

ANNUAL PLAN

20 NINE TEEN

ROTORUA
LAKES COUNCIL
Te Kaunihera o ngā Roto o Rotorua



MIHI WELCOME

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!

RĀRANGI TAKE

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HE KUPU NĀ TE MANUKURA MAYOR'S MESSAGE

E ngā iwi puta noa I tō tatau rohe o Rotorua, tēnā tatau.

This Annual Plan reflects Council's ongoing commitment to the 2018-2028 Long-term Plan.

The long-term plan connects the district's 2030 vision to action and we are investing in work programmes and projects that will benefit our community not just now, but into the future.

There are always challenges and in developing the annual plan for 2019/20, which is year two of the long-term plan, Council has had to review and adjust some timelines, where prudent. At the same time we have taken care to not compromise the objectives of the long-term plan.

Challenges that have impacted on project delivery this past year include sourcing of external partnership funding, Council's commitment to engagement and partnering, consenting processes and the condition of some of our assets.



Overall however, the work and projects to be delivered has not changed from what we set out to achieve in the long-term plan. The 2019/20 Annual Plan includes an average 4.9% rates increase. This is lower than the 5.1% signalled in the long-term plan and has been achieved as a result of concerted efforts by the organisation to find further efficiencies and identify additional revenue opportunities.

One matter we sought the community's feedback about was the future delivery and management of wastewater services, which will require ongoing discussions with the community ahead of any final decision-making. We thank those who took the time to provide their views for us to consider.

Overall, while some timeline adjustments have been made, not a lot has changed and the 2018-2028 Long-term Plan remains our guiding document, outlining the funding and delivery to progress the Rotorua district towards its 2030 vision.

Together, tatau tatau, we can and do make a difference for our community.

Hon Steve Chadwick JP
Mayor of Rotorua

KUPU ARATAKI

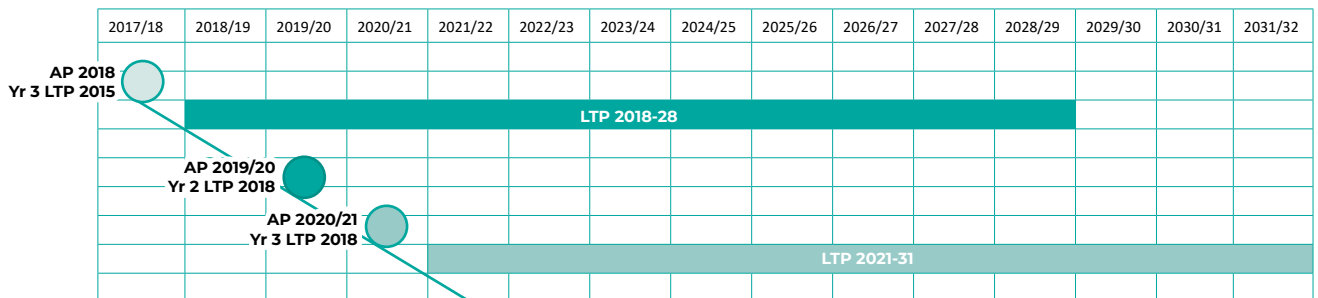
INTRODUCTION

Welcome to Rotorua Lakes Council's Annual Plan 2019/20. This Plan represents the second year of our Long Term Plan 2018-2028 (LTP). It sets the budget and work plan for the year from 1 July 2019 – 30 June 2020 and identifies what has changed from the LTP. It sets Council's direction for the year, and provides accountability to the community.

Long Term Plan or Annual Plan?

Every three years we develop a Long Term Plan (LTP) in consultation with the community. It sets our direction, budgets and work plans for the following 10 years. The LTP 2018-2028 was finalised in June 2018, following substantial community input.

The LTP is our action plan, it connects delivery to the vision and provides detail on all our activities. It sets our Council's Financial Strategy, details our performance measures and provides the rationale for delivery of our activities, amongst other things. This should be the first port of call if you require additional information.



The two years following an LTP, we develop Annual Plans / annual budget. Essentially this is an update to what we agreed through the LTP. It highlights our budgets and work plans for the year. Any significant or material changes are consulted on with the community. This process allows us to make sure that our budgets and work plans are flexible enough to respond to the needs of the community and the demands of growth.

This document sets out the changes to what we had planned for year two of the LTP (1 July 2019 – 30 June 2020).




TE WHIRI MĀTĀRAE CIVIC LEADERSHIP



**HON STEVE
CHADWICK**
MAYOR

ROTORUA LAKES COUNCIL



**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**

ROTORUA LAKES COMMUNITY BOARD



PHILL THOMASS
CHAIR



JIM STANTON
DEPUTY CHAIR



NICK CHATER



FRED STEVENS



**CR TANIA
TAPSELL**
COUNCILLOR REP

ROTORUA RURAL COMMUNITY BOARD



SHIRLEY TRUMPER
CHAIR



CHRIS SUTTON
DEPUTY CHAIR



BRYCE HEARD

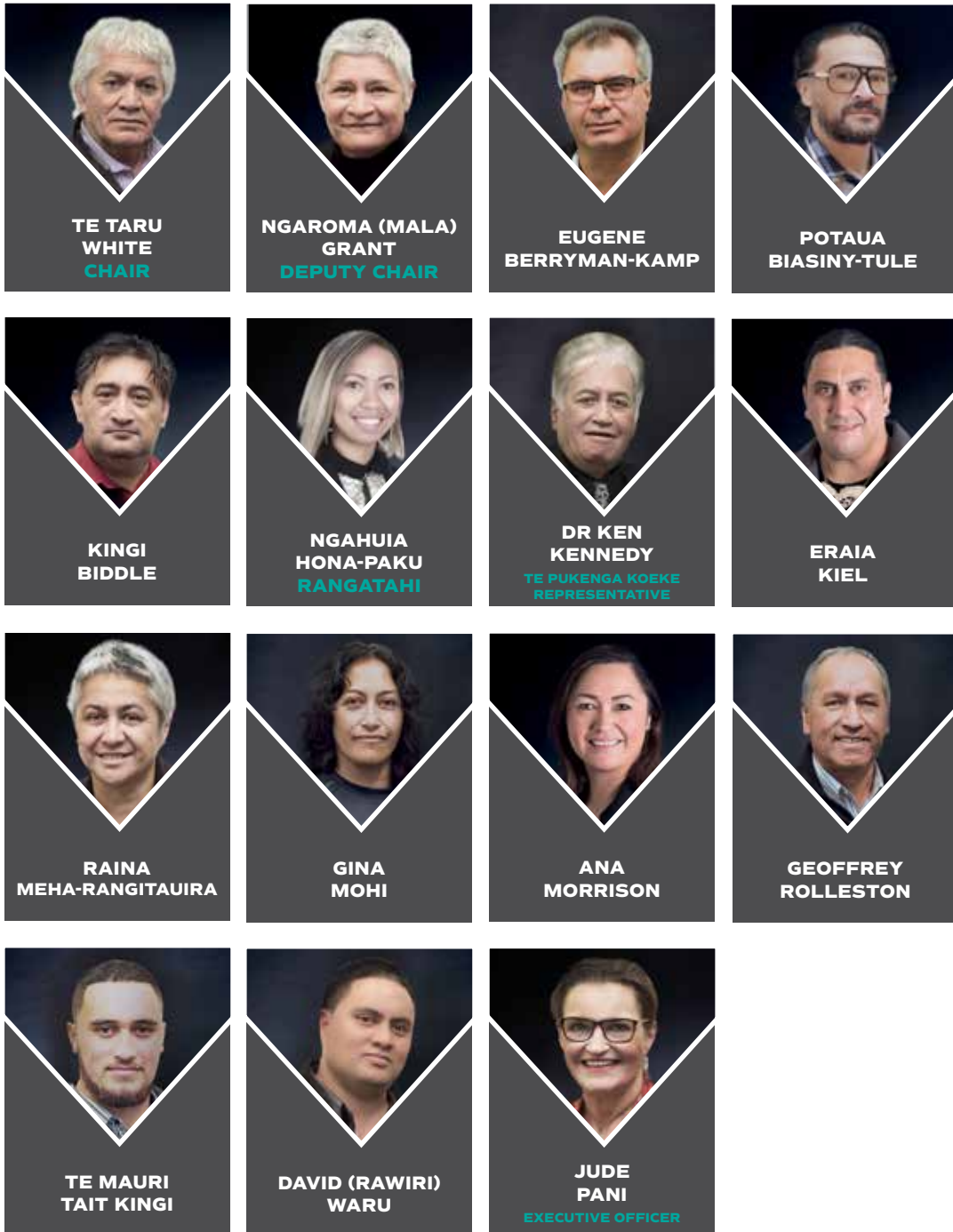


BOB MARTIN



**CR MARK
GOULD JP**
COUNCILLOR REP

TE TATAU O TE ARAWA THE TE ARAWA PARTNERSHIP AGREEMENT



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

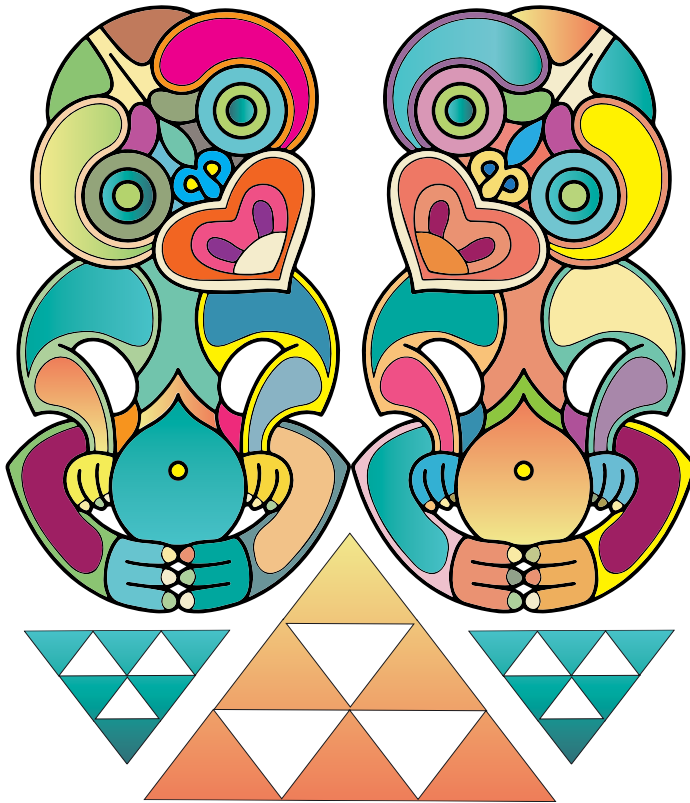
The Te Tatau board of trustees comprises 14 members, representative of a cross section of Te Arawa stakeholders including koeke (elders), Ngati Whakaue, Te Arawa iwi and hapu, land trusts and incorporations, pan-Te Arawa entities and rangatahi (youth).

Te Tatau o Te Arawa 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.

Te Arawa and Council committed 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.

