



What we do

Driven by the objectives of the Rotorua Sustainable Economic Growth Strategy the activity seeks to contribute to the realisation of the District vision: 'Rotorua: Living the Dream - World Class in Every Way'.

Through various activities the following key economic objectives apply for Rotorua over the next five years:

- Promotion of the destination as a great place to visit, live, work, invest and do business.
- Committing resources to sustainable economic growth initiatives in areas where Rotorua has a sustainable competitive advantage and where Rotorua District Council can genuinely influence outcomes in a manner that will complement and/or stimulate private sector investment opportunities.
- A set of integrated CBD focussed actions and investments designed to contribute to the vision of "creating a public space where residents and visitors can enjoy recreation, outdoor dining, retailing and entertainment activities within a safe and attractive setting."
- Reducing the net cost to the ratepayer of those functions that can operate on a more commercially sustainable basis.
- Leading in aligning local sustainable economic growth plans and initiatives with key players at the regional and national level.

In order to achieve these objectives council has focused activity in:

Council Controlled Organisation

In September 2011, Council adopted the Rotorua Sustainable Economic Growth Strategy (RSEGS) and in November 2011, Council agreed to consider the establishment of a Council Controlled Organisation (CCO) as the preferred structure to drive implementation of the growth strategy. The CCO has now been adopted by council and \$850,000 included in the Economic Projects budget in the first year to fund establishment and operation of this entity.

Economic Projects

Tasked with working alongside the CCO and other council departments, the Economic Projects department is responsible to delivering key elements within the newly adopted Sustainable Economic Growth Strategy. These are:

- Focusing on the CBD with implementation of the Urban Design Framework – Walkable City, incentive scheme, transport centre, Eat Street, Lakefront development, CDB investment pitch.
- Marketing of the destination as a place to live, work and invest, leveraging off the work of Destination Rotorua Marketing.
- Partnering with SCION and Bay of Connections to implement Forest & Wood processing strategy actions.
- Participating in identification of land use change/management initiatives with Bay of Plenty Regional Council including the development of a Rotorua spatial plan to inform future investment decisions.
- Overseeing implementation of the Rotorua component of the National Cycleway.

ECONOMIC DEVELOPMENT

- Working across council departments to assist in making the regulatory interface with RDC (across all regulatory areas) run more smoothly for investment opportunities.
- Focusing on working with neighbouring councils and economic development organisations of the upper North Island.
- Working to bring a more sustainable economic development/growth focus to RDC.

City Services

Managed from City Focus in the CBD to provide hands-on liaison with shoppers, retailers, residents and visitors. The service includes, the CBD, City Focus, public places, street appeals, servicing public conveniences, parking management, Lakefront, Government Gardens, street cleaning and maintenance of a crime prevention camera network.

Sister Cities

The strategic purpose for sister cities has been strengthened meaning that the programme will establish relationships with international cities, with a focus on economic development, growth, trade and potential new business opportunities. Council maintains formal Sister City relationships with Wuzhong (China), Beppu (Japan), Lake MacQuarrie (Australia) and Klamath Falls (USA).

Destination Rotorua Marketing

The goals of this service are driven by opportunities identified for growth, key areas of focus based on changing tourism trends, strengthening the local market and brand positioning. The key goals are to:

1. Aggressively target and grow the Asian visitor market – specifically China.
2. Grow and increase Rotorua's share of the Australian visitor market – especially off-peak.
3. Increase average room nights and spend, to be equal to the national average, for both international and domestic visitors to Rotorua.
4. Increase the Auckland visitor market by 5% to 50,000 visitor nights.
5. Work in partnership with wider-Rotorua regional operators and Tourism New Zealand.
6. Take a leadership position in online marketing and travel search.
7. Increase ease of access to Rotorua as a visitor destination by helping Rotorua International Airport gain additional services.

Travel and Information Office

Domestic travel bookings

Offers a comprehensive domestic travel reservation service for Rotorua and New Zealand products to local residents and visitors. Commercial returns are earned through commissions on sightseeing and travel sales. It is also contracted to the Rotorua Education Network to provide quoting and booking services for school groups visiting Rotorua.

