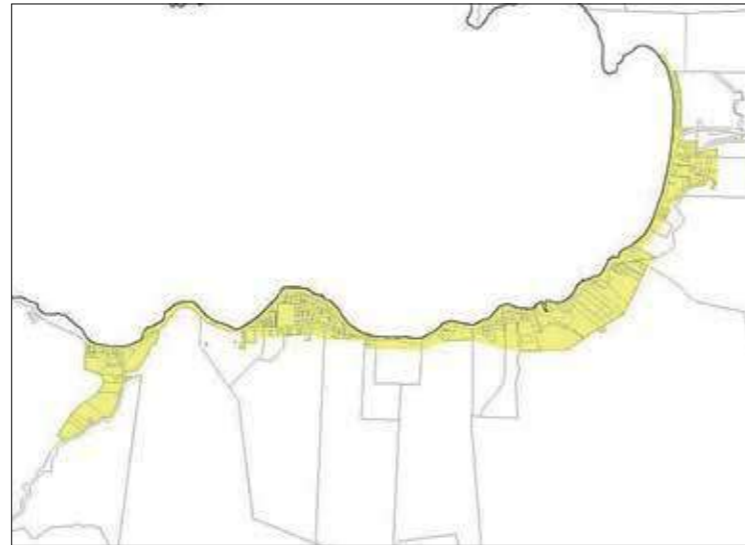
Map A - Urban Water Supply



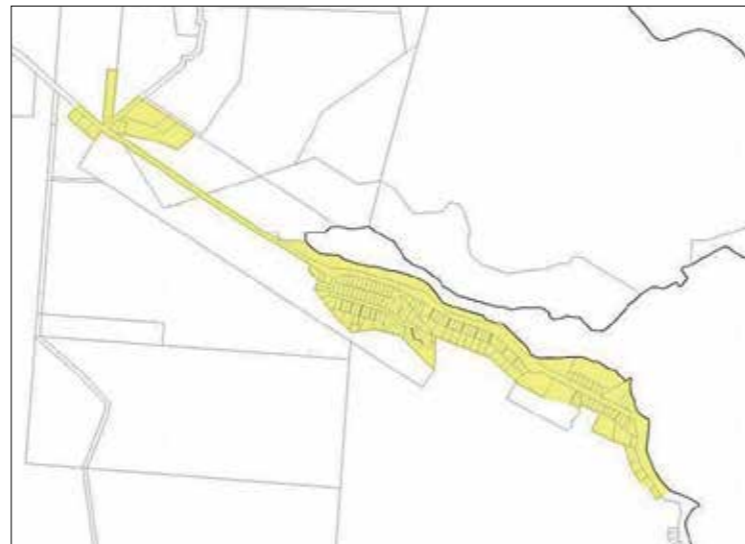
Map B - Mamaku Water Supply



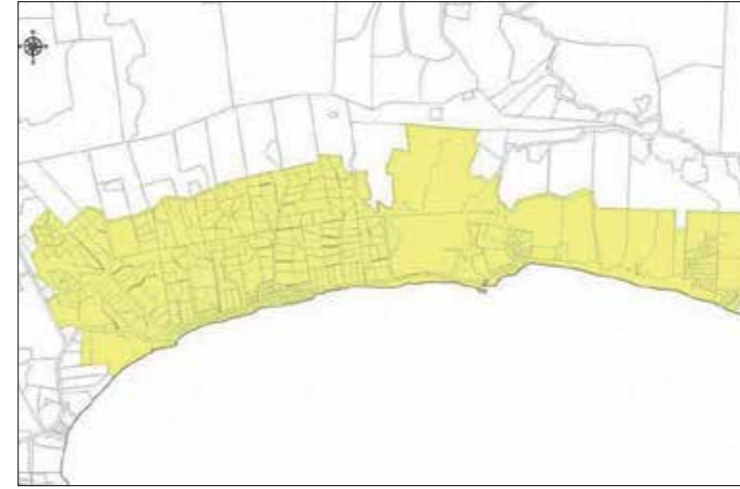
Map C - Rotoiti Water Supply



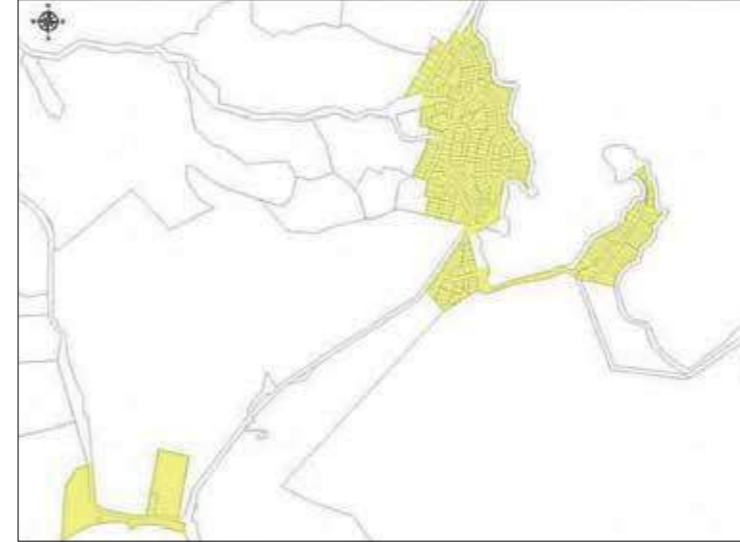
