

DESTINATION

ROT@RUA

ROTORUA DISTRICT
COUNCIL

The Ten Year Plan

Long Term Council Community Plan 2004 - 2014



CONTENTS OF THE TEN YEAR PLAN



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This Ten Year Plan is in accordance with the requirements to produce a Long Term Council Community Plan (LTCCP) pursuant to Section 279 of the Local Government Act 2002.

By Authority:



P.J. Guerin
Chief Executive

Part 1

Summary

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DESTINATION

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IN SUMMARY

The Council has adopted its Long Term Council Community Plan 2004-2014 – known simply as ‘The Ten Year Plan’. It was adopted by Council resolution on 28 June 2004.

This summary provides the main points of the Ten Year Plan and its development process.

The Ten Year Plan incorporates important information about the following:

- Long Term Council Community Plan (LTCCP) 2004-2014 – also known as The Ten Year Plan
- Funding and Revenue Policy (includes the rates policy)
- Financial Contributions Policy
- Policies and Statement of Intent for Rotorua Regional Airport Ltd
- Road Safety Programme Summary
- Eastern Sewerage Schemes

CONSULTATION PROCESS

The council approved the draft Ten Year Plan for release on 29 March 2004 and carried out a widespread consultation programme. An eight page special edition of District News summarising the draft plan and inviting submissions, was distributed to every household in the district. Copies of the plan were mailed to a wide range of special interest organisations and to a number of individuals, and further copies were made available at Council receptions, City Focus and the Public Library. It was also available in full via the council’s website.

A comprehensive radio and newspaper advertising campaign, and public relations activity, informed residents that the plan was available and encouraged submissions.

Council received a record 1,187 submissions to the plan covering approximately 150 separate issues. One hundred and eighty nine submitters also took up the invitation to speak directly to Council about their submissions at a series of hearings held over three days in June. Each submission was considered by the mayor and councillors over two further days of meetings before adoption of the final Ten Year Plan.

Planning Timetable for Ten Year Plan (LTCCP)

	2004
• Draft Ten Year Plan approved for public consultation	29 March
• Draft Ten Year Plan available for submissions	13 April
• Submissions closed	19 May
• Submissions heard	8 – 10 June
• submissions considered	21 – 22 June
• Ten Year Plan adopted	28 June

Other Key Dates

• 2003/04 Annual Report adopted	30 September
• Triennial elections	9 October

HIGHLIGHTS OF THE TEN YEAR PLAN

Inaugural Long Term Council Community Plan 2004-2014 (LTCCP)

Also referred to as "The Ten Year Plan", this is the Rotorua District Council's first ever Long Term Council Community Plan. The Council is required by the new Local Government Act to produce this plan for a ten year period – review it in 2006 and then every 3 years. Its main purposes are:

- To describe council activities – so everyone knows what it is that the council does.
- To provide a basis for accountability to the community – so residents are aware what services the council has committed itself to providing.
- To describe community outcomes – those things that the community says are their own priorities for Rotorua over the coming years.
- To provide a long-term focus – so that Council decisions made and activities undertaken, take into account future needs.
- Provide integrated decision making – so that Council's resources are well planned and coordinated.
- Provide an opportunity for public participation in decision making – making sure that the community has a say in the services and activities of the Council.

New Projects included in Ten Year Plan

In its Ten Year Plan, the Council is undertaking a number of new projects that will involve significant capital expenditure. Some of the major projects include:

- Victoria Street Expressway - \$1.2m
- Rail and transport centre - \$500,000
- Water reticulation for future development – at least \$2.5m
- New water reservoir - \$650,000
- Eastern water supply - \$3m
- Eastern sewerage scheme trunk line and treatment - \$15m
- Lake Okareka sewerage scheme - \$4.4m
- Lake Tarawera sewerage scheme - \$8.6m
- Hamurana sewerage scheme - \$4.4m
- Lakefront wharf maintenance - \$500,000
- Aquatic Centre developments - \$2.9m
- Westbrook Pavilion - \$1m

- Rotorua Regional Airport development - \$14m
- Animal pound development - \$60,000
- Rotorua Energy Events Centre - \$16m

Activity Service Levels for the Ten Year Plan

Council made a special effort to encourage feedback from residents on what they think are the correct levels of service for a whole range of its activities. Submitters gave an indication as to how happy they were by ticking relevant activity or service boxes on The Ten Year Plan submission form – and by writing down any additional comments. This information was useful in planning future programmes and services.