A key focus of the Travel and Information Office is to reduce funding required from rates. Within the first three years of this plan it is forecast that approximately 25%-30% less rates funding will be required.

Information (i-SITE)

A full information service is provided for Rotorua and the rest of New Zealand through counter enquiries, email requests and phone calls.

'The Organiser'

A one-stop-shop for groups (international and domestic), corporates, associations and conference organising. The conference and event services provided are full registration, budget and accounting, development of programmes, venue management, speaker liaison, sponsorship and exhibition along with promotion of an event. Group services provided include quotes, itinerary planning (Rotorua tours or NZ-wide tours) and New Zealand-wide attraction, accommodation and travel arrangements.

Why we do it

To co-ordinate and influence the building of a sustainable competitive advantage for the district, assisting the local economy to grow faster than it otherwise would through targeted areas of activity.

DID YOU KNOW....

The Sustainable Economic Growth Strategy lists the following as priority growth areas:

- Forestry and Wood Processing
- Tourism
- Geothermal
- Agriculture
- Research and Development
- Lakes environments
- Education
- Regional City scale
- Location - centrality



Major projects

Over the course of the Long-term Plan a number of projects will be undertaken to change levels of service, catch up on deferred works or to provide for additional growth or demands. These projects include:

What is planned?	Why?	Background	Costs	Other options considered
Urban Design Framework (Implementation)	<p>The implementation programme provides an overarching process for implementing priority strategies contained in the Urban Design Framework (UDF) that can be achieved in a 12-24 month period. It picks up on 8 initial key strategies to effect change within the CBD area. (Lakefront, Victoria St (Rotorua Central), Government Gardens and Kuirau Park)</p> <p>The objective of this programme is, through an integrated set of actions, to stimulate investment in the Rotorua CBD & Lakefront, which will contribute to the vision of "creating a public space where residents and visitors can enjoy recreation, outdoor dining, retailing and entertainment activities within a safe and attractive environment."</p>	<p>Projects have been developed from a number of strategy documents including the CBD Revitalisation Strategy Vision document by Opus (publically consulted on in 2006/07) and subsequently the Urban Design Framework (publically consulted on in 2010/11).</p> <p>Other relevant strategies, policies or documents include the proposed District Plan, Art in Public Places, and Transport Demand Management.</p>	N/A	N/A
Tutanekai Street Spine	To strengthen the Tutanekai Street spine of the city and its links between the Central Mall and the Lakefront precinct; Government Gardens and Kuirau Park.	<p>Urban Design Framework sets the high level objectives and design guides for the strengthening of Tutanekai Street as a major spine and connector between Rotorua Central and the Lakefront.</p> <p>Phase 1 will include priority street information trail, integrating advanced digital technology / WiFi – i.e. Phone reader technology.</p>	<p>2012/13 \$400,000</p> <p>2013/14 \$413,840</p>	Do not proceed with project.


Major projects cont.

What is planned?	Why?	Background	Costs	Other options considered
Live, Work and Invest Rotorua	To assist in bringing focus to the number one priority of the Rotorua Sustainable Economic Growth Strategy. That objective is to lift the reputation of Rotorua as a leader in the tourism, geothermal, forestry and wood processing industries, and be recognised as a preferred lifestyle destination, as an attractive and easy place to invest and do business in, and as a district with an enabling regulatory environment. The project will work closely alongside Destination Rotorua Marketing, leveraging off the external marketing message	The Rotorua Perception Survey forms the basis for the work that needs to be addressed within this project.	2012/13 onwards	Do not proceed.
Council controlled organisation creation	In November 2011, Council agreed to consider the establishment of a council controlled organisation (CCO) as the preferred structure to drive the implementation of the growth strategy, and in early 2012 adopted the CCO concept for this purpose.	The creation of the council controlled organisation is the result of an extensive Sustainable Economic Growth Strategy process led by the council, in partnership with the Rotorua business community.	\$850,000	N/A




Measuring our achievements

Council will measure its achievements towards the objectives by monitoring the following set of performance measures and targets:





Community outcome	How council contributes	Level of service (What we will do)	Performance measure	Performance targets					
				Current performance 2010/11	Data source	2012/13	2013/14	2014/15	2016 to 2022
Economic Projects									
 <p>Prosperous Economy</p>	<ul style="list-style-type: none"> By promoting our district's unique qualities to encourage more people to live, work and invest By ensuring Rotorua is renowned for tourism 	Market Rotorua nationally and internationally as a great place to live, work, invest and do business.	100% of Annual Marketing Plan implemented.	New measure	Annual work programme	100%	100%	100%	100%
			Number of new Rotorua specific business enquiries generated pa.	New measure	Requests for service database	50	75	100	125
			Percentage of respondents that list Rotorua as a preferred lifestyle destination to live, work and invest.	New measure	Rotorua perceptions survey	60%	75%	80%	80%
			Business sector satisfaction rating with live, work and invest promotion.	New measure	Business satisfaction survey	60%	75%	80%	85%
		Provide mechanisms to enhance revitalisation of CBD through the Urban Design Framework/ Sustainable Economic Development strategy.	New measure	Foot traffic counts	5%	5%	5%	2%	

Measuring our achievements cont.




Community outcome	How council contributes	Level of service (What we will do)	Performance measure	Performance targets					
				Current performance 2010/11	Data source	2012/13	2013/14	2014/15	2016 to 2022
Destination Rotorua Marketing									
 <p>Prosperous Economy</p>	<ul style="list-style-type: none"> By promoting our district's unique qualities to encourage more people to live, work and invest. By ensuring Rotorua is renowned for tourism. 	Promote Rotorua as an exciting, vibrant, high quality destination and encourage more people to visit, to do more and to spend more.	Number of visitor arrivals to Rotorua (i.e. sum of overnight and day visitors).	2.944m as at 31.12.10	Regional tourism data	3.007m	3.068m	3.130m	3.707m
			Number of visitor nights spent in Rotorua.	3.354m as at 31.12.10	Regional tourism data	3.485m	3.595m	3.704m	4.725m
			Average daily expenditure per domestic visitor.	\$78 as at 31.12.10	Regional tourism data	\$80	\$81	\$82	\$87
			Average daily expenditure per international visitor.	\$151 as at 31.12.10	Regional tourism data	\$154	\$155	\$157	\$168
			Total visitor expenditure in Rotorua.	\$491m as at 31.12.10	Regional tourism data	\$518m	\$538m	\$558m	\$740m
		Focus marketing efforts into: - the existing large markets of Auckland and Australia; and - the fast growing key Asian markets	Rotorua's market share of Auckland visitor nights spent in NZ regions, expressed as a percentage.	5.8% as at 31.12.10	Regional tourism data	6.5%	6.8%	7.1%	9.9%
			Rotorua's market share of Australian visitor arrivals to NZ.	19.4% as at 31.12.10	Regional tourism data and NZ international visitor arrivals	19.6%	19.7%	19.8%	20.6%
			Number of arrivals to Rotorua from key Asian markets (i.e. sum of day and overnight arrivals from China, Japan and Korea).	155,300 as at 31.12.10	Regional tourism data with NZ international visitor arrivals	171,400	192,600	215,100	492,400
		Engage with the Rotorua tourism industry in delivering the destination marketing plan.	65% average satisfaction rating within industry members around Destination Rotorua Marketing's industry communications and joint venture.	New measure	Industry monitor	65%	65%	65%	65%

“Domestically promoting Rotorua as the ‘leisure and lifestyle’ capital of New Zealand”

Measuring our achievements cont.