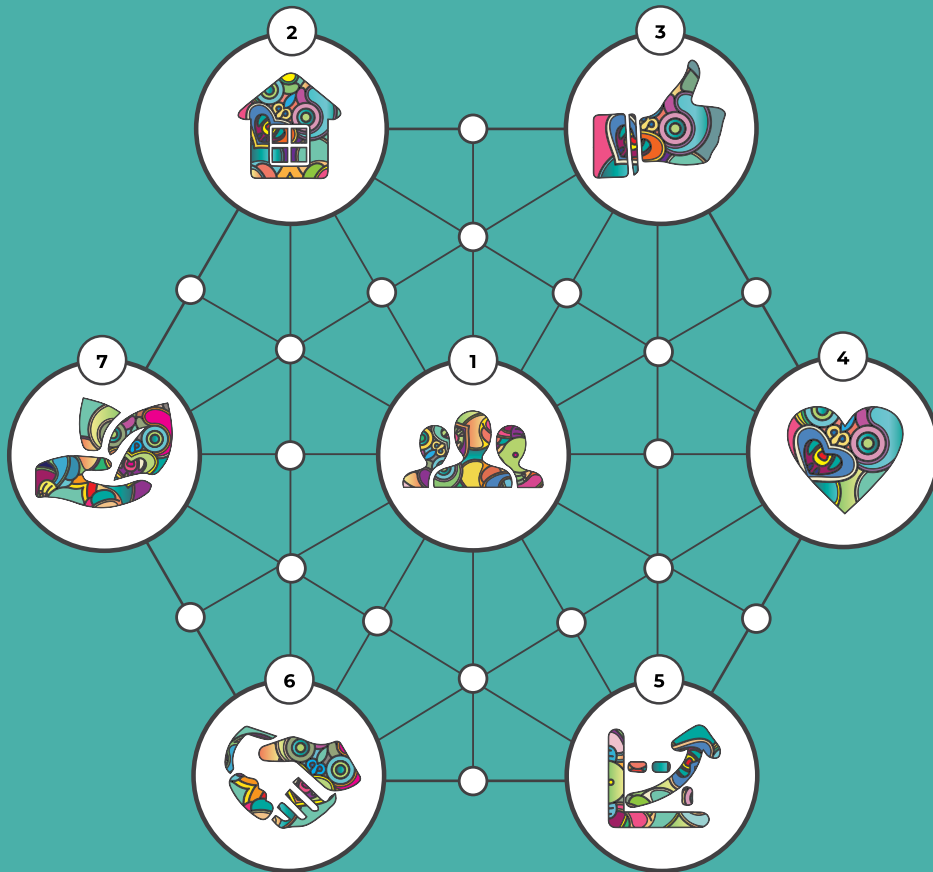
TE TIROHANGA WHAKAMUA OUR VISION



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 WHAKAPŪMAUTANGA O TE TAIĀO.
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

PEOPLE | CULTURE | PLACE



- 1 A RESILIENT COMMUNITY He hāpori pūmanawa ...inclusive, liveable and safe neighbourhoods give us a sense of place; and confidence to be involved and connected
- 2 HOMES THAT MATCH NEEDS Kāinga noho, kāinga haumarū...quality, affordable homes that are safe, warm, and available
- 3 OUTSTANDING PLACES TO PLAY Papa whakatipu...recreation opportunities are part of our lifestyle; connecting us, transporting us and surrounding us
- 4 VIBRANT CITY HEART Waahi pūmanawa...our inviting and thriving inner city reflects our unique heritage and lakeside location
- 5 BUSINESS INNOVATION AND PROSPERITY Whakawhanake pākihi ...we boast a diverse and sustainable economy energised by our natural resources and innovative people
- 6 EMPLOYMENT CHOICES He huarahi hou...we are a prosperous connected community; growing our education, training and employment opportunities
- 7 ENHANCED ENVIRONMENT Tiakina tō taiao... we are known globally for our clean, natural environment, air quality and healthy lakes

NGĀ KAUPAPA MATUA O TE KAUNIHERA COUNCIL'S KEY PROJECTS

Te whakaora i ō tātau taonga | Reviving our facilities

Rotorua Museum

The museum is part of Rotorua's history and a facility we all take great pride in as a place that tells the stories of our district and of Te Arawa. Restoration and re-opening of our whare taonga is vital for both our community and as a visitor attraction.

Following the Kaikoura earthquake in November 2016 the Museum had to be closed. Extensive investigations have been undertaken to fully understand the condition of the building, which was constructed in 1908, and ground conditions.

Council is committed to restoring our world renowned Museum. This requires seismic strengthening of the building and corrective measures to address issues regarding the age of the building, environmental impacts and deferred maintenance.

Council has committed \$15 million towards this project and in December 2018 Rotorua Trust committed \$10 million. We are seeking further funding through Central Government.

Aquatic Centre

Rotorua has the only outdoor heated 50m pool in the country (with natural geothermal resources used for heating) and is popular for training camps and competitions. The centre attracts 350,000 visitors a year and the learn-to-swim programme teaches more than 11,000 children annually.

However, several issues at the centre need to be addressed, largely due to the age of the centre and its facilities. The outdoor pool is 43 years old and the adjacent building 30 years old.

Council will develop a masterplan that will focus on bringing the service up to the level our community expects, and then as resources allow, adding new features.

These include:

- Fixing and deepening the outdoor 50m heated outdoor pool
- Replacing roofing, installing a new hi-vac system and upgrading the main pool hall
- Constructing a dedicated learn-to-swim pool
- Enhancements to the main entrance and changing facilities.

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

Investment \$7.5 million

Sir Howard Morrison Performing Arts Centre

Closure of the Sir Howard Morrison Performing Arts Centre for earthquake strengthening has provided the opportunity to review future usage of the facility. There are two key objectives for this project:

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

Council's contribution will focus on strengthening of the building with external funding sought for the 'transformational' components. Following full investigation of the issues and the condition of the building Council committed to funding of \$11.5 million.

External funding of \$6.57 million has been secured to date:

- \$3 million pledged by Sir Owen Glenn for Civic Theatre extension
- \$1.5 million pledged in principle by Rotorua Trust
- \$125,000 from One Foundation
- \$750,000 from NZCT
- \$450,000 from Lotteries Heritage and Environment Fund
- \$750,000 from Lotteries Community Facilities fund

Designers Shand Shelton have provided a project design that sets out to achieve the project outcomes and enables the addition of further enhancements in the future if funding allows.

The concept will achieve 900-950 seats in the Civic Theatre, an upgraded Concert Chamber and foyer. The cost of completing this is estimated by quantity surveyors to be \$18.0 million which has now been secured.

Pensioner Housing

Rotorua faces increasing demands for social housing for older people. Council currently owns 152 pensioner units across five sites.

In 2017 a Council review of pensioner housing identified issues with the current stock and the likelihood that substantial ratepayer investment would be required during the next two decades to cater for increased demand, changing legislation and expectations for quality modern housing.

Government reform of the social housing sector means council is not eligible for Central Government funding to improve or increase these facilities.

Following its review Council considered options available for providing services to best meet the social housing needs of older people in our district and considered selling its pensioner housing to a social housing provider with a set of objectives in mind:

- financially viable and sustainable model
- provide support services
- improve current assets
- grow the asset
- partner with Te Arawa

However the option to sell has not proven viable. Council have decided to continue to provide an in-house service against the objectives. Asset replacement will reflect the commitment to an in-house model for 2019/20 by setting a renewal budget of \$600K and Council will continue to review the pensioner housing policy to provide recommendations for inclusion in the next Long-term Plan.

Te Toitūtanga o te Taiao | Environmental sustainability

Wastewater treatment plant upgrade

Council signed a deed with Central North Island Iwi Limited (CNI) in 2014 to end treated effluent disposal in Whakarewarewa Forest by December 2019 as the forest system is considered unsustainable.

Council has worked with key stakeholders including iwi to explore and identify a better, more sustainable wastewater treatment and management alternative. The preferred solution agreed by the majority of parties includes a full upgrade of the existing wastewater treatment plant to a full membrane bioreactor plant with provision for additional nutrient removal and an ultraviolet disinfection system. The upgraded plant will also increase capacity to cater to future demand. A land contact bed is proposed to address cultural aspects regarding the proposed discharge recovered water to the environment.

A resource consent application is in progress and it is based on this proposed upgrade and discharge option. While we await the outcome of the application Council will continue working on the proposed holistic delivery of wastewater services and networks management to address our future challenges.

District sewerage schemes – East Rotoiti/Rotomā

Council committed in the 2017/18 Annual Plan to a reticulated sewerage scheme for East Rotoiti/Rotomā following engagement with the community. With significant support from the community the scheme has proceeded. There are approximately 700 properties in the service area for this scheme, which will replace current septic tanks.

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, largely funded by subsidies from Ministry of Health, Bay of Plenty Regional Council, Ministry for the Environment and Rotorua Lakes Council. The balance of the capital cost of constructing this system will be repaid by the ratepayers receiving the service through targeted rates.

Properties at Rotomā are expected to commence gradual connection from July 2019 and to be fully operational by September 2019. A targeted rate to fund the operational costs of the new scheme will commence in the 2020/21 year.

Properties at East Rotoiti will be expected to be gradually connected to the scheme from July 2020 and will be charged from then onwards.

When the scheme is fully completed all properties in the scheme area will commence payment towards the capital contribution, either by making an upfront payment of \$14,100 (GST inclusive) or \$1,080 (GST inclusive) per annum over 25 years. The final capital contribution is subject to the final project cost with Council working hard to ensure costs are within estimates provided to the community.

Te Whakawhanake i to tātau Rohe | Growing our district

Development contributions policy

Population data estimated Rotorua's population to be 72,500 in 2018. During the last five years (2013-2018) the district has experienced an average 1.2% growth. This is above previous growth projections.

Well-managed population and economic growth can be an opportunity for the district. Growth can improve the prosperity and wellbeing for the whole community. It can increase demand for goods and services, supporting our existing and encourages new local businesses, it can bring new skills, ideas and wealth which in turn creates a vibrant economy and contributes to thriving communities.

Council has identified growth infrastructure funding across the Long-term Plan, including roading, water supplies, wastewater and stormwater. The overarching question is who should pay for this additional growth?

Council proposes re-introducing a development contribution policy to ensure the costs of meeting the demand arising from development, including infrastructure upgrades and extensions are repaid by those who benefit from it.

Council will work with sectors such as developers to formulate a framework of principles and a draft policy. A separate special consultative procedure will then be undertaken and if supported, a policy could be introduced in year three of the 2018-2028 Long-term Plan (2020/21).



Tuia te kawē, tairanga te kawē, ko te kawē o te haere |

Keeping the foot on the pedal of progress

Lakefront redevelopment

A bold vision for the lakefront has been created to enhance this important recreational area for the benefit of locals and visitors. The design will create spaces for recreation, entertainment, cultural experiences, improved visitor operations and commercial operations and will represent our unique cultural identity and tell our stories.

The Lakefront Reserve is a significant recreation and economic asset for Rotorua. In 2006 an upgrade was identified as part of ongoing city development and our district's standing as one of New Zealand's most popular tourist destinations. The plan was not able to proceed as joint funding opportunities did not exist then.

In October 2018 the Government's Provincial Growth Fund granted \$19.9 million towards the project; a substantial investment into the economic objectives of the project.

The initial stages of development have started with the removal of the old scout den and Soundshell. The lake edge will be improved with a boulevard style pathway for pedestrians and cyclists, roading changes will include moving and improving visitor and coach parking, a new waka house will be constructed, public toilets will be upgraded and an enhanced childrens play area created. The plan also includes creation of a building site for commercial operations where investors could establish restaurants, cafés, kiosks and ticketing offices for lake activities.

The plan creates a destination to align with the quality aspirations of surrounding private investments already underway or planned.

The lakefront plan will cost \$40 million to deliver. Council has committed to investing \$20.1 million which has been matched by a Provincial Growth Fund grant of \$19.9 million.

Whakarewarewa Forest

Whakarewarewa Forest is locally and internationally renowned as an outstanding recreation area for mountain biking, walking, running and events and is an important recreational area for our community. The trails attract an estimated 230,000 people annually for mountain biking alone and between 600-800,000 other visitors every year. Most of this recreation area is also a working forest with recreational use fitting around forest operations. A master plan identifies key recreational, cultural and commercial development opportunities, specifically in the Tokorangi block that includes the Redwoods area and the project will integrate trails, develop an outdoor event area, playground and picnic areas and improved parking.

In October 2018 the Government's Provincial Growth Fund granted \$7.0 million towards the project, driven by strong evidence supporting strengthened economic development and tourism, as well as the benefits of enhanced recreational opportunities. The Provincial Growth Fund grant investment supports Council's investment of \$7.5 million.

Initial work has started on the Long Mile Road entrance, and access for coach and public parking. Work on a new Redwoods/Tokorangi visitor centre will start when this is finished and further up Tarawera Road, on the way to Tikitapu, visitor infrastructure will be developed to provide a new forest access hub.

Kuirau Park and skate park

Work continues to develop and enhance this iconic family-friendly inner city geothermal park for locals and visitors. Enhancements aim to strengthen connectivity to our environment, culture and lifestyle.

Proposed ongoing investment will build on recent upgrades to lift the whole offering. Features in the overall plan include construction of a geothermally-heated children's water play area, new parking, creation of a fit-for-purpose market space and new toilets and changing facilities. Council committed \$5.5 million towards these enhancements.