New Legislation

The government has imposed considerable extra workload and expense on councils in New Zealand with the introduction of recent legislation. This includes:

- **Local Government Act 2002** – a wide reaching piece of legislation that changes the way councils operate, how they consult with their communities, and how they make decisions. It includes:
 - New strategic planning requirements i.e. Community Outcomes (the Bright Future Rotorua programme)
 - New Long Term Council Community Plan (LTCCP, also known as The Ten Year Plan)
 - A review of bylaws (each review can cost Council around \$20,000)
 - Assessing water and sanitary services
 - Increasing consultation and participation with the wider community, and Maori in particular
- **Gambling Act 2003** – the Council has also recently been consulting on gaming machine (pokies) issues. Provisions of the Gambling Act and the Racing Act have required considerable public consultation followed by implementation, in a very short time. The policies will need to be reviewed again in three years time.
- **Prostitution Reform Act 2003** – this has required councils to consult widely on the location of brothel premises and to formulate signage regulations.

- **Civil Defence Emergency Management Act 2002** – this new act means councils must coordinate and plan civil defence activities in conjunction with regional groups.
- **New legislation and regulations** – a number of flagged changes will put considerable pressure on council resources and could cost the Council an extra \$175,000 or more. These include:
 - Review of Food Act 1981
 - Review of Health Act 1956 and other related regulations
 - Building Bill
 - Land Transport Management Bill
 - Local Government Law Reform Bill
 - Dog Control Amendment Bill

Eastern Sewerage Scheme

This has been all about making the hard decisions to put in place serious plans to improve the water quality of our all-important lakes – and making provision for future growth in the district. This scheme will mean that many residents in the Eastern parts of the district – out to Mourea and Okawa Bay near Lakes Rotorua and Rotoiti – will ultimately be linked to the city sewerage scheme via a major pipeline, and taking the place of currently used septic tanks in and around those areas. Engineers are investigating stand-alone sewage treatment schemes for the Otaramarae and Okere communities. Scientific evidence tells us that over the last 50 or so years, nutrients have been seeping underground from septic tanks and slowly finding their way into the lakes – and in part causing some of the problems that have been experienced at certain times of the year with algae blooms.

Sewerage schemes do not come cheap. This scheme will cost nearly \$15m in total with part being paid for by residents in those areas, and the rest by government and regional council subsidies, and from RDC general rates. The Council believes that residents receiving the new services should cover some of the costs themselves but that general rates should also make a contribution to these costs because the issue of lakes water quality and of future growth for the district are important to all residents.

Destination Rotorua Targeted Rate

After considering many submissions, Council has decided not to proceed at this stage with introducing a targeted rate to be levied on business properties in the district. The proposal in the draft Ten Year Plan aimed to produce increased levels of funding to be specifically used for encouraging growth in the Rotorua District. In particular, this would have been for promoting and marketing the district as a dynamic and economically viable business and retail destination, as a lifestyle destination for new residents, as a well equipped events destination, as a friendly and supportive film industry destination, and as a well marketed domestic and international tourism destination. However, the council has called for further investigation of this concept during the 2004/05 year.

New Rating Policy

Following submissions to the 2003/04 annual planning process, the Council agreed to review its rating system. A major amount of work has been carried out and a position paper reflecting a number of possible changes was released to the public for comment and feedback. The Council listened to the many ratepayers who took up the invitation to comment and subsequently made numerous changes to the earlier proposal before developing a new rates policy.

The effect of the new policy is that in the 2004/05 year, 83% of all properties will receive either a rate decrease or an increase of less than 10%. In dollar terms, 74% of properties' rates will either decrease, or rise by less than \$100 per year.

This was a very complex issue. It was not about increasing the total amount of rates which the Council collects. It was about designing a fair policy that corrects some of the perceived inequities in the current system.

As the make-up of our ratepayers has changed over years, the previous rates system has meant that some categories of ratepayers have been paying too much and other categories not paying enough. The new policy is designed to bring in a more balanced and fair system of rating.

However Council has not been able to totally fulfil all of the aims of the review in a single year, for both legal and practical reasons. It has therefore signalled its intention to continue the review over the coming two years.