Map D - Rotoma Water Supply



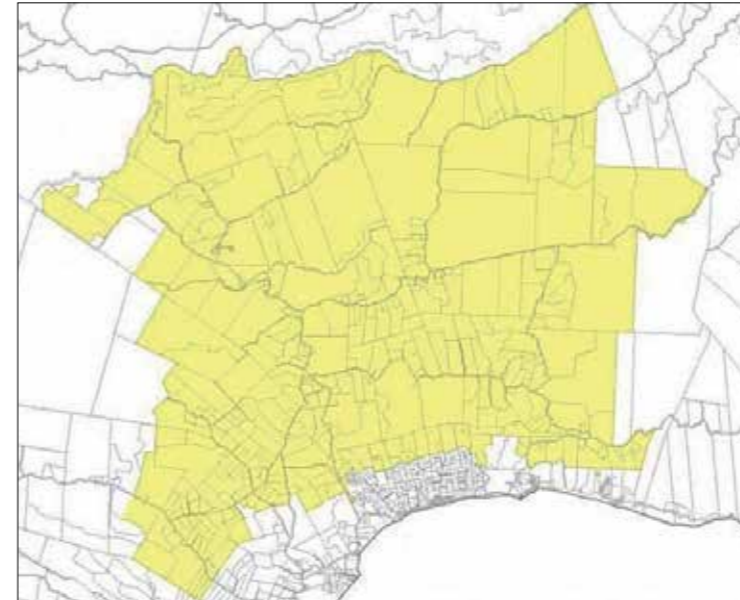
Map E - Hamurana Water Supply



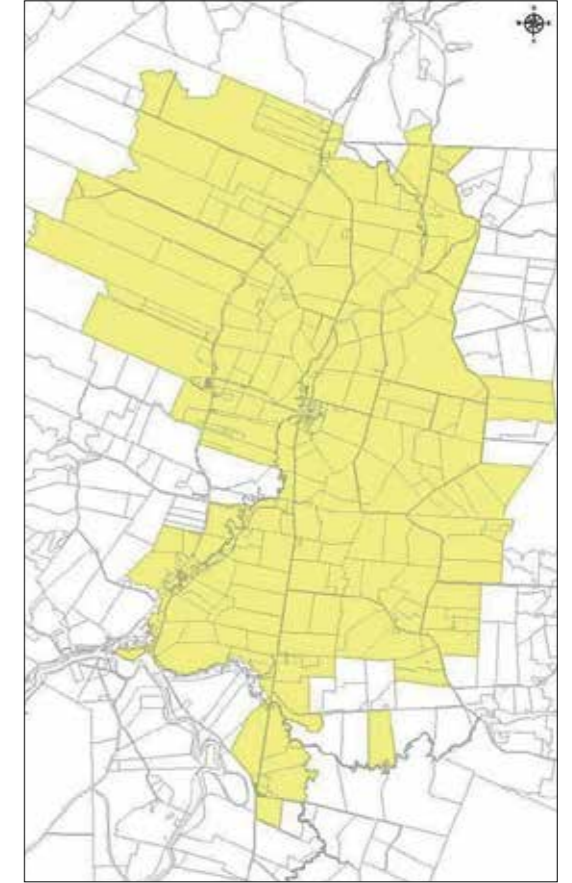
Map F - Okareka Water Supply



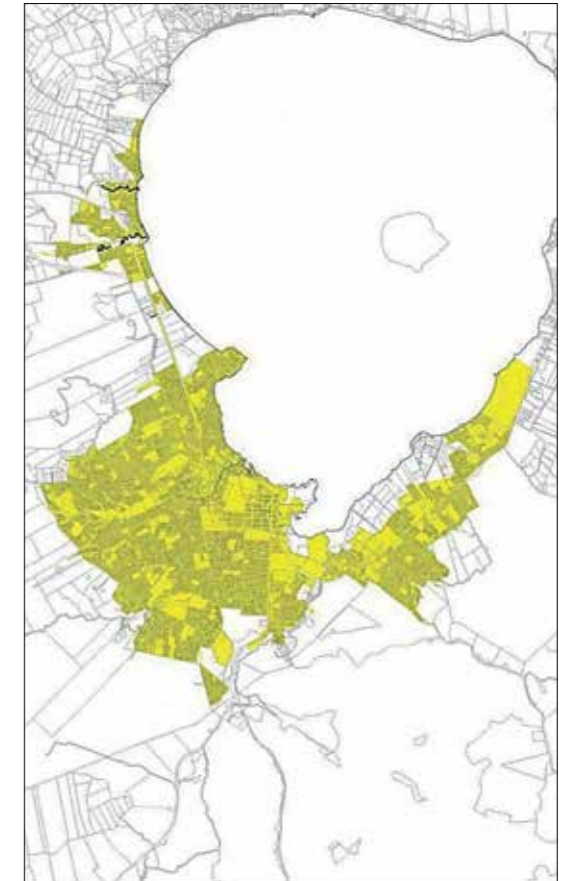
Map G - Kaharoa Water Supply