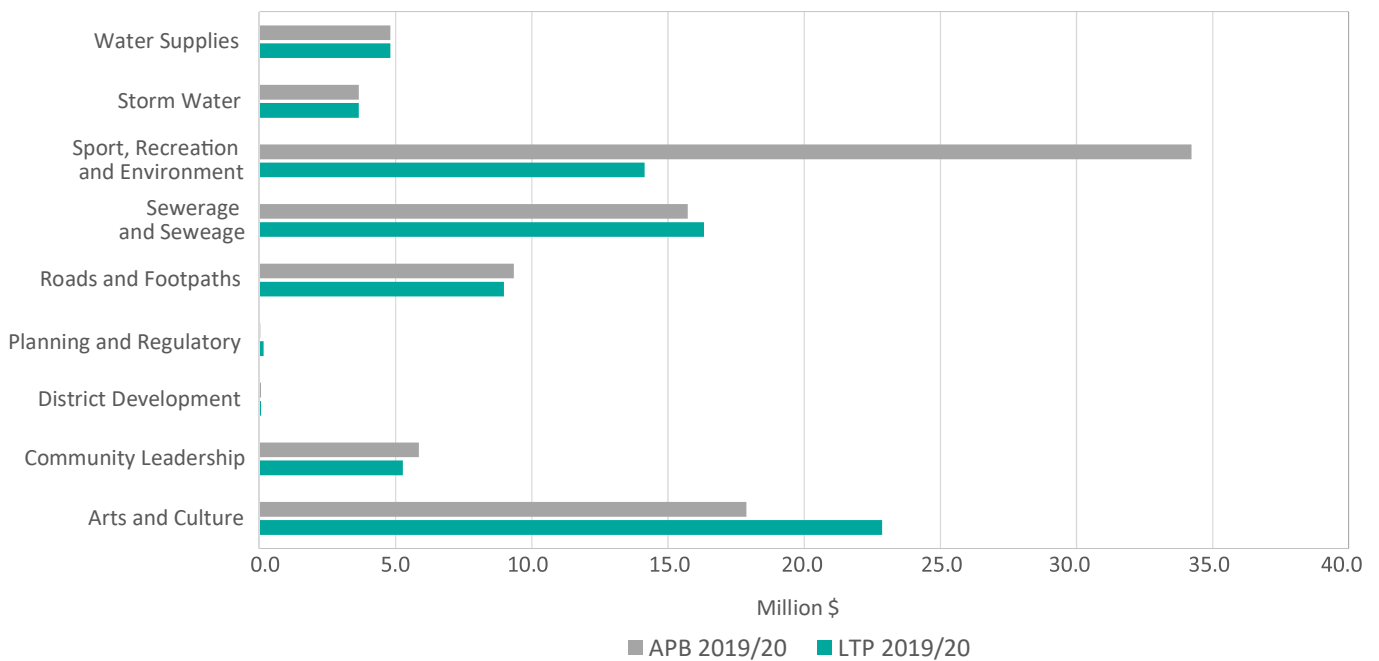
Within the park it is also proposed to develop a skate park to replace the current facility at Sheaf Park. Council has committed \$750,000 for this project and is working to secure the additional funding required to progress the skate park.



PŪRONGO PŪTEA FINANCIALS

Looking after existing assets and creating new ones

Expenditure activities - Annual Plan Year 2 v LTP



Council's major projects 2019/20

What's different and why?

Challenges like sourcing of external funding, our ongoing commitment to engagement to engagement and partnering, the condition of assets and lengthy resource consenting processes have impacted on our initial timing of some of our key projects.

The LTP 2018-28 had planned capital expenditure (2019/20) of \$76.2 million. Due to the challenges listed above and the resulting phasing of projects, planned capital is now \$91.5 million. As a result the borrowing in this year will increase to \$36.2 million (LTP \$25.6 million). In the bigger picture, over the duration of the LTP borrowing is still consistent with planned borrowing. The impact of this increase will see borrowing peak earlier than originally planned.

| Description | AP 2019/20 CAPEX |
|---|---------------------|
| Arts and Culture | |
| Energy Event Centre Renewals | 1,120,454 |
| Library Renewals | 50,000 |
| Public Art Funding | 340,000 |
| Rotorua Museum Enhancements | 8,809,714 |
| Rotorua Museum Renewals | - |
| SHMPAC Enhancements | 7,358,000 |
| SHMPAC Renewals | - |
| Renewals Arts and Culture | 200,000 |
| Arts and Culture Total | 17,878,168 |
| Community Leadership | |
| Civic Centre BMS | - |
| Civic Centre Refurbishment | 1,400,000 |
| Civic Centre Renewals (Including Geothermal) | 200,000 |
| Community Halls Renewals | 200,000 |
| Corporate Strategic Projects - New Initiatives Fund | 80,000 |
| Council Building Security Integration | - |
| Council Website Replacement | - |
| ERP Project | 2,200,000 |
| Fleet Purchases | 125,000 |
| Infracore Buildings Renewals | 100,000 |
| IT Enhancements (Including ABW) | 413,000 |
| IT Renewals | 262,000 |
| OneCouncil Enhancements | 117,247 |
| Pensioner Housing Renewals | 600,000 |
| Strategic Property Renewals | 50,000 |
| PPM Module | 100,000 |
| Community Leadership Total | 5,847,247 |

| Description | AP 2019/20 CAPEX |
|--|---------------------|
| District Development | |
| iSite Renewal | 50,000 |
| District Development Total | 50,000 |
| Planning and Regulatory | |
| Animal Control Asset Renewals | 24,000 |
| Planning and Regulatory Total | 24,000 |
| Roads and Footpaths | |
| Cyways Enhancements | 900,000 |
| Minor Safety Improvements | 570,000 |
| Roading - Eat Street & Hinemoa Carpark Renewal | 110,000 |
| Rural Seal Extensions | 750,000 |
| Storm Repairs | - |
| Town Centre Enhancements | - |
| Transport Operation Renewal | 6,754,000 |
| Unsubs Renewals Program | 250,000 |
| Roads and Footpaths Total | 9,334,000 |
| Sewerage and Sewage | |
| District Sewerage Scheme Enhancements | 8,999,000 |
| Rotorua Waste Water Treatment Plant Enhancements | 500,000 |
| Waste Water Network Expansion | 120,000 |
| Waste Water Network Renewals | 6,100,000 |
| Sewerage and Sewage Total | 15,719,000 |
| Storm Water | |
| Stormwater Network Enhancements | 650,000 |
| Stormwater Network Expansion | - |
| Stormwater Network Renewal | 3,000,000 |
| Storm Water Total | 3,650,000 |
| Water Supplies | |
| District Water Supply Enhancements | 1,500,000 |
| District Water Supply Expansion | 300,000 |
| District Water Supply Renewal | 3,000,000 |
| Infrastructure | - |
| Water Supplies Total | 4,800,000 |

| Description | AP 2019/20 CAPEX |
|--|---------------------|
| Sport, Recreation and Environment | |
| Active Recreation Enhancement | 150,000 |
| Aquatic Centre Asset Renewals | 3,000,000 |
| Carpark Enhancements | 150,000 |
| Cemetery Developments and Improvements | 30,000 |
| Cremator Replacement | 400,000 |
| Devolved Funding | 250,000 |
| Event Signboards | 140,000 |
| Government Gardens Renewals | - |
| International Stadium Enhancements | 1,165,000 |
| International Stadium Renewals | 90,761 |
| Kuirau Park | 1,071,000 |
| Lake Ramp and Jetty Enhancements | - |
| Lake Reserve Renewal | - |
| Lakefront Revitalisation | 14,000,000 |
| Lakes Infrastructure Enhancements | 1,102,047 |
| Major Renewal - Hockey Turf | - |
| MB Investment | - |
| Neighbourhood Playground Enhancements | 500,000 |
| Neighbourhood Revitalisation | 345,000 |
| Park Structures Renewals | 1,018,313 |
| Public Toilet Renewals | 200,000 |
| Public Toilets New | 170,000 |
| Reserve Enhancements | - |
| Reserves Erosion Control | 100,000 |
| Skate Park in Kuirau Park | 550,000 |
| Sports Facilities Funding | 887,000 |
| Utility Buildings Renewals | 2,720 |
| Waikite Valley Thermal Pools Renewal | 100,000 |
| Whakarewarewa Forest | 8,800,000 |
| Sport, Recreation and Environment Total | 34,221,841 |
| Grand Total | 91,524,256 |

EXCEPTIONS TO YEAR 3

What are we doing differently?

Wastewater - Alternative method to service delivery

Council's recent 2018 infrastructure strategy indicated that changes to waste water services delivery were needed. The changes were informed by several issues.

Ageing network

Like many other parts of New Zealand our assets are reaching the end of their lifecycle. More than 65% of our network will reach the end of its useful lifecycle within the next 25 years. Without targeted and smart technology intervention to maintain stable asset condition, the risk of network performance unreliability is high.

Growth

Rotorua is growing and predicted to continue to grow. As a result additional assets are required. Community expectations are also changing with communities expecting to be connected to reliable and highly effective wastewater systems that meet environmental and cultural impacts concerns (East Rotoiti/Rotoma, Tarawera, Mamaku). This, in turn, requires additional network assets, more and better wastewater treatment capacity and improved skills to manage an expanding network.

Compliance

Increasingly demanding environmental and cultural compliance standards are developing, resulting in elevated statutory compliance risks. This in turn will require Council to plan for corresponding levels of risk mitigation costs.

Out of Forest commitment

Rotorua Lakes Council and Central North Island Iwi Limited (CNI) signed a deed in 2014 to end treated effluent disposal in Whakarewarewa Forest by December 2019, a system which is considered unsustainable.

Options were explored by a community-led steering committee which included Te Arawa iwi and hapū, technical advisors, Rotorua Lakes Council and Bay of Plenty Regional Council representatives and a cultural assessment sub-committee.

The proposed alternative includes an upgraded plant which will incorporate much higher treatment capacity to future proof wastewater management needs against forecasted growth and a new land contact bed to address cultural aspects and concerns regarding the proposed discharge of recovered water directly to the environment via Lake Rotorua. A resource consent based on this option has been lodged with the Environment Court and time the upgrade of the plant is on hold until the outcome of that resource consent is known.

Capability - Future skill shortage in workforce

About 70% of wastewater services are currently delivered by external contractors. Recruiting suitably skilled in-house staff, with more than half of current in-house staff reaching retirement age, will be difficult.

Climate change

The unpredictable effects of climate change pose a risk related to increased flows of stormwater into our wastewater network because our network is approaching an age where pipeline integrity is becoming fragile. Stormwater infiltration management by applying new technologies and hydraulic modelling will be essential to ensure we can comply with statutory compliance requirements.

Funding and financing of the services

Our 30-year Infrastructure Strategy has identified that a high level of uncertainty in future cost projections. The level of uncertainty, (20-40% medium to long term), is based on our prior 7 years' spend, the forecasted additional assets coming on line, our ageing networks and our geothermal environment. Volatility in market prices is also affecting our ability to accurately predict future costs.

Central government - localism vs amalgamation and regulation of service and delivery

The Three Waters Review proposes system-wide reform in regulation and service delivery. Regulation changes will happen at pace. The greater challenge is the objectives and views of Central Government which may lead to devolution of council control of the service. On one hand Central Government has discussed that decisions about a community are best made by the community – localism. However, it has also begun to discuss the possibility of amalgamating wastewater services and there appears to be support to look at five zones across the country. Local Government New Zealand has strongly stated it opposes this view and that this approach goes against the Minister for Local Government's views on localism and the need to support local decisions being made at local level.

The Annual Plan information/consultation document signaled the intent of the Council to continue to look at alternatives to service delivery for wastewater.

Work that has been undertaken to date includes:

- Expressions of Interest from suitably qualified groups/consortia/companies
- Request for tender and shortlisting following extensive testing, interviews and reference checking
- Preferred consortia presented to Council
- Ongoing work with consortia to develop viable and prudent proposal
- Proposal supported in principle by Council subject to community feedback and peer review of all aspects of the contract

The Proposal:

Contract for service delivery spanning 25 years – This reflects the long lifecycles of networks and links all network systems under one comprehensive set of performance objectives

Operate-Maintain-Renew – The contractor will be responsible for

- All operations to maintain networks in stable and reliable condition
- Deliver required level of service
- Comply with all resource consent measures

Design-Build-Operate-Maintain-Renew – The upgraded wastewater treatment plant in accordance with resource consent conditions (when known)

Next step

A proposed change in the way a significant service and how the supporting network infrastructure is managed by Council is required to first be explicitly notified in the Long Term Plan. Council is then required to undertake a special consultative procedure setting out the proposal in detail including any viable alternatives, the assessed advantages and disadvantages and the financial impacts of the proposal.