Community outcome	How council contributes	Level of service (What we will do)	Performance measure	Performance targets					
				Current performance 2010/11	Data source	2012/13	2013/14	2014/15	2016 to 2022
 Prosperous Economy	<ul style="list-style-type: none"> By promoting our district's unique qualities to encourage more people to live, work and invest By ensuring Rotorua is renowned for tourism 	Encourage the Rotorua tourism industry to deliver on the promise of 'manaakitanga' (provision of exceptional hospitality) to the visitor experience.	80% average rating of satisfaction surrounding the Rotorua visitor experience.	83% as at 30.06.11	Visitor satisfaction survey	80%	80%	80%	80%
		Encourage the uptake of sustainability within the tourism industry.	80% of businesses advertising in primary marketing collateral are associated with the Rotorua Sustainable Tourism Charter, Qualmark and/or other tourism industry quality standard.	80% as at 30.06.11	Audit of advertisers in the primary market collateral	80%	80%	80%	80%
City Services									
 Safe and Caring	<ul style="list-style-type: none"> By providing safe public places, buildings and streets. By providing and managing a crime prevention camera network. By ensuring a very high standard of cleaning and maintenance in the areas administered. 	Provide and maintain services and a presence that adds to a feeling of safety and respect within the CBD.	90% of respondents feel very safe/safe in the CBD during the day.	85.8%	Perceptions of safety survey	90%	90%	90%	90%
			35% of respondents feel very safe/safe in the CBD during night time.	31.9%	Perceptions of safety survey	35%	35%	35%	35%
 Environment	<ul style="list-style-type: none"> By removing tagging by 7.30 am daily. By ensuring the central city area is always clean and tidy. 	Provide and maintain services and a presence that adds to a feeling of safety and respect within the CBD.	95% of residents very/fairly satisfied with appearance and cleanliness of CBD.	97%	Customer satisfaction survey	95%	95%	95%	95%
 Excellent Facilities and Services	<ul style="list-style-type: none"> By ensuring ease of getting from place to place. By providing good quality infrastructure for now and the future. By maintaining public conveniences to a very high standard of upkeep and cleanliness. 	Car parking availability in CBD is managed to the satisfaction of users.	65% of residents are very/fairly satisfied with parking in the CBD.	65%	Customer satisfaction survey	65%	65%	65%	65%
		Provision of public toilets in the CBD meets the expectation of users.	70% of residents are very/fairly satisfied with public toilets.	62%	Customer satisfaction survey	70%	70%	70%	70%

Measuring our achievements cont.