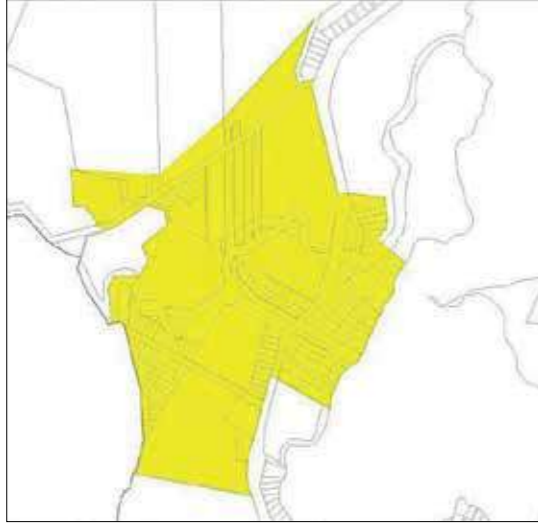
Map H - Reporoa Water Supply



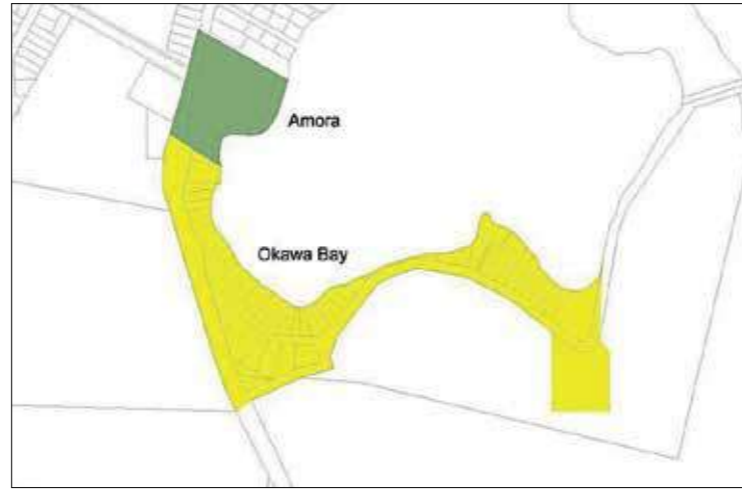
Map I - Urban Sewerage



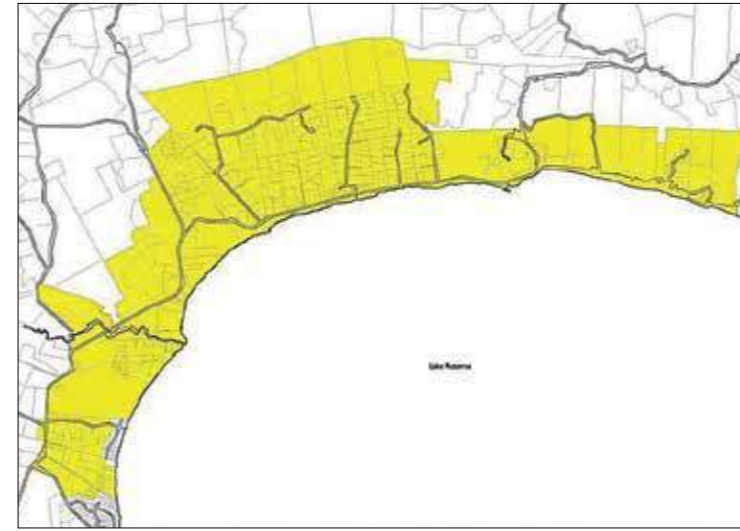
Map J - Mourea Sewerage Scheme



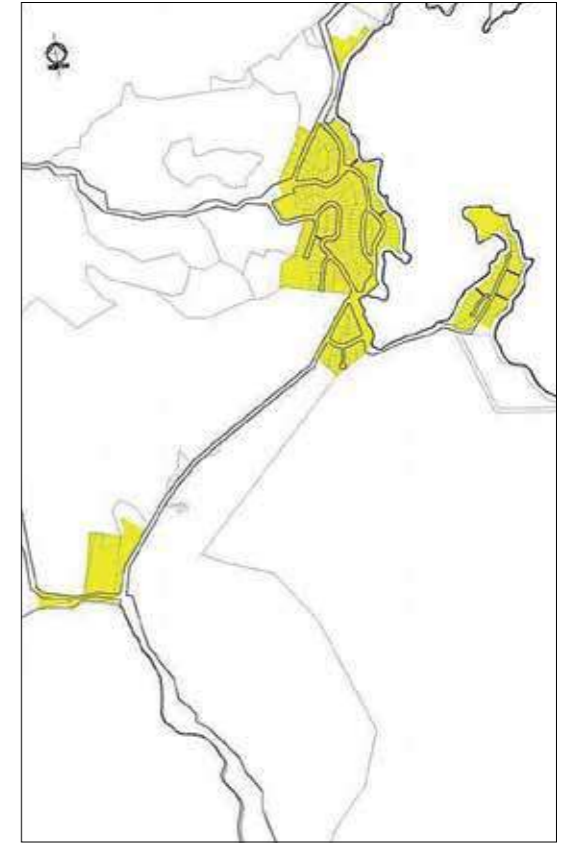