Following engagement in the Annual Plan, (signal alternative methods in service delivery) Council will now proceed to develop a statement of proposal consultation document and fully consult on a proposal to deliver waste water services via a contract for service. This proposal is required to be audited by the Council's auditors, Audit New Zealand.

PURPOSE OF FINANCIAL STATEMENTS

General Information

The prospective financial statements are for Rotorua Lakes Council, the parent only. The council publishes group accounts for the annual report. For the purpose of the council's Long-term Plan (LTP), it is only the parent accounts that are relevant for public consultation. This prospective financial information has been prepared to meet the requirements of the Local Government Act 2002. This information may not be suitable for use in any other context. These prospective financial statements are for the period 1 July 2019 to 30 June 2020.

The actual results achieved for the period covered by this plan are likely to vary from information presented in this document, and the variations may be material. The reforecast statement of financial position as at 30 June 2019 has been used to give an opening position for the prospective statement of financial position.

The elected council is responsible for the prospective financial information presented in this document, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. The prospective financial statements comply with Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements. The council does not intend to update the prospective financial statements subsequent to presentation.

Funding Impact Statements

Funding impact statements are required under the Local Government Act 2002 and conform to clause 5 of the Local Government (Financial Reporting) Regulations 2011. They cover the one year period from 1 July 2019 to 30 June 2020, and outline the council's sources of funding and plans to apply them. Generally accepted accounting practice does not apply to the preparation of the funding impact statements, as stated in section 111(2) of the Local Government Act.

Key divergences from generally accepted accounting practice are the exclusion of depreciation in all funding impact statements and the inclusion of internal revenue and expenditure.

Prospective Statement of Comprehensive Revenue and Expense

This financial statement discloses the net surplus or deficit and the components of net surplus (deficit), arising from activities or events during the period that are significant for the assessment of both past and future financial performance.

Prospective Statement of Changes in Equity

This financial statement presents a measure of comprehensive income. Equity is measured as the difference between the total value of assets and total liabilities. Accumulated Equity represents the community's investment in publicly owned assets, resulting from past surpluses.

Prospective Statement of Financial Position

This financial statement provides information about the economic resources controlled by Council. 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 borrowing needs, and how future surpluses and cashflows may be distributed among those with an interest in the Council. The information is also useful in assessing how successful the council is likely to be in raising future finance.

Prospective Statement of Cashflows

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

- Repay debt, or
- Re-invest to maintain or expand operating capacity.

Statement of Accounting Policies

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

- the measurement system underlying the preparation of the 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 any such items
- any changes in the measurement system, assumptions or particular accounting policies

Notes to the Financial Statements

These provide further explanation of accounting policies adopted by the council and the assumptions used in preparing the financial statements.

FINANCIAL STATEMENTS

Prospective statement of comprehensive revenue and expense

| Rotorua Lakes Council: Prospective statement of comprehensive revenue and expense: | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Revenue | | | |
| Rates, Excluding Targeted Water Supply Rates | 87,537 | 93,381 | 92,138 |
| Targeted Rates for Water Supply | 4,981 | 5,106 | 5,233 |
| Development and Financial Contributions | - | - | - |
| Subsidies and Grants (Incl Capital Subsidies) | 28,653 | 28,973 | 33,950 |
| Other Revenue | 15,955 | 16,956 | 16,971 |
| Finance Income | 134 | 137 | 134 |
| Gains | - | - | - |
| Total Revenue | 137,260 | 144,553 | 148,427 |
| | | | |
| Expenditure | | | |
| Personnel Costs | 25,509 | 25,991 | 26,458 |
| Depreciation and Amortisation Expense | 23,774 | 25,852 | 30,279 |
| Other Expenses | 59,709 | 61,414 | 61,616 |
| Finance Costs | 8,054 | 9,741 | 9,948 |
| Total Operating Expenditure | 117,046 | 122,998 | 128,301 |
| | | | |
| Surplus/(Deficit) for the Period | 20,214 | 21,555 | 20,126 |
| Loss for the Period from Discontinued Operations | - | - | - |
| Surplus/(Deficit) Before Tax | 20,214 | 21,555 | 20,126 |
| Income Tax Expense | - | - | - |
| Surplus/(Deficit) After Tax | 20,214 | 21,555 | 20,126 |
| | | | |
| Other Comprehensive Income | | | |
| Revaluation on Property, Plant and Equipment | 15,860 | 30,663 | 19,072 |
| Revaluation on Intangibles | - | - | - |
| Net Change in Fair Value of Investments | - | - | - |
| Net Change in Fair Value of Hedges | - | - | - |
| Other Comprehensive Income | 15,860 | 30,663 | 19,072 |
| Total Other Comprehensive Income | 36,074 | 52,218 | 39,197 |

Prospective statement of changes in Net assets / Equity

| Rotorua Lakes Council: Prospective statement of changes in net assets/equity for the year ended: | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|--|--------------------------------|--------------------------------|-----------------------------|
| Balance as at 1 July | 1,006,524 | 1,043,380 | 1,099,082 |
| Total Comprehensive Income as Stated | 36,074 | 52,218 | 39,197 |
| Balance at 30 June | 1,042,598 | 1,095,598 | 1,144,673 |
| Total Comprehensive Income attributable to: | 36,074 | 52,218 | 45,591 |



Prospective statement of financial position

| Rotorua Lakes Council: Prospective statement of financial position for the year ended: | Long Term Plan 2018/19 (\$'000) | Long Term Plan 2019/20 (\$'000) | Annual Plan 2019/20 (\$'000) |
|--|---------------------------------|---------------------------------|------------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash & Cash Equivalents | 1,153 | 1,326 | 114 |
| Debtors & Other Receivables | 17,275 | 17,655 | 30,496 |
| Inventories | - | - | - |
| Derivative Financial Instruments | - | - | - |
| Assets held for sale | 4,000 | 2,000 | 437 |
| Total Current Assets | 22,428 | 20,980 | 31,047 |
| Non-Current Assets | | | |
| Loans & Receivables | 14,400 | 14,400 | 14,400 |
| Property Plant & Equipment | 1,202,230 | 1,281,596 | 1,307,452 |
| Investment Property | - | - | - |
| Intangible Assets | 4,280 | 5,663 | 7,115 |
| Other Financial Assets | 34,950 | 34,950 | 52,961 |
| Total Non-Current Assets | 1,255,860 | 1,336,609 | 1,381,928 |
| Total Assets | 1,278,288 | 1,357,589 | 1,412,974 |
| Liabilities | | | |
| Current Liabilities | | | |
| Creditors & Other Payables | 25,101 | 25,653 | 22,488 |
| Provisions | 200 | 204 | 99 |
| Employee Benefit Liabilities | 3,173 | 3,243 | 3,091 |
| Borrowings | 32,400 | 15,000 | 15,000 |
| Derivative Financial Instruments | - | - | - |
| Taxation Payable | - | - | - |
| Other Financial Liabilities | 246 | 246 | 89 |
| Total Current Liabilities | 61,120 | 44,347 | 40,767 |
| Non-Current Liabilities | | | |
| Borrowings | 172,230 | 215,254 | 225,174 |
| Provisions | 2,235 | 2,284 | 2,249 |
| Employee Benefit Liabilities | 105 | 107 | 111 |
| Total Non-Current Liabilities | 174,570 | 217,645 | 227,535 |
| Total Liabilities | 235,690 | 261,992 | 268,301 |
| Net Assets | 1,042,598 | 1,095,598 | 1,144,673 |
| Net Assets/Equity | | | |
| Capital Contributed by | | | |
| Accumulated Comprehensive Revenue and Expenses | 727,378 | 749,714 | 791,181 |
| Restricted Equity | 5,662 | 5,662 | 6,171 |
| Reserves | 309,558 | 340,221 | 347,321 |
| Minority Interest | - | - | - |
| Total Net Assets / Equity | 1,042,598 | 1,095,598 | 1,144,673 |

Prospective statement of cashflows

| Rotorua Lakes Council: Prospective statement cashflows for the year ended: | Long Term Plan 2018/19 (\$'000) | Long Term Plan 2019/20 (\$'000) | Annual Plan 2019/20 (\$'000) |
|--|---------------------------------|---------------------------------|------------------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from Rates Revenue | 92,179 | 98,106 | 96,715 |
| Receipts from Customers and Other Services | 15,955 | 16,956 | 16,971 |
| Receipts from Grants & Subsidies | 28,653 | 28,973 | 33,950 |
| Goods and Services Tax (Net) | - | - | - |
| Interest Received | 134 | 137 | 134 |
| Dividends Received | - | - | - |
| Payments to Suppliers | (73,671) | (74,399) | (60,243) |
| Payments to Employees | (10,291) | (11,546) | (26,458) |
| Interest Paid | (8,054) | (9,741) | (9,948) |
| Income Tax Refund/(Paid) | - | - | - |
| Net Cash from Operating Activities | 44,904 | 48,487 | 51,121 |
| | | | |
| Cash Flows from Investing Activities | | | |
| Proceeds from Medium Term Investments | 600 | - | - |
| Proceeds from Sale of Property, Plant and Equipment | 2,000 | 4,000 | 4,000 |
| Proceeds from Community Loan Repayments | - | - | - |
| Purchase of Property, Plant and Equipment | (77,580) | (77,938) | (91,524) |
| Purchase of Intangible Assets | - | - | - |
| Purchase of Other Investments | - | - | - |
| Net Cash from Investing Activities | (74,980) | (73,938) | (87,524) |
| | | | |
| Cash Flows from Financing Activities | | | |
| Proceeds from Borrowings | 30,230 | 25,624 | 36,231 |
| Payments of Borrowings | - | - | - |
| Net Cash from Financing Activities | 30,230 | 25,624 | 36,231 |
| | | | |
| Net Increase/(Decrease) in Cash and Cash Equivalents and Bank Overdraft | 153 | 172 | (172) |
| Cash and Cash Equivalents and Bank Overdraft at Beginning of the Year | 1,000 | 1,153 | 286 |
| Cash and Cash Equivalents and Bank Overdraft at end of the Year | 1,153 | 1,326 | 114 |

Footnote: Opening cash position has been reforecast from budget to achieve a more reliable starting point



Overall Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement (whole of council) | Long Term Plan 2018/19 (\$'000) | Long Term Plan 2019/20 (\$'000) | Annual Plan 2019/20 (\$'000) |
|--|------------------------------------|------------------------------------|------------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 57,658 | 61,517 | 60,169 |
| Targeted Rates | 34,860 | 36,969 | 37,202 |
| Subsidies and grants for operating purposes | 4,112 | 4,203 | 4,112 |
| Fees and charges | 7,885 | 8,702 | 8,513 |
| Interest and dividends from investments | 134 | 137 | 134 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 8,070 | 8,254 | 8,458 |
| Total operating funding (A) | 112,719 | 119,782 | 118,589 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 85,218 | 87,279 | 87,949 |
| Finance costs | 8,054 | 9,741 | 9,948 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 93,273 | 97,021 | 97,897 |
| Surplus (deficit) of operating funding (A-B) | 19,447 | 22,762 | 20,692 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 24,541 | 24,771 | 29,838 |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 30,230 | 25,624 | 36,231 |
| Gross proceeds from sale of assets | 2,000 | 4,000 | 4,000 |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | 56,770 | 54,394 | 70,069 |
| Applications of Capital Funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | 420 | 431 | 420 |
| - to improve the level of service | 47,213 | 50,768 | 64,157 |
| - to replace existing assets | 29,185 | 25,958 | 26,184 |
| Increase (decrease) of investments | (600) | - | - |
| Increase (decrease) in reserves | - | - | - |
| Total applications of capital funding (D) | 76,217 | 77,156 | 90,761 |
| Surplus (deficit) of capital funding (C-D) | (19,447) | (22,762) | (20,692) |
| Funding balance ((A-B)+(C-D)) | - | - | - |
| Funding balance ((A-B)+(C-D)) | - | - | - |