Rates Increase for 2004/05

The adopted Ten Year Plan provides for collection of \$47m in rates in the financial year 1 July 2004 – 30 June 2005. This is an increase of 3.2% above the amount collected the previous year. This 3.2% figure takes into account an inflation figure of approximately 1.6% as well as anticipated growth in the district. In fact many of the council's major areas of expenditure have been affected by inflationary costs in the region of 8%.

So it will be something of a challenge for the Council to maintain services at similar levels to the previous year and undertake a range of new projects, whilst restricting the overall rates increase to just 3.2%.

Rotorua Regional Airport Limited

Many residents will be aware of the need to improve facilities at our airport to cater for increased numbers of aircraft, new jet services, possible international flights and growth in numbers of passengers. The council has agreed to contribute \$14m in The Ten Year Plan for capital developments at the airport. This will allow the airport to:

- Prepare for possible trans-Tasman services
- Improve terminal, runway and aircraft parking facilities
- Enhance its contribution to the district's economic growth

Funding interest on money for the Rotorua Regional Airport will not be a cost to the general ratepayer.

The council has also resolved to transfer the airport assets from Rotorua regional Airport Ltd to the council itself. This will allow RRAL's board and management to focus its attention on day-to-day and strategic operational activities of the airport while the council assumes direct responsibility for managing infrastructural assets such as taxiways, aprons, terminal, other buildings, parking and roading. A long term agreement between the council and the airport operator will allow for the continued use of the infrastructural assets by RRAL. This structure provides the best mechanism for handling business risk and taxation liabilities.

Council Annual Revenue and Expenditure

The council is planning to generate income totalling \$83m in the coming year and to spend \$74m on operations. Of the total revenue, 56% will come from rates, and 44% from direct charges, user pays fees, grant and subsidies etc.

Borrowing and Debt Levels

During the course of the next ten years, the council proposes to borrow to fund many of its capital projects. This is standard practice for some capital expenditure. This means that where facilities will serve residents for many years to come, the costs will not be incurred just by the ratepayers of today, but shared by others in the future as well.

In ten years time Council general debt will be \$57m and self funding activities debt will be \$27m. This is well within the established policy parameters and is regarded as sound and prudent financial management – given that the Council can back its borrowing with assets valued in excess of half a billion dollars.

Improving Water Quality of Rotorua's Lakes

The issue of the future water quality of our lakes is paramount in the minds of the council. It has taken 50 or so years for impacts of decades of living and farming around lakes to produce the problems we are experiencing today. But the council is taking every possible measure it can to work towards remedying these problems.

There is no quick fix of course, and the processes will be expensive. The council is already working with its key partners of Environment Bay of Plenty, Te Arawa Maori Trust Board and local communities to implement improvement programmes. Initial estimates put the cost to remediate lake water quality in the Rotorua District at around \$100m to \$150m. Within The Ten Year Plan Council has made a provision of approximately \$35m for lakeside sewerage schemes. In addition, Environment BOP and the government will be contributing significantly towards improving lake water quality. It is a New Zealand issue, not just a Rotorua one.

Increased Parking Meter Fees

Council has signalled an increase in parking meter fees, bringing in a new rate of \$1.00 per hour in the 2004/05 financial year. Meter fees have not increased for around a decade and the new rates will bring Rotorua in line with many other comparable New Zealand cities. The higher parking fees are expected to encourage an increased level of vehicle turnover at meters and therefore make parking spaces more readily available. Any additional revenue from this increase will be used to cover the costs of parking provision and city street operations and maintenance. Residents will still be able to utilise the parking building in Pukuatua Street at the existing rate of .50c per hour.

Rotorua Energy Events Centre

Council has allocated \$4m to the fundraising programme for the development of the new Rotorua Energy Events Centre at the existing Sportsdrome site. Rotorua Energy Charitable Trust has already committed \$10m to this project and Council is using a professional fundraising company to help secure the balance of funding required to construct a state-of-the-art, multi-purpose indoor event venue.