Map L - Okawa Bay, Amora Lake Resort Sewerage Scheme



Map O - Hamurana/Awahou Sewerage Scheme



Map P - Lake Okareka, Blue Lake Sewerage Scheme



Map K - Hinemoa Point Sewerage Scheme



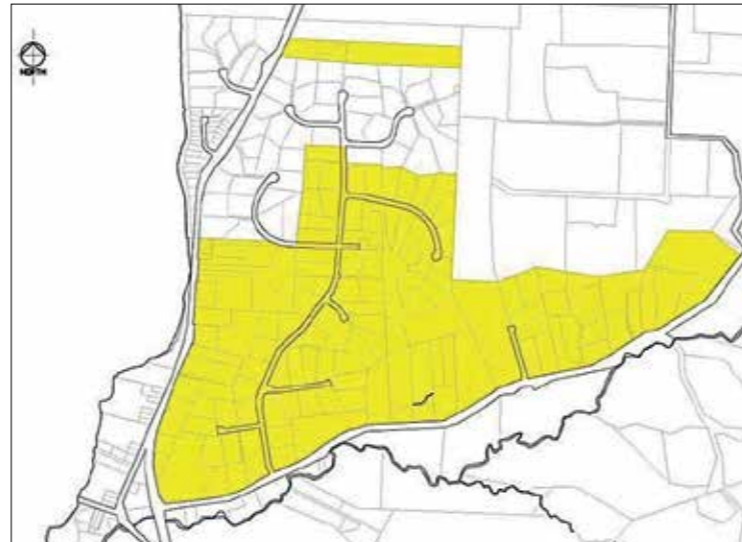
Map M - Brunswick Stages 4 & 6 Sewerage Scheme