Arts & Culture Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement for Arts and Culture | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 12,053 | 12,796 | 12,432 |
| Targeted Rates | - | - | - |
| Subsidies and grants for operating purposes | 550 | 562 | 550 |
| Fees and charges | 1,991 | 2,677 | 2,619 |
| Interest and dividends from investments | - | - | - |
| Internal charges and overheads recovered | 16 | 17 | 31 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | 23 |
| Total operating funding (A) | 14,611 | 16,052 | 15,655 |
| | | | |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 9,724 | 10,291 | 10,266 |
| Finance costs | 604 | 887 | 852 |
| Internal charges and overheads applied | 1,984 | 2,137 | 2,018 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 12,313 | 13,315 | 13,135 |
| | | | |
| Surplus (deficit) of operating funding (A-B) | 2,298 | 2,737 | 2,520 |
| | | | |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 3,750 | 14,564 | 9,608 |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 5,098 | 6,050 | 5,751 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | 8,847 | 20,614 | 15,359 |
| | | | |
| Applications of Capital Funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | 8,750 | 22,229 | 16,168 |
| - to replace existing assets | 2,395 | 1,122 | 1,711 |
| Increase (decrease) of investments | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Total applications of capital funding (D) | 11,145 | 23,350 | 17,878 |
| | | | |
| Surplus (deficit) of capital funding (C-D) | (2,298) | (2,737) | (2,519) |
| | | | |
| Funding balance ((A-B)+(C-D)) | - | - | - |

Community Leadership Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement for Community Leadership | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 8,663 | 8,720 | 8,583 |
| Targeted Rates | - | - | - |
| Subsidies and grants for operating purposes | 499 | 510 | 499 |
| Fees and charges | - | - | - |
| Interest and dividends from investments | 134 | 137 | 134 |
| Internal charges and overheads recovered | 22,607 | 23,894 | 23,240 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 2,219 | 2,268 | 2,364 |
| Total operating funding (A) | 34,122 | 35,529 | 34,821 |
| | | | |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 22,040 | 22,458 | 22,366 |
| Finance costs | 1,221 | 1,252 | 1,498 |
| Internal charges and overheads applied | 8,533 | 9,027 | 8,682 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 31,795 | 32,737 | 32,546 |
| | | | |
| Surplus (deficit) of operating funding (A-B) | 2,328 | 2,792 | 2,275 |
| | | | |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 808 | (1,651) | (428) |
| Gross proceeds from sale of assets | 2,000 | 4,000 | 4,000 |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | 2,808 | 2,349 | 3,572 |
| | | | |
| Applications of Capital Funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | 3,985 | 4,303 | 4,310 |
| - to replace existing assets | 1,150 | 838 | 1,537 |
| Increase (decrease) of investments | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Total applications of capital funding (D) | 5,135 | 5,141 | 5,847 |
| | | | |
| Surplus (deficit) of capital funding (C-D) | (2,328) | (2,792) | (2,275) |
| | | | |
| Funding balance ((A-B)+(C-D)) | - | - | - |

Planning & Regulatory Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement for Planning and Regulatory | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 2,393 | 2,500 | 2,611 |
| Targeted Rates | - | - | - |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 4,261 | 4,355 | 4,261 |
| Interest and dividends from investments | - | - | - |
| Internal charges and overheads recovered | 59 | 61 | 59 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 1,673 | 1,710 | 1,850 |
| Total operating funding (A) | 8,386 | 8,626 | 8,781 |
| | | | |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 6,221 | 6,335 | 6,642 |
| Finance costs | 3 | 8 | 9 |
| Internal charges and overheads applied | 2,147 | 2,267 | 2,117 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 8,371 | 8,611 | 8,767 |
| | | | |
| Surplus (deficit) of operating funding (A-B) | 15 | 15 | 14 |
| | | | |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 85 | 138 | 11 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | 85 | 138 | 11 |
| | | | |
| Applications of Capital Funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | - | - | - |
| - to replace existing assets | 100 | 153 | 24 |
| Increase (decrease) of investments | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Total applications of capital funding (D) | 100 | 153 | 24 |
| | | | |
| Surplus (deficit) of capital funding (C-D) | (15) | (15) | (13) |
| | | | |
| Funding balance ((A-B)+(C-D)) | - | - | - |

District Development Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement for District Development | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 3,703 | 3,918 | 3,784 |
| Targeted Rates | 5,505 | 5,558 | 5,460 |
| Subsidies and grants for operating purposes | 29 | 30 | 29 |
| Fees and charges | - | - | 0 |
| Interest and dividends from investments | - | - | - |
| Internal charges and overheads recovered | - | - | 0 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 648 | 669 | 669 |
| Total operating funding (A) | 9,886 | 10,175 | 9,942 |
| | | | |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 8,981 | 9,104 | 9,020 |
| Finance costs | - | - | 14 |
| Internal charges and overheads applied | 560 | 596 | 561 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 9,542 | 9,700 | 9,595 |
| | | | |
| Surplus (deficit) of operating funding (A-B) | 345 | 475 | 347 |
| | | | |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | (805) | (424) | (297) |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | (805) | (424) | (297) |
| | | | |
| Applications of Capital Funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | - | - | - |
| - to replace existing assets | 140 | 51 | 50 |
| Increase (decrease) of investments | (600) | - | - |
| Increase (decrease) in reserves | - | - | - |
| Total applications of capital funding (D) | (460) | 51 | 50 |
| | | | |
| Surplus (deficit) of capital funding (C-D) | (345) | (475) | (347) |
| | | | |
| Funding balance ((A-B)+(C-D)) | - | - | - |

Sports, Recreation & Environment Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement for Sport, Recreation and Environment | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 14,016 | 15,631 | 14,238 |
| Targeted Rates | - | - | - |
| Subsidies and grants for operating purposes | 3 | 3 | 3 |
| Fees and charges | - | - | - |
| Interest and dividends from investments | - | - | - |
| Internal charges and overheads recovered | 7 | 8 | 55 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 801 | 818 | 801 |
| Total operating funding (A) | 14,827 | 16,460 | 15,097 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 10,523 | 10,732 | 10,674 |
| Finance costs | 1,239 | 1,770 | 1,123 |
| Internal charges and overheads applied | 869 | 901 | 888 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 12,631 | 13,402 | 12,685 |
| Surplus (deficit) of operating funding (A-B) | 2,196 | 3,057 | 2,413 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 375 | 1,022 | 11,400 |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 10,419 | 10,302 | 20,409 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | 10,794 | 11,324 | 31,809 |
| Applications of Capital Funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | 9,608 | 9,719 | 29,810 |
| - to replace existing assets | 3,382 | 4,663 | 4,412 |
| Increase (decrease) of investments | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Total applications of capital funding (D) | 12,990 | 14,382 | 34,222 |
| Surplus (deficit) of capital funding (C-D) | (2,196) | (3,058) | (2,413) |
| Funding balance ((A-B)+(C-D)) | - | - | - |

Roads & Footpaths Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement for Roads and Footpaths | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 10,530 | 11,220 | 11,672 |
| Targeted Rates | - | - | - |
| Subsidies and grants for operating purposes | 3,031 | 3,098 | 3,031 |
| Fees and charges | - | - | - |
| Interest and dividends from investments | - | - | - |
| Internal charges and overheads recovered | 27 | 30 | 121 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 2,280 | 2,330 | 2,429 |
| Total operating funding (A) | 15,868 | 16,677 | 17,252 |
| | | | |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 8,654 | 8,838 | 8,769 |
| Finance costs | 2,213 | 2,396 | 2,689 |
| Internal charges and overheads applied | 2,307 | 2,422 | 2,366 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 13,174 | 13,655 | 13,824 |
| | | | |
| Surplus (deficit) of operating funding (A-B) | 2,695 | 3,022 | 3,428 |
| | | | |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 8,131 | 4,623 | 4,523 |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 1,381 | 1,433 | 1,383 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | 9,512 | 6,055 | 5,906 |
| | | | |
| Applications of Capital Funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | 2,220 | 2,269 | 2,220 |
| - to replace existing assets | 9,986 | 6,809 | 7,114 |
| Increase (decrease) of investments | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Total applications of capital funding (D) | 12,206 | 9,077 | 9,334 |
| | | | |
| Surplus (deficit) of capital funding (C-D) | (2,695) | (3,022) | (3,428) |
| | | | |
| Funding balance ((A-B)+(C-D)) | - | - | - |

Sewerage and Sewage Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement for Sewerage and Sewage | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | - | - | (268) |
| Targeted Rates | 14,109 | 15,610 | 16,493 |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 694 | 711 | 694 |
| Interest and dividends from investments | - | - | - |
| Internal charges and overheads recovered | 417 | 431 | 528 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 39 | 40 | (30) |
| Total operating funding (A) | 15,260 | 16,793 | 17,417 |
| | | | |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 6,021 | 6,162 | 7,191 |
| Finance costs | 1,636 | 2,072 | 1,819 |
| Internal charges and overheads applied | 2,664 | 2,815 | 2,736 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 10,322 | 11,049 | 11,746 |
| | | | |
| Surplus (deficit) of operating funding (A-B) | 4,938 | 5,744 | 5,672 |
| | | | |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 12,285 | 4,562 | 4,307 |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 9,186 | 6,311 | 5,741 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | 21,471 | 10,873 | 10,047 |
| | | | |
| Applications of Capital Funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | 120 | 123 | 120 |
| - to improve the level of service | 20,000 | 10,045 | 9,499 |
| - to replace existing assets | 6,289 | 6,449 | 6,100 |
| Increase (decrease) of investments | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Total applications of capital funding (D) | 26,409 | 16,617 | 15,719 |
| | | | |
| Surplus (deficit) of capital funding (C-D) | (4,938) | (5,744) | (5,672) |
| | | | |
| Funding balance ((A-B)+(C-D)) | - | - | - |

Stormwater and Land Drainage Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement for Stormwater and Land Drainage | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 5,122 | 5,532 | 5,616 |
| Targeted Rates | - | - | - |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 1 | 1 | - |
| Interest and dividends from investments | - | - | - |
| Internal charges and overheads recovered | - | - | 73 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | 1 |
| Total operating funding (A) | 5,123 | 5,533 | 5,690 |
| | | | |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 1,269 | 1,299 | 1,123 |
| Finance costs | 420 | 527 | 853 |
| Internal charges and overheads applied | 1,792 | 1,879 | 1,839 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 3,480 | 3,704 | 3,815 |
| | | | |
| Surplus (deficit) of operating funding (A-B) | 1,643 | 1,829 | 1,875 |
| | | | |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 1,934 | 1,837 | 1,775 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | 1,934 | 1,837 | 1,775 |
| | | | |
| Applications of Capital Funding | | | |
| Capital expenditure | | | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | 650 | 666 | 650 |
| - to replace existing assets | 2,927 | 3,000 | 3,000 |
| Increase (decrease) of investments | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Total applications of capital funding (D) | 3,577 | 3,666 | 3,650 |
| | | | |
| Surplus (deficit) of capital funding (C-D) | (1,643) | (1,829) | (1,875) |
| | | | |
| Funding balance ((A-B)+(C-D)) | - | - | - |

Waste Management Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement for Waste Management | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 1,465 | 1,493 | 1,522 |
| Targeted Rates | 5,765 | 5,911 | 5,982 |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 931 | 952 | 931 |
| Interest and dividends from investments | - | - | - |
| Internal charges and overheads recovered | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | 120 |
| Total operating funding (A) | 8,161 | 8,356 | 8,555 |
| | | | |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 6,999 | 7,152 | 7,403 |
| Finance costs | 45 | 27 | 68 |
| Internal charges and overheads applied | 689 | 711 | 694 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 7,732 | 7,889 | 8,164 |
| | | | |
| Surplus (deficit) of operating funding (A-B) | 429 | 467 | 392 |
| | | | |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | (429) | (467) | (392) |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | (429) | (467) | (392) |
| | | | |
| Applications of Capital Funding | | | |
| Capital expenditure | | - | |
| - to meet additional demand | - | - | - |
| - to improve the level of service | - | - | - |
| - to replace existing assets | - | - | - |
| Increase (decrease) of investments | | - | - |
| Increase (decrease) in reserves | | - | - |
| Total applications of capital funding (D) | - | - | - |
| | | | |
| Surplus (deficit) of capital funding (C-D) | (429) | (467) | (392) |
| | | | |
| Funding balance ((A-B)+(C-D)) | - | - | - |