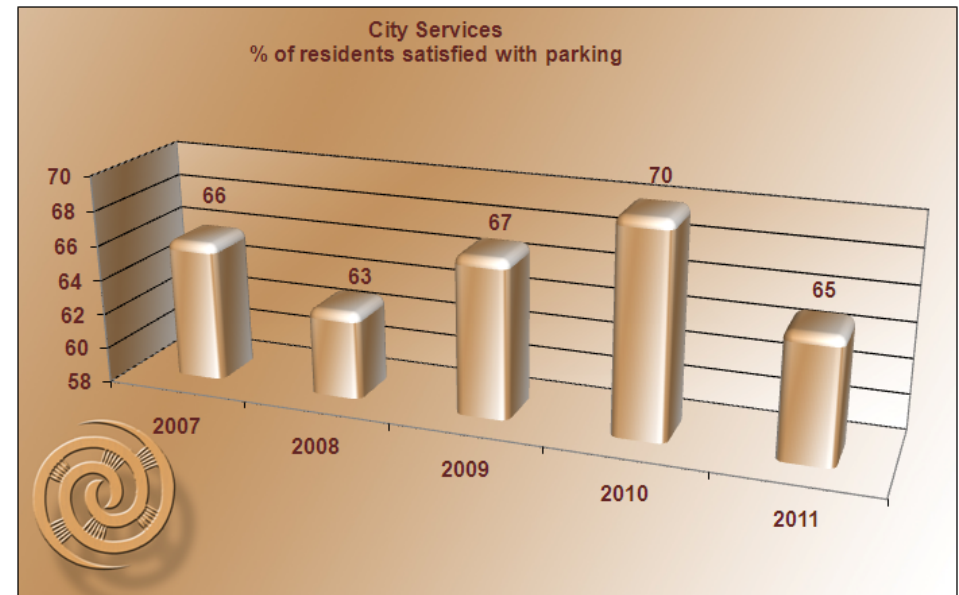
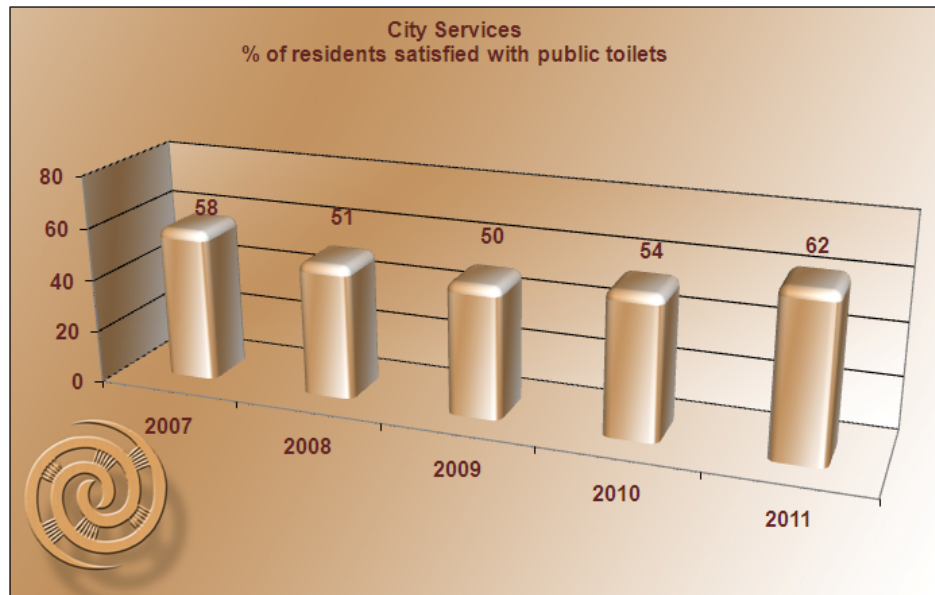
Community outcome	How council contributes	Level of service (What we will do)	Performance measure	Performance targets					
				Current performance 2010/11	Data source	2012/13	2013/14	2014/15	2016 to 2022
City Services									
 Thriving	<ul style="list-style-type: none"> By providing well managed and organised events. By ensuring activity in the City Focus and central business district is encouraged, adds flavour, and enhances Rotorua's character and reputation. 	Facilitating events at the city centre which contribute to the vibrancy of the city.	Minimum of 300 events held in the city centre annually.	308	Calendar of events	300	300	300	300
			85,000 visitors through the City Focus Information centre annually.	89,373	Door counter figures	85,000	85,000	85,000	85,000
Travel & Information Office									
 Excellent Facilities and Services	<ul style="list-style-type: none"> By providing a 364 day service. By providing a safe, well maintained building. By providing well trained, informative staff at first point of contact. 	Provide an accessible, informative and friendly point of contact to visitors to Rotorua.	80% of customers satisfied or very satisfied as per annual customer survey.	99%	In-house customer satisfaction survey	80%	85%	85%	85%
 Prosperous Economy	<ul style="list-style-type: none"> By providing great range of services from booking office to free information covering all tourism/tourist related information. By promoting and enhancing Rotorua's attractions. By encouraging visitors to stay longer through promotion of attractions and venues. 	Booking services are provided to visitors to Rotorua to encourage extended length of stay and visitor spend.	Amount of commissions revenue generated by Travel Office.	\$1.5m	RDC financial reporting	\$1.6m	\$1.6m	\$1.8m	\$2.0m
			Percentage sales directly contributing to the Rotorua economy.	85.15%	Annual economic impact study	75%	80%	85%	85%

Performance

In order to plan for the future and ensure services are meeting our community's needs and expectations we assess past performance and feedback from the community.

Presently council does not have any comparable data to track and /or access the satisfaction and perception of economic development initiatives lead by the Economic Projects team. New measures and targets have been established for the Long-term Plan that will begin to measure the satisfaction and perceptions of economic projects.

Community Satisfaction Survey Results



Issues/Risks/Negative impacts

Potential negative effects associated with undertaking the activity are described below along with actions undertaken to mitigate the effect. Effects from the activity can influence the social, cultural, environmental and economic wellbeing of the community/district. The negative effect could be physical or a perception.

Issue/Risk/Negative impact	Action Plan
Ongoing wave of global and or national economic downturn	Focus on productivity improvement in business, workforce up-skill and skill gap fulfilment
Marketing campaigns do not engage intended markets	Keep abreast of changes, demands, impacts in order that marketing plans are focused on the most appropriate places and that Council continues to be adaptable to change.
Expenditure towards the development of a council controlled organisation is seen by ratepayers to be better invested elsewhere	Good communication plan around the intent and objectives for creation of a council controlled organisation to deliver economic development.