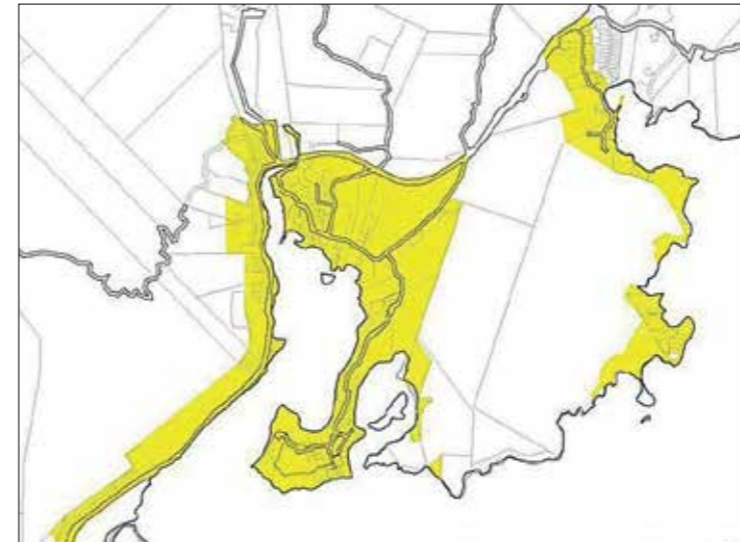
Map Q - Marama Point Sewerage Scheme



Map N - Brunswick Sewerage Scheme



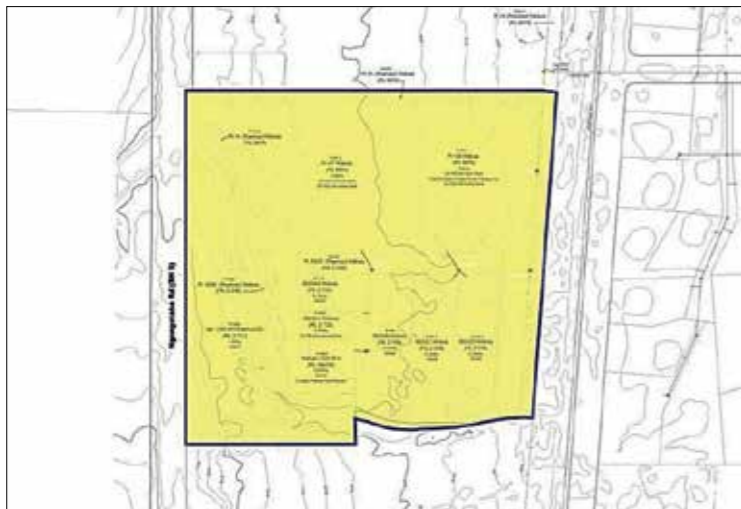
Map R - Okere Falls, Otaramarae, Whangamarino Sewerage Scheme