Water Supplies Funding Impact Statement

| Rotorua Lakes Council: Funding impact statement for Water Supplies | Long Term Plan 2018/19 (\$000) | Long Term Plan 2019/20 (\$000) | Annual Plan 2019/20 (\$000) |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | - | - | (18) |
| Targeted Rates | 9,194 | 9,596 | 9,267 |
| Subsidies and grants for operating purposes | - | - | - |
| Fees and charges | 8 | 8 | 8 |
| Interest and dividends from investments | - | - | - |
| Internal charges and overheads recovered | 357 | 371 | 442 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 408 | 418 | 232 |
| Total operating funding (A) | 9,968 | 10,394 | 9,931 |
| | | | |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 4,774 | 4,886 | 4,495 |
| Finance costs | 685 | 826 | 1,025 |
| Internal charges and overheads applied | 1,856 | 1,950 | 1,888 |
| Other operating funding applications | - | - | - |
| Total applications of operating funding (B) | 7,315 | 7,662 | 7,409 |
| | | | |
| Surplus (deficit) of operating funding (A-B) | 2,653 | 2,732 | 2,522 |
| | | | |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | - | - | - |
| Development and financial contributions | - | - | - |
| Increase (decrease) in debt | 2,553 | 2,095 | 2,278 |
| Gross proceeds from sale of assets | - | - | - |
| Lump sum contributions | - | - | - |
| Other dedicated capital funding | - | - | - |
| Total Sources of Capital Funding (C) | 2,553 | 2,095 | 2,278 |
| | | | |
| Applications of Capital Funding | | | |
| Capital expenditure | | - | |
| - to meet additional demand | 300 | 308 | 300 |
| - to improve the level of service | 2,000 | 1,538 | 1,500 |
| - to replace existing assets | 2,906 | 2,981 | 3,000 |
| Increase (decrease) of investments | - | - | - |
| Increase (decrease) in reserves | - | - | - |
| Total applications of capital funding (D) | 5,206 | 4,826 | 4,800 |
| | | | |
| Surplus (deficit) of capital funding (C-D) | (2,653) | (2,732) | (2,522) |
| | | | |
| Funding balance ((A-B)+(C-D)) | - | - | - |



FINANCIAL PRUDENCE REGULATIONS

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.

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

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 the 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 the long-term plan. The quantified limit is a one-off 5.7% increase in the first year, 5.1% in year two, and apart from year five, it will increase at the prevailing rate of inflation applied to our cost base from there on out.

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 the 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) as a proportion of planned operating expenses (excluding losses 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 | 5.1% | 4.9% | Yes |
| - income | Rates as a proportion of total revenue is less than 80% | 65.6% | |
| - increases | Prevailing rate of inflation applied to cost base | 1.0% | |
| Debt affordability benchmark | 225% | 161.8% | Yes |
| Balanced budget benchmark | 100% | 115.7% | Yes |
| Essential services benchmark | 100% | | |
| Debt Servicing benchmark | 10% | 6.7% | 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.

RATES FUNDING IMPACT STATEMENT

Rates for 2019/20

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:

The amount to be collected for 2019/20 is \$45,414,000

| Differential categories | Relative differentials | Rate per \$ of capital value 2019/20 |
|----------------------------|------------------------|---|
| 1. General Rate – Base | 1.0 | 0.002483 |
| 2. General Rate – Business | 1.72 | 0.004271 |

Definition of differential categories for the general rate on capital value

Base: Every property not otherwise categorised.

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 \$500.00 per rateable rating unit.

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

- Arts and Culture
- Community Leadership
- District Development
- Roads and Footpaths
- Sport, Recreation and Environment
- Storm Water and Land Drainage

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 2019/20 is \$14,089,000.

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 Waikato region.

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

The amount to be collected for 2019/20 is \$472,000.

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 2019/20 is \$6,126,000

- 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 | 4,668,000 | 0.002785 |
| Industrial | 493,000 | 0.000812 |
| Farming | 537,000 | 0.000153 |

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 other than Industrial or Farming. 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 that is greater than 5ha and is used for farming purposes or other purpose than business or industrial.

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 – rateable properties

Council sets a targeted rate for refuse collection and waste management services on all rating units in the district that are located within the Rotorua urban rating boundary (as shown on map V) and that are located in the rural areas identified on map W and that are not used as council reserves. The rate is differentiated 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 either an amount per separately used or inhabited part (SUIP) of a rating unit that receive the service, 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 2019/20 year is as follows:

| Waste Collection | Relative differentials (%) | 2019/20 rate (\$) |
|--|----------------------------|-----------------------|
| The total amount to be collected in 2019/20 is \$5,464,000 | | |
| Serviced | 100 | 178.31 per SUIP |
| Serviced (CBD business SUIP) | 200 | 356.62 per SUIP |
| Serviced (Rural) | 100 | 178.31 per SUIP |
| Serviceable | 50 | 89.15 per rating unit |

Description of differential categories for the refuse collection and waste management services rates – rateable properties

Serviced: All rating units, except those that fall under the "Serviced (CBD business SUIP)" category, the Serviced (Rural) category or the "Serviceable" category. This category does include 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.

Serviced (Rural): All rating units identified on Map W.

Serviceable: All rating units shown in map V (Rotorua urban rating boundary) where the service is available to a rating unit, but is not used. This includes any rating units that are vacant (including bare land). It does not allow for voluntary opting out of receiving the service.

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 rate for refuse collection – non-rateable properties

Council sets a targeted rate for refuse collection only on those non-rateable rating units identified in table A. The rate is set as a fixed amount of \$89.15 per rating unit.

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 amount to be collected is \$9,824,000



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 | 2019/20 Rate (\$) |
|--|-----------------------------------|----------------------------|--------------------------|
| The amount to be collected is Metered water \$3,890,000; General water rate \$5,001,000 | | | |
| 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 SUIP | 247.40 |
| A fixed amount on each serviceable rating unit capable of connection. | 50 | Per rating unit | 123.70 |
| A fixed amount on each connection to a rating unit (and metered) | 100 | Per connection | 247.40 |
| 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 | 1.0999 |
| Kaharoa (Service areas shown on Map G) | Relative differentials (%) | Factor of liability | 2019/20 Rate (\$) |
| The amount to be collected is \$272,000 | | | |
| A targeted rate of a fixed amount per connection to a rating unit. | | Per connection | 300.62 |
| 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 | 0.3874 |
| Reporoa (Service areas shown on Map H) | Relative differentials (%) | Factor of liability | 2019/20 Rate (\$) |
| The amount to be collected is \$661,000 | | | |
| A differential targeted rate: | | | |
| A fixed amount per connection on each Domestic/Non-Farming rating unit connected | 64 | Per connection | 176.20 |
| A fixed amount per connection on each Farming/Dairy-Factory rating unit connected. | 100 | Per connection | 275.32 |
| 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 | 0.5295 |
| 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 | 0.3389 |

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 | 2019/20 Rate (\$) |
|--|----------------------------|---------------------|-------------------|
| The amount to be collected is \$16,105,000 | | | |
| 1. Rating unit connected: | | | |
| Category 1 - means the rating units with 1 to 4 toilets (water closets or urinals) | 100 | Per WC/urinal | 469.24 |
| Category 2 - means the rating units with 5 to 10 toilets (water closets or urinals) | 84 | Per WC/urinal | 394.16 |
| Category 3 - means the rating units with 11 or more toilets (water closets or urinals) | 76 | Per WC/urinal | 356.62 |
| 2. Serviceable: | | | |
| - means the rating units which are serviceable rating units. | 49 | Per rating unit | 229.93 |

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 V 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 2019/20 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 | 2019/20 rate (\$) |
|---|---------------------|-------------------|
| Amora Lake Resort (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 |
| Brunswick Stages 4 and 6 (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 |
| Brunswick (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 |
| Hamurana/Awahou (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 |
| Hinemoa Point (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 |
| Lake Okareka/Blue Lake (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 |
| Marama Point (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 |
| Mourea (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 |
| Okawa Bay (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 |
| Okere Falls / Otaramarae / Whangamarino (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 | 2019/20 rate (\$) |
|--|---------------------|------------------------|
| Paradise Valley (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 |
| Rotokawa (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 |
| Waikuta Marae (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 capital cost 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 exists, 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 ² | No charge* |
| 40m ² to less than 60m ² | 50% HUE |
| 60m ² to less than 70m ² | 60% HUE |
| 70m ² to less than 80m ² | 70% HUE |
| 80m ² to less than 90m ² | 80% HUE |
| 90m ² to less than 100m ² | 90% HUE |
| 100m ² or greater | 100% HUE or 1 HUE |

The first additional household unit of less than 40m² will not attract a separate sewerage capital targeted rate or voluntary contribution charge. Any further household units of less than 40m² 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): A separately used or inhabited part of a rating unit includes any portion inhabited or used by (the owner/a person other than the owner), and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement. For the purposes of the targeted rate for refuse collection and waste management services – rateable properties for rural properties (outside the urban boundary shown on Map V), this definition is limited to those parts that are inhabited or could be inhabited as residential dwellings.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

For the purpose of this definition, vacant land and vacant premises offered or intended for use or inhabitation by a person other than the owner and usually used as such are defined as "used".

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

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 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 | 2019/20 |
|---|----------------------|----------------|
| Application Fee | One-Off | \$88.89 |
| Contribution to Counselling | One-Off | \$250.00 |
| Half Year Interest Charges | | |
| Interest calculated on councils marginal borrowing rate 6 monthly on all amounts outstanding | | |
| Annual Charges (plus GST at the prevailing rate) | Charging Unit | 2019/20 |
| 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 2019 | 21 August 2019 |
| Instalment Number 2 | 20 November 2019 | 21 November 2019 |
| Instalment Number 3 | 20 February 2020 | 21 February 2020 |
| Instalment Number 4 | 20 May 2020 | 21 May 2020 |

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 2019/20 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 4 July 2019 to rates assessed in any previous financial year and which remain unpaid on 30 June 2019.
- A further penalty of 10% will be added on 7 January 2020 to rates assessed in any previous financial year, plus any previous further penalty, and which remain unpaid on 6 January 2020.

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 'Māori Freehold land title'; and
 - Is under multiple ownership; and
 - Is unoccupied

Due dates for payment of targeted rates for metered water supply

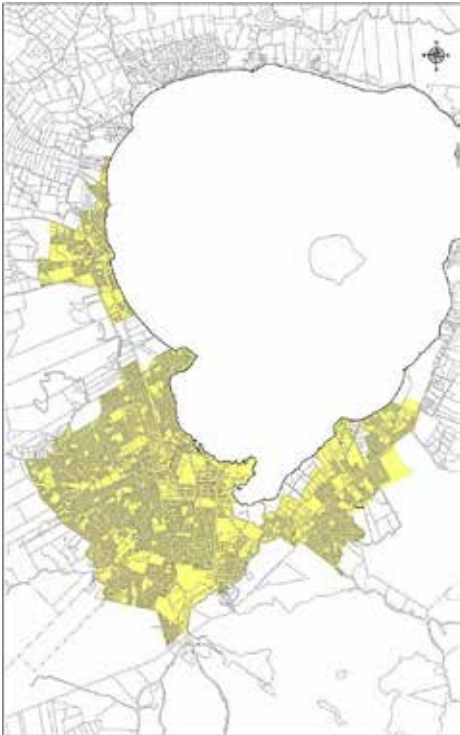
Targeted rates for metered water supply will be read and invoiced quarterly. The due date for payment for each of the quarters is as follows:

| Billing cycle | Billing month | Due date | Penalty Date |
|---------------------|---------------|-------------------|-------------------|
| May – August | August | 25 September 2019 | 26 September 2019 |
| August – November | November | 20 December 2019 | 24 December 2019 |
| November – February | February | 25 March 2020 | 26 March 2020 |
| February – May | May | 25 June 2020 | 26 June 2020 |