SOME HIGHLIGHTS OF COUNCIL ACTIVITIES

Community Leadership

- Reviewing Maori representation on Council
- Sharing services with other councils
- Developing Destination Rotorua concept
- Surveying community on council performance
- Assessing all Council policies from Maori perspective

Economic

- Achieving sustained district growth
- Increasing tourism marketing and planning
- Developing trans-Tasman tourist market
- Assisting the film industry
- Building Rotorua's national and international profile
- Supporting retail promotion for Rotorua

Social and Cultural

- Library expansion
- Museum/Art Gallery extensions
- Pensioner housing redevelopment
- Making CBD safer for everyone
- New Rotorua Energy Events Centre
- Developing Westbrook Park
- Aquatic Centre further developments
- Kuirau Park upgrade
- Lakefront wharf developments
- Maintaining high quality event venues
- Cemetery expansion
- Ensuring continued access to Tokorangi Forest
- New synthetic turf hockey facility
- Improvements to race course

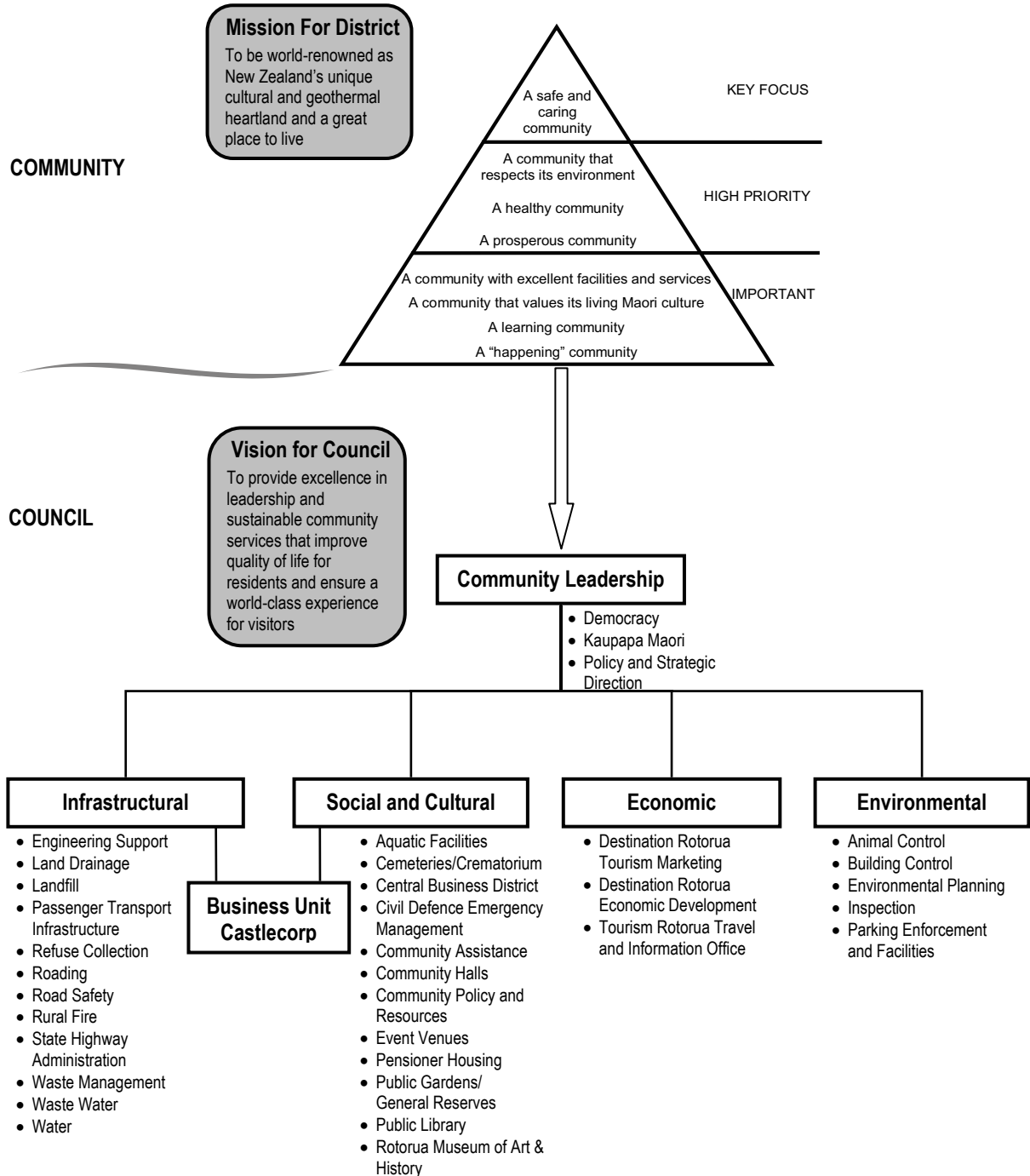
Environmental

- Developing action plans for lakes
- Land and water quality regulations and bylaws
- Monitoring quality of the environment
- Expanded animal pound facility