Issues/Risks/Negative impacts cont.

Issue/Risk/Negative impact	Action Plan
Growth in Rotorua district far exceeds assumptions for increased growth putting pressure on infrastructure requirements	Growth assumptions updated and checked annually against actual growth figures. Infrastructure projects brought forward to provide necessary infrastructure and services
Growth in Rotorua fails to meet current growth assumptions – growth declines	Review the growth assumptions and investigate what might be the road blocks to people investing in Rotorua or why investment is redirected from Rotorua. Revamp of economic strategy – its goals and objectives.
Increased visitor numbers resulting from tourism can cause traffic congestion, especially in peak visitor periods	Good communication and education around parking options and other modes of transport in and around the CBD.

Asset management

Key assets

The key assets associated with this activity are the:

- City Focus Building
- Parking Building
- Tourism Building
- Haupapa Street carpark

Maintaining our assets

Council assets are maintained as per agreed specifications within service contracts. The performance of assets is regularly reviewed to ensure that current levels of service/community expectations are still being met by the asset/s. Major works are competitively tendered out to specialised contractors ensuring that the final product is of a high standard and delivered at a competitive cost to Council.

Major changes planned for assets

Reason for change	What will be done?	Year 1 (\$000)	Year 2 (\$000)	Year 3 (\$000)	Year 4-10 (\$000)
Increase level of service/backlog	Barrier control at carpark building	200	-	-	-
	Traits software	-	-	53	-
	Urban design at Eat Street	400	414	-	-
Renewal and replacement	Re-roofing and toilet replacement	-	-	-	213
	Information Centre building renewals	38	15	-	184
	Parking meter and CCTV replacement	62	33	34	374
Total		700	462	87	771

Activity assumptions used in providing this activity

This activity has been prepared in line with council's significant forecasting assumptions.

Economic Development - Funding Impact Statement

	Annual Plan	Long-term Plan Budget >>									
	Budget 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General Rates, uniform annual general charges, rates penalties	2,062	2,560	1,936	1,896	2,015	1,994	2,161	2,172	2,166	2,299	2,313
Targeted rates (other than a targeted rate for water supply)	3,739	4,852	3,899	3,985	4,095	4,213	4,318	4,435	4,562	4,715	4,848
Subsidies and grants for operating purposes	777	300	309	319	329	340	349	359	371	383	396
Fees, charges and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	45	7	7	7	7	7	7	7	7	7	7
Local authorities fuel tax, fines, infringement fees and other receipts	4,083	3,589	3,814	4,042	4,241	4,378	4,501	4,628	4,774	4,933	5,095
Total operating funding (A)	10,706	11,308	9,965	10,249	10,687	10,932	11,336	11,601	11,880	12,337	12,659
Applications of operating funding											
Payments to staff and suppliers	9,103	9,667	8,328	8,582	8,853	9,153	9,400	9,669	9,976	10,311	10,652
Finance costs	159	140	144	149	149	158	164	172	177	181	186
Internal charges and overheads applied	1,320	1,400	1,445	1,484	1,531	1,551	1,590	1,625	1,671	1,720	1,771
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	10,582	11,207	9,917	10,215	10,533	10,862	11,154	11,466	11,824	12,212	12,609
Surplus (deficit) of operating funding (A - B)	125	101	48	34	154	70	182	135	56	125	50
Sources of capital funding											
Subsidies and grants for capital expenditure	11	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,829	599	414	53	-	(1)	-	-	1	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,840	599	414	53	-	(1)	-	-	1	-	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	1,800	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	40	600	414	53	-	-	-	-	-	-	-
- to replace existing assets	125	100	48	34	154	69	182	135	57	125	50
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,965	700	462	87	154	69	182	135	57	125	50
Surplus (deficit) of capital funding (C - D)	(125)	(101)	(48)	(34)	(154)	(70)	(182)	(135)	(56)	(125)	(50)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0