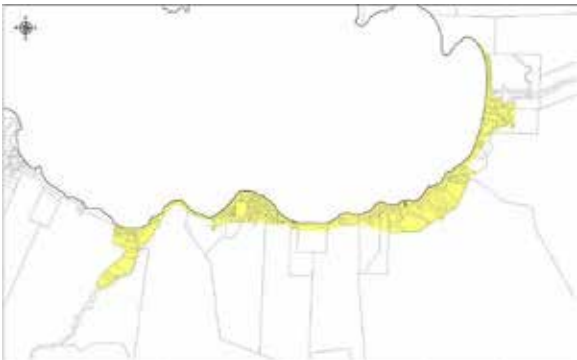
Penalties on unpaid water invoices

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 C - Rotoiti Water Supply



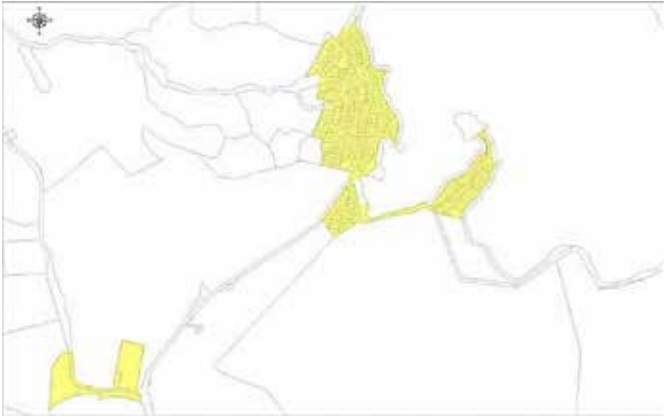
Map D - Rotoma Water Supply



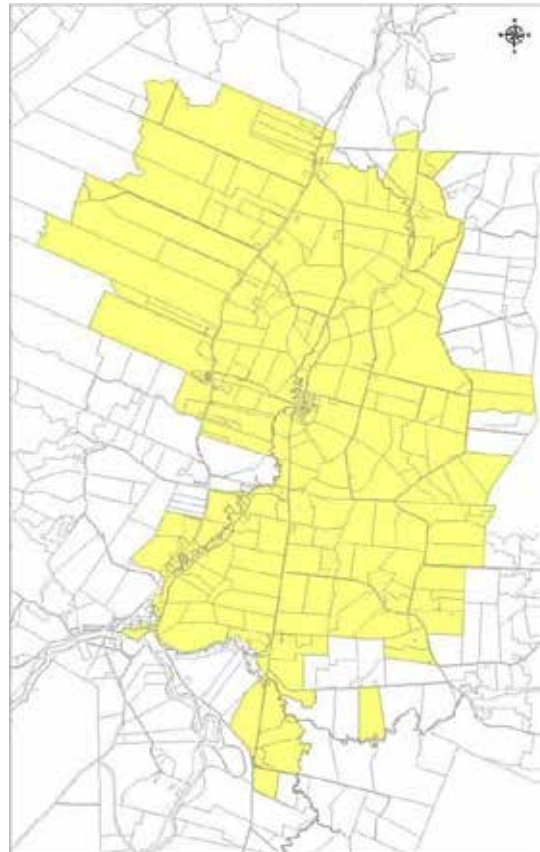
Map B - Mamaku Water Supply



Map E - Hamurana Water Supply



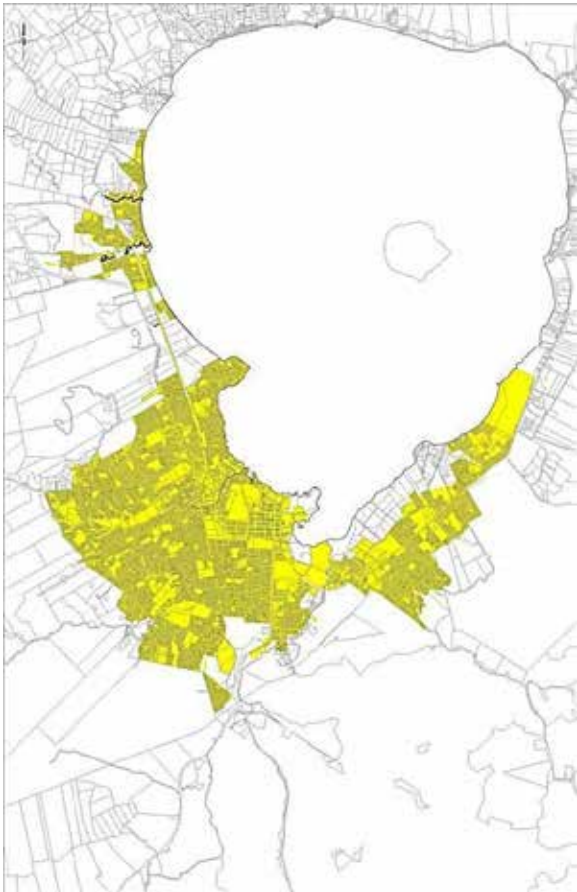
Map F - Okareka Water Supply



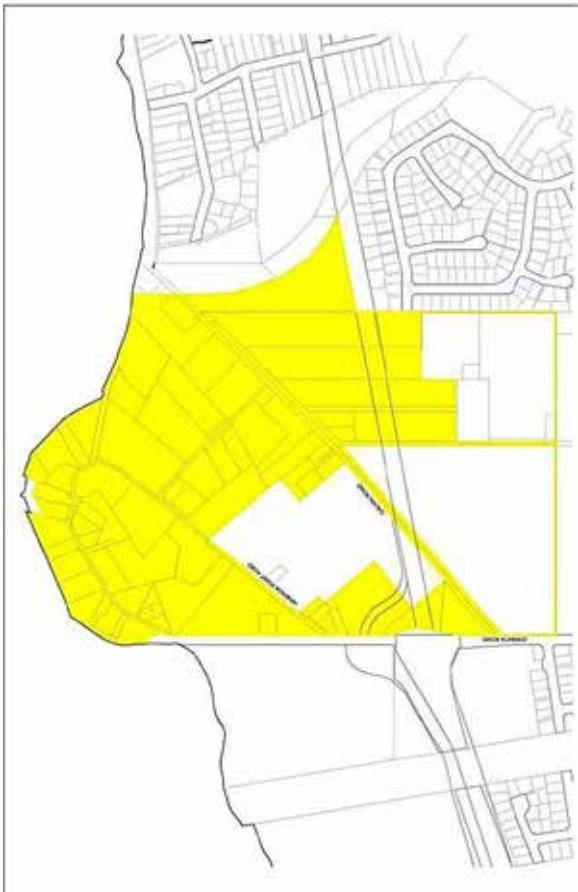
Map H - Reporoa Water Supply



Map G - Kaharoa Water Supply



Map I - Urban Sewerage



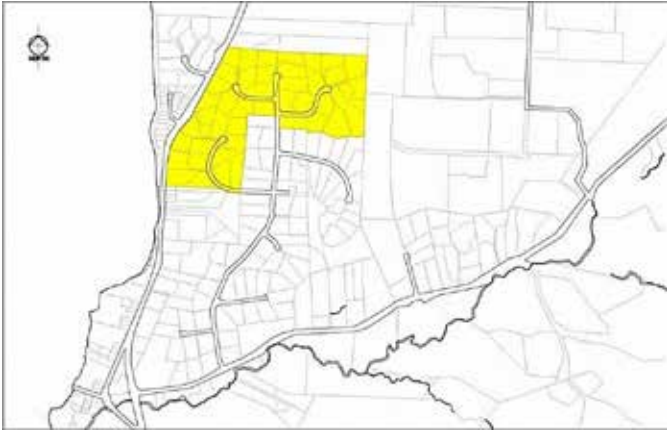
Map K - Hinemoa Point Sewerage Scheme



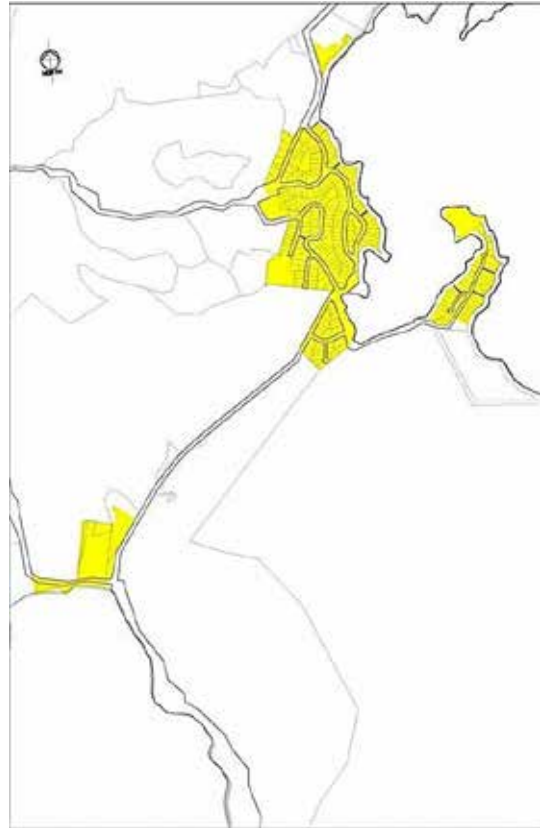
Map J - Mourea Sewerage Scheme



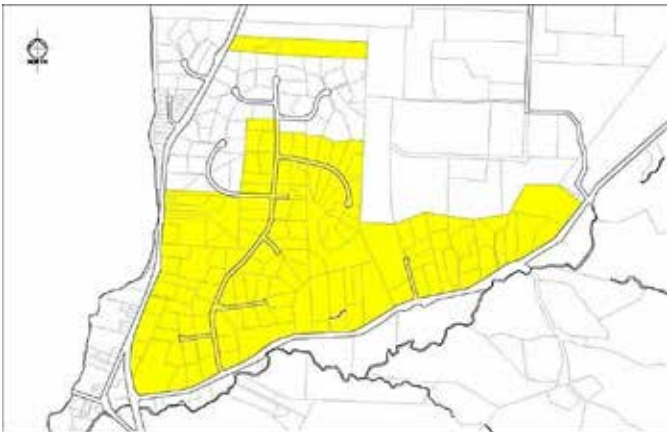
Map L - Okawa Bay, Amora Lake Resort Sewerage Scheme



Map M - Brunswick Stages 4 & 6 Sewerage Scheme



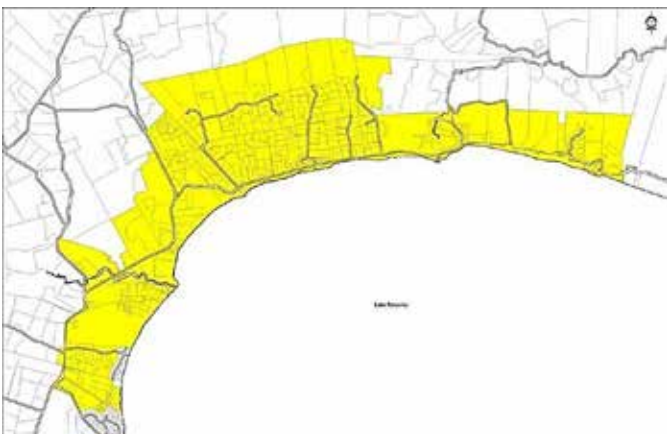
Map P - Lake Okareka, Blue Lake Sewerage Scheme