Infrastructural

- Tauranga Direct Road – state highway upgrade
- Developing landfill as energy source
- Waste water treatment schemes for a number of settlements
- Upgrading city waste water treatment plant
- Maintaining high quality district roads network
- Rotorua engineering lifelines project
- Increasing parking meter fees
- Major airport developments

GUIDING ROTORUA TO THE FUTURE



BRIGHT FUTURE – COMMUNITY OUTCOMES



Every three years, the council is required to work with residents and ratepayers to identify what are known as Community Outcomes. These are the aspirations of the community – the things that people would like to see for Rotorua in the medium to long term. Collectively they form a community vision for the future and we call the programme “Bright Future Rotorua”.

The community has identified eight outcomes as their priority for Rotorua in the future.

Everything in the council’s Ten Year Plan is aimed at contributing towards achieving these things. If you have a look through the more detailed groups of council activities in The Ten Year Plan, you will see that each of these activities addresses which of the Community Outcomes it will help achieve.

It is important to note that the Council will not achieve all of these outcomes by itself. It will need to be a cooperative community effort.

For that reason, the Council is working closely with other government and community organisations to see how we can collectively work together, cooperate and share responsibilities aimed at achieving the **Bright Future** that Rotorua residents want for the district.

The key **Bright Future Rotorua** community outcomes that the community has identified for the future are:

Each of these community outcomes is made up of a number of parts. In summary, they are:

A safe and caring community – families and whanau are safe and strong; people are considerate and respect cultural diversity.

A community that respects its environment - people value, respect and understand the needs of our lakes, streams, forests and geothermal resources; commitment to preserving, monitoring and improving the natural environment is owned by everyone.

A healthy community - health is holistic; people are supported to enjoy and experience physical, mental, emotional, and spiritual wellbeing

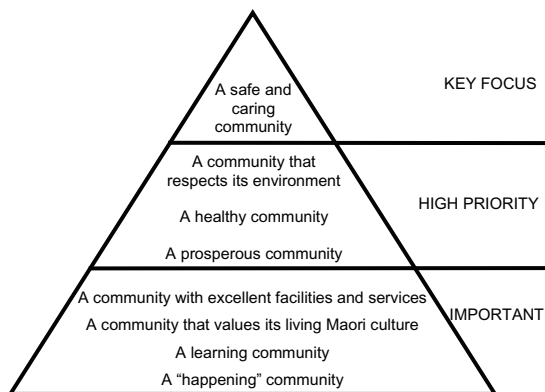
A prosperous community - people and businesses are motivated to be successful; jobs are created and rewards are shared

A community with excellent facilities and services - a community that plans well to ensure facilities and services are accessible, and Rotorua is easy to get around, now and in the future

A Community that Values its Living Maori Culture – The history of Te Arawa in the district and the value of Maori culture are recognised and fostered.

A learning community - people of all ages and backgrounds are inspired to achieve and supported to learn and be well informed.

A “happening” community - Rotorua is an exciting place with lots of activities and events, people welcome diversity and are inspired by creativity



Part 2

Introduction

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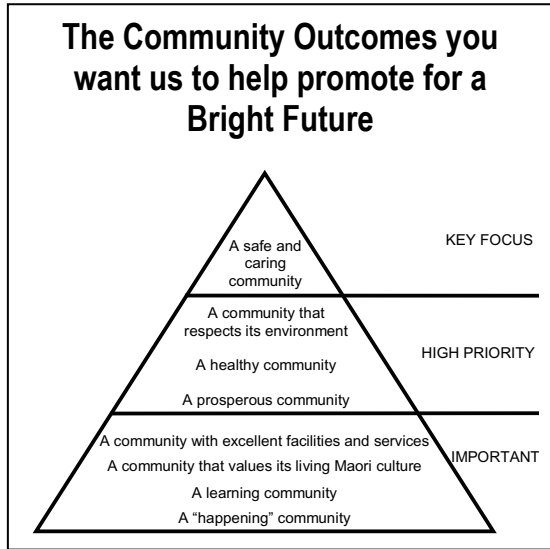
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DESTINATION