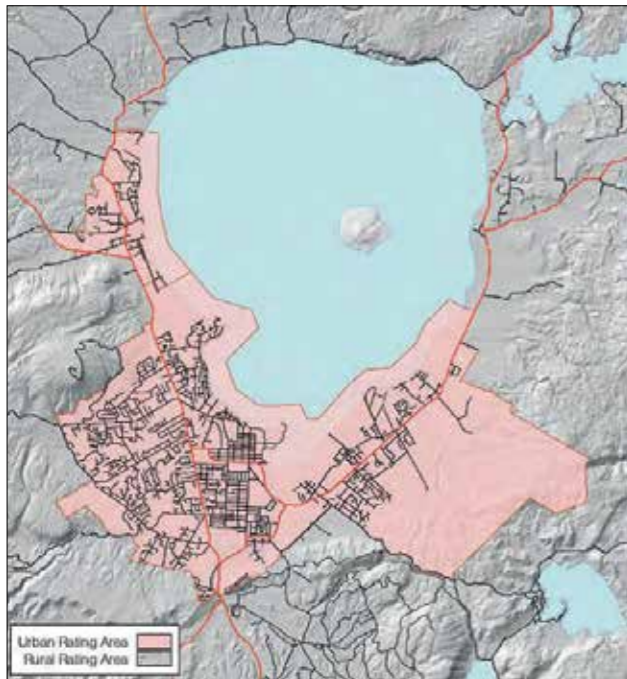
Map S - Paradise Valley Sewerage Scheme



Map U - Waikuta Marae Sewerage Scheme



Map V - Rotorua Urban Rating Boundary



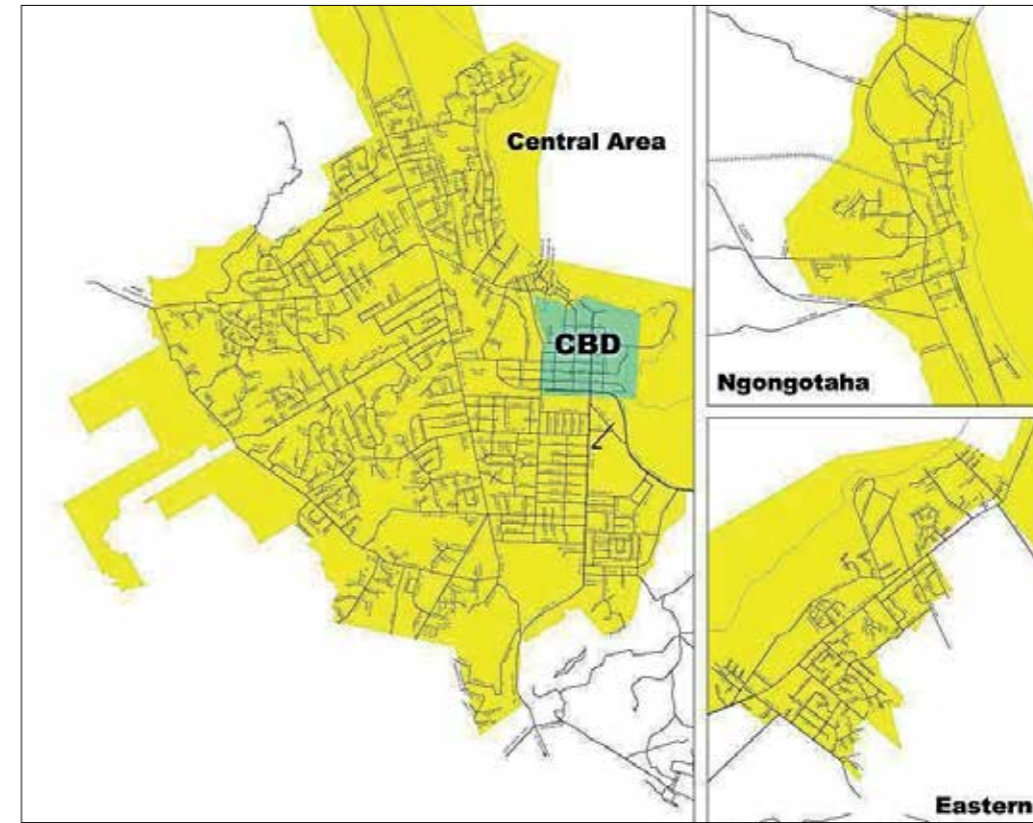
Map T - Rotokawa Sewerage Scheme



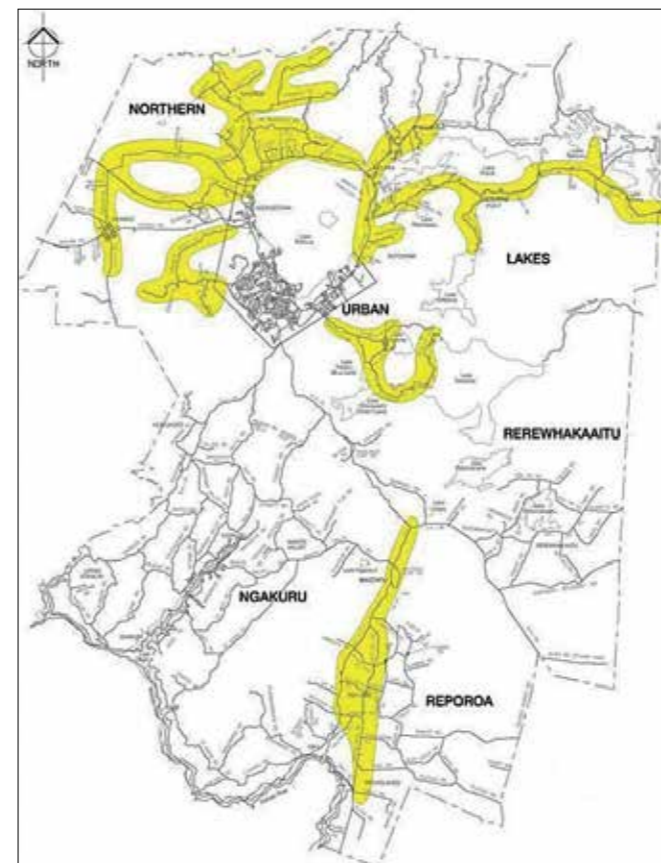
Map Z - CBD waste collection area



Map AA - Waste collection - serviced



Map AB - Waste collection - serviced





## Definitions

The term:

**"Business purpose"** means any purpose of commerce, trade, or industry; but does not include any farming purpose.

**"Farming purpose"** means used for agricultural, horticultural or pastoral or forestry purposes or the keeping of bees or poultry or other livestock.

**"Property"** means, either the part or the whole of any rating unit (as the case may be) used for a particular purpose. (Explanatory note: The intention is that where different parts of a property that constitute a rating unit are being used for different purposes, they may be rated differently).

**"Residential purposes"** means occupied or intended to be occupied for the residence of any household being a residential unit including holiday homes that may be let for short-term periods not exceeding 100 days per annum. Kaingaroa Village on rating unit 07010 514 01A will be treated as entirely "residential" for all rates within this funding impact statement even though it comprises elements of other categories.

**"Rural Sector"** means the part of the Rotorua District which is not the Urban Sector.

**"Urban Sector"** means the area as shown on the map titled Rotorua Urban Rating Boundary and contained in the rating maps section of this funding impact statement (a larger copy is available at the Council Civic Centre). The boundary has been set to recognise the urban growth trends and where properties have similar access to services (but not necessarily the same). This boundary will be reviewed from time to time as necessary to accommodate changes to the above and follows rating unit boundaries rather than dissecting properties.