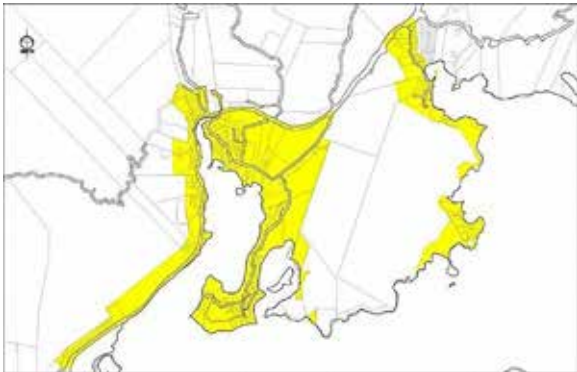
Map N - Brunswick Sewerage Scheme



Map Q - Marama Point Sewerage Scheme



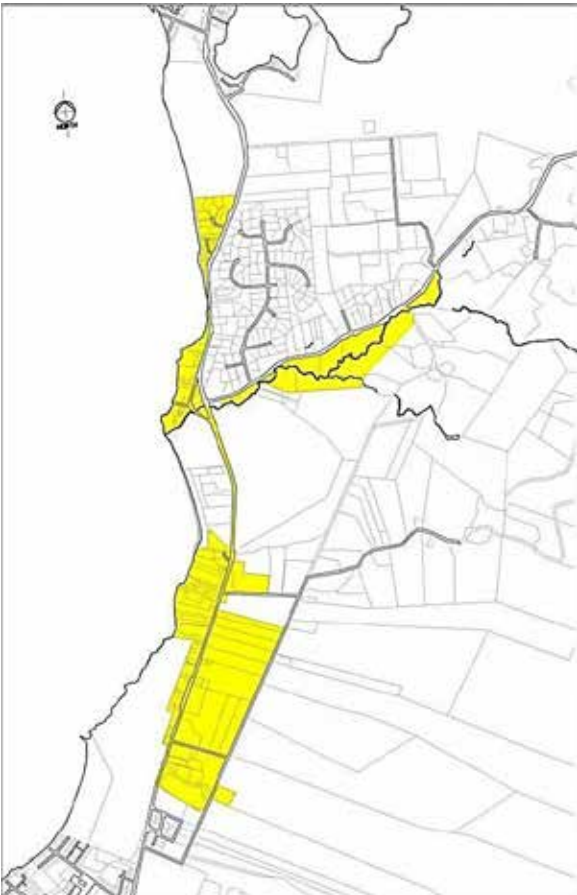
Map O - Hamurana/Awahou Sewerage Scheme



Map R - Okere Falls, Otaramarae, Whangamarino Sewerage Scheme



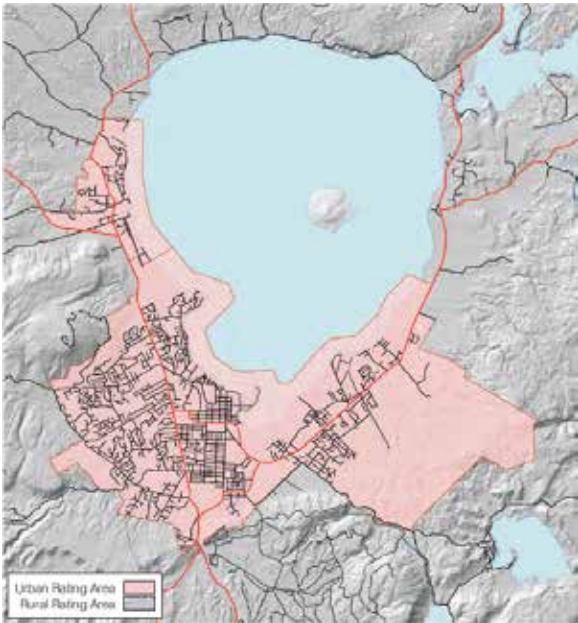
Map S - Paradise Valley Sewerage Scheme



Map T - Rotokawa Sewerage Scheme



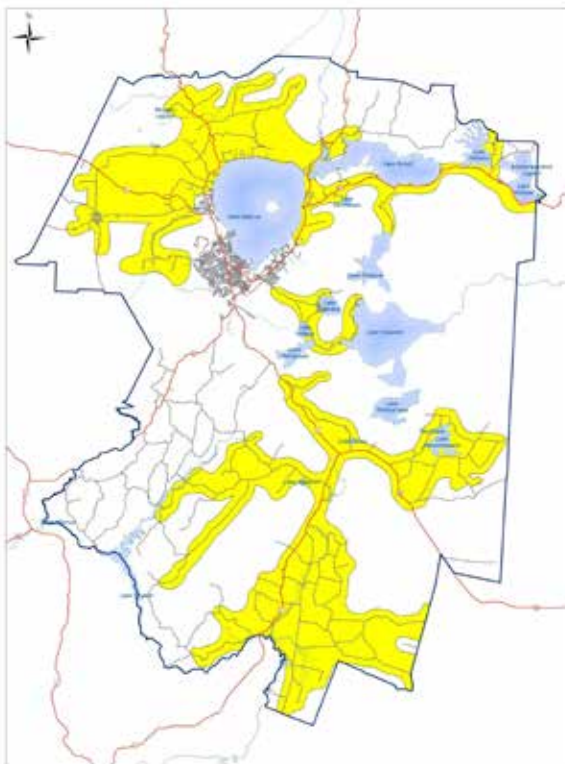
Map U - Waikuta Marae Sewerage Scheme



Map V - Rotorua Urban Rating Boundary



Map Z - CBD waste collection area



Map W - Waste collection - Serviced (Rural)

Table A: Refuse Collection - Serviced Non-Rateable Land

| Valuation number | Location | number of connections | Valuation number | Location | number of connections |
|------------------|-----------------------|-----------------------|------------------|-------------------------|-----------------------|
| 06500 001 07 | 1240 HINEMARU STREET | 2 | 06553 020 02 | 30 MILNE ROAD | 1 |
| 06500 042 00 | 1158 PUKAKI STREET | 2 | 06553 180 01 | 11 MAY ROAD | 1 |
| 06500 111 01 B | 1277 TUTANEKAI STREET | 1 | 06553 538 00 | 18 GEM STREET | 1 |
| 06500 718 02 | 2B RANOLF STREET | 2 | 06553 619 00 | 50 HOMEDALE STREET | 1 |
| 06500 765 04 | 1479 HINEMOA STREET | 1 | 06553 882 00 | 6 EMERALD STREET | 1 |
| 06500 823 00 | 1351 AMOHOU STREET | 1 | 06555 113 00 | 87 SUNSET ROAD | 2 |
| 06511 081 00 | 276 FENTON STREET | 1 | 06561 248 00 | 114 SUNSET ROAD | 1 |
| 06511 167 00 | 42 HILDA STREET | 1 | 06561 267 00 | 63 FORD ROAD | 1 |
| 06511 168 00 | 40 WARD AVENUE | 1 | 06561 374 01 | 21C BELLINGHAM CRESCENT | 1 |
| 06512 114 00 | 44 VICTORIA STREET | 1 | 06561 729 00 B | 324 MALFROY ROAD | 1 |
| 06512 180 01 B | 40 SEDDON STREET | 1 | 06561 731 01 | DEVON STREET | 1 |
| 06512 358 00 | 303 FENTON STREET | 2 | 06570 251 00 | 187 OLD TAUPO ROAD | 1 |
| 06512 406 01 | FENTON STREET | 1 | 06570 476 00 | 271 OLD TAUPO ROAD | 1 |
| 06512 803 03 | 20 HEMO ROAD | 1 | 06570 745 00 A | 249 OLD TAUPO ROAD | 1 |
| 06520 210 00 | 72 MALFROY ROAD | 1 | 06590 139 03 | 105 OTONGA ROAD | 1 |
| 06520 221 00 | 100 MALFROY ROAD | 1 | 06599 103 00 | 55 PUKEHANGI ROAD | 1 |
| 06520 451 06 | 14 LARCH STREET | 1 | 06951 118 00 | 296 KAHAROA ROAD | 1 |
| 06520 539 02 A | 55 HIGH STREET | 1 | 06951 119 00 | 310 KAHAROA ROAD | 1 |
| 06531 063 00 | TUNOHOPU STREET | 1 | 06961 674 00 | 97 WHANGAMO A DRIVE | 3 |
| 06531 199 00 | 26 TAREWA ROAD | 3 | 06962 168 00 A | 22 MANAWAHE ROAD | 2 |
| 06531 255 01 | 63 TAREWA ROAD | 2 | 06971 241 00 | 1303 S HWAY 30 | 1 |
| 06531 284 01 | 21A TAREWA ROAD | 1 | 06992 346 24 | 10 BRONTE PLACE | 1 |
| 06532 063 01 | 39 OLD TAUPO ROAD | 1 | 06992 353 44 | 244 VAUGHAN ROAD | 1 |
| 06532 292 00 | 62 TALLYHO STREET | 1 | 06993 511 00 | 43 ROBINSON AVENUE | 1 |
| 06532 408 00 | 122 RIRI STREET | 1 | 06996 178 00 | A/3 LYNBERT ROAD | 1 |
| 06532 419 00 | 96 RIRI STREET | 1 | 06997 134 00 | 8 ILES ROAD | 1 |
| 06533 297 03 | 7 DINSDALE STREET | 1 | 06997 619 00 | 7 ALASTAIR AVENUE | 1 |
| 06533 349 00 | 23 GEDDES ROAD | 1 | 06997 629 00 | 18 ALASTAIR AVENUE | 1 |
| 06533 391 00 | 20 BIAK STREET | 1 | 06998 281 00 A | 24 PORIKAPA ROAD | 1 |
| 06533 396 01 | 2 DEPOT STREET | 1 | 06998 405 00 | 36 WHARENUI ROAD | 1 |
| 06533 422 00 | 39 BIAK STREET | 1 | 07011 312 00 | 71 OKAREKA LOOP ROAD | 1 |
| 06533 431 00 | 57 DEPOT STREET | 1 | 07030 220 03 | 589D SETTLERS ROAD | 1 |
| 06541 024 00 | 35 TAHARANGI STREET | 1 | 07030 220 08 C | 26 MASSEY ROAD | 1 |
| 06541 145 00 | 38 KOUTU ROAD | 1 | 07030 220 09 | 597 SETTLERS ROAD | 1 |
| 06542 208 01 | 41 RUSSELL ROAD | 1 | 07030 226 00 | 13 GUTHRIE ROAD | 1 |
| 06551 014 01 | 5 ROWI STREET | 1 | 07030 228 01 | 48 MASSEY ROAD | 1 |
| 06551 074 00 | 36 KEA STREET | 1 | 07030 264 01 | 31 MASSEY ROAD | 1 |
| 06551 408 00 A | 70 OLD QUARRY ROAD | 1 | 07050 180 00 A | 54 TARENA STREET | 1 |
| 06552 101 00 | 155 CLAYTON ROAD | 1 | 07063 273 00 | 278 NGONGOTAHA ROAD | 1 |
| 06552 252 00 | 46 FAIRVIEW ROAD | 1 | 07064 002 00 | 16 SCHOOL ROAD | 1 |
| 06552 598 00 | 13 THOMAS CRESCENT | 1 | 07064 091 00 | 13 HALL ROAD | 1 |
| 06552 603 01 | 3 THOMAS CRESCENT | 1 | 07065 169 00 | 3 ARIKI STREET | 1 |
| 06552 603 04 | 219 CLAYTON ROAD | 1 | 07065 352 00 | 12 TAUI STREET | 1 |
| | | | 07065 431 00 | 19 SCHOOL ROAD | 1 |

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 2017 | Total Rates 2018/19 | Total Rates 2019/20 | \$ Increase / (decrease) | % Increase / (decrease) | % Increase for sector |
|--------------------------|--------------------|---------------------|---------------------|--------------------------|-------------------------|-----------------------|
| Business | | | | | | |
| Lower CV | 323,000 | 3,491 | 3,637 | 146 | 4.2% | 4.8% |
| Medium CV | 540,000 | 5,139 | 5,347 | 208 | 4.1% | |
| Upper CV | 2,430,000 | 18,809 | 19,624 | 815 | 4.3% | |
| Upper CV | 4,940,000 | 42,713 | 44,489 | 1,776 | 4.2% | |
| Farming | | | | | | |
| Lower CV | 515,000 | 1,837 | 1,905 | 68 | 3.7% | 4.8% |
| Medium CV | 895,000 | 2,788 | 2,907 | 119 | 4.3% | |
| Medium CV | 1,275,000 | 4,103 | 4,283 | 180 | 4.4% | |
| Upper CV | 1,735,000 | 4,909 | 5,140 | 230 | 4.7% | |
| Upper CV | 3,980,000 | 10,876 | 11,416 | 539 | 5.0% | |
| Upper CV | 7,190,000 | 19,260 | 20,236 | 977 | 5.1% | |
| Upper CV | 9,920,000 | 25,656 | 26,975 | 1,320 | 5.1% | |
| Residential Rural | | | | | | |
| Lower CV | 293,000 | 1,380 | 1,424 | 44 | 3.2% | 4.5% |
| Medium CV | 570,000 | 2,032 | 2,111 | 80 | 3.9% | |
| Upper CV | 1,875,000 | 5,102 | 5,352 | 250 | 4.9% | |
| Residential Urban | | | | | | |
| Lower CV | 288,000 | 2,032 | 2,131 | 98 | 4.8% | 5.0% |
| Lower CV | 325,000 | 2,119 | 2,223 | 103 | 4.9% | |
| Medium CV | 447,000 | 2,406 | 2,526 | 119 | 5.0% | |
| Upper CV | 685,000 | 2,966 | 3,117 | 150 | 5.1% | |
| Upper CV | 750,000 | 3,119 | 3,278 | 159 | 5.1% | |
| Upper CV | 1,000,000 | 3,708 | 3,899 | 191 | 5.2% | |





ROTORUA
LAKES COUNCIL
Te Kaunihera o ngā Roto o Rotorua