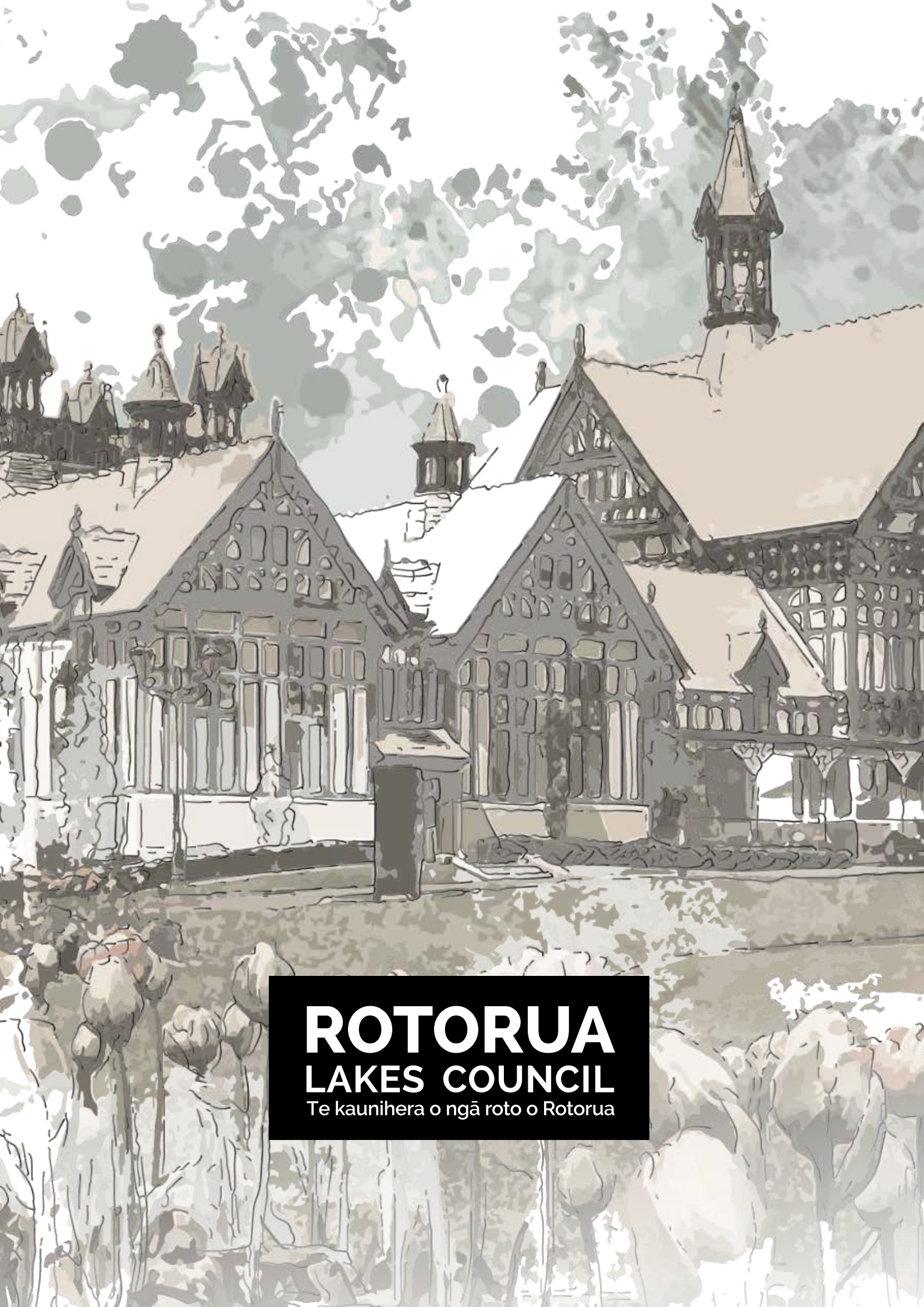
**"Utilities"** being all rating units situated within the Rotorua District that have been identified by the Valuer General as infrastructure utility networks.

**"Vacant Land"** means land which is in an undeveloped state and is not being used or occupied for any purpose.

**"Zoned"** means zoned in accordance with the operative Rotorua District Plan.

## Examples of rating impact

Category	Capital Value 2014	Total Rates 2016/17	Total Rates 2017/18	Increase/ (decrease)	% Increase/ (decrease)	Sector average
<b>Business</b>						
Lower CV	\$ 265,000	\$ 3,329	\$ 3,440	\$ 111	3.3%	2.5%
Medium CV	\$ 442,000	\$ 4,713	\$ 4,854	\$ 141	3.0%	
Upper CV	\$ 2,020,000	\$ 17,051	\$ 17,461	\$ 409	2.4%	
<b>Farming General</b>						
Lower CV	\$ 413,000	\$ 1,919	\$ 2,011	\$ 93	4.8%	3.7%
Medium CV	\$ 742,000	\$ 2,871	\$ 2,991	\$ 120	4.2%	
Upper CV	\$ 2,880,000	\$ 9,056	\$ 9,357	\$ 301	3.3%	
<b>Residential Rural General</b>						
Lower CV	\$ 204,000	\$ 1,229	\$ 1,280	\$ 52	4.2%	3.9%
Medium CV	\$ 445,000	\$ 1,855	\$ 1,925	\$ 70	3.8%	
Upper CV	\$ 1,590,000	\$ 4,830	\$ 4,989	\$ 160	3.3%	
<b>Residential Urban General</b>						
Lower CV	\$ 178,000	\$ 1,769	\$ 1,850	\$ 81	4.6%	4.4%
Medium CV	\$ 211,000	\$ 1,859	\$ 1,943	\$ 83	4.5%	
Upper CV	\$ 308,000	\$ 2,123	\$ 2,214	\$ 91	4.3%	
Upper CV	\$ 500,000	\$ 2,645	\$ 2,752	\$ 107	4.1%	



**ROTORUA**  
**LAKES COUNCIL**  
Te kaunihera o ngā roto o Rotorua