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ROTORUA DISTRICT
COUNCIL

GUIDING ROTORUA DISTRICT COUNCIL TOWARDS THE FUTURE



Our Mission for the District

To be world-renowned as New Zealand's unique cultural and geothermal heartland and a great place to live

Council's Vision

To provide excellence in leadership and sustainable community services that improve quality of life for residents and ensure a world-class experience for visitors

Our Guiding Principles

- Visionary leadership
- Wise stewardship
- Open and active democracy
- Service excellence
- Working with others
- Bi-cultural partnership
- Environmental; sustainability
- Economic sustainability
- Community development

Council's mission, vision and guiding principles help Council to link its aims, goals and actions to the community outcomes above. These linkages are further explained in Part 3 Bright Future of this plan.

DESTINATION ROTORUA

The need for an overarching brand depicting the attributes of Rotorua as a desirable place to live, to work, to invest in and to visit, has been identified. It presents an opportunity to optimise community ownership of a shared vision and a positive destiny.

The concept of **Destination Rotorua** has grown out of that need and a brand has been developed - evolving from the established and ongoing tourism marketing brand: "ROTORUA - *feel the spirit – Manaakitanga*".

The principle intent of the **Destination Rotorua** concept is to recognise the economic, social, cultural and environmental importance of all sectors of the local community. The brand is intended to capture the essence of a community's shared vision of where it is going – **its destination**.

Activities and services that the Rotorua District Council provides to or on behalf of its community will be branded and promoted under the **Destination Rotorua** banner. The council's first ever Long Term Council Community Plan is the first example of this.

The most powerful and valuable tool that exists to present Rotorua to the world is the shared passion and collective pride of its people. The **Destination Rotorua** concept provides an opportunity for diverse sectors within our local community to collaborate in enhancing Rotorua's profile, in building a positive image and in generating economic benefits for the greater good of the wider Rotorua community into the future.



MIHI

E nga iwi o Rotorua, Tena Koutou Katoa

He whakahau tenei na te Ture a te Kawanatanaga a rohe 2002 kia nui noa atu te mahi tahi o nga Kaunihera a rohe me nga iwi i roto i tona rohe. Ko te tirohanga nui a tenei Ture kia whai waahi ai nga iwi ki te whakatakoto i o ratou whakaaro me o ratou hiahia kia noho marama mai ai te Kaunihera he aha nei o ratou tumanako i roto i nga tau kei mua ia a ratou.

Ko ta te ture e kii ana, me mahi ngatahi te kaunihera, nga roopu hapori me nga iwi a rohe ki te whakarangi tikanga otira ki te here kaupapa kia kitea mai ai i te huarahi kia tae ai hoki te kokiri whakamua i nga take e paana ki te rohe. Mai i kona taea e te kaunihera te whakatinana i nga kohinga whakaaro he ripoata hoki ki te rohe ia toru tau.

Ko ta te kaupapa nei (LTCCP) ka whakatakoto haere i nga ahuatanga mahi hei mahi i roto i nga tekau tau nuku atu me te whakanui i nga hua me nga whainganga ka puta. Ma enei whainganga hoki e tohu me pehea e tohatoha putea hei whakarewa i enei tikanga.

Ko te tumanako nui kia ngakau nui ki tenei o nga kaupapa e kiia nei ma to tatou noho tahi, ma te tirohanga kotahi, ma te mahitahi e tutuki ai a tatou wawata hei oranga mo nga uri whaktipu.

*“Whiria he kaha tuatinitini mou, whiria he kaha tuamanomano mou
He koutu whenua he take whenua e kore e taea”*

The Local Government Act 2002 requires Council to positively lead, facilitate and influence co-operation and collaboration with other territorial authorities, Iwi and community.

Council's Ten Year Plan (LTCCP) is about the needs, wants and aspirations of the community for the next ten years. The LTCCP articulates how Council will work with and for the community to meet and achieve those goals outlined.

The most important aspect of the LTCCP is how our community can influence the methods Council employs to meet and exceed community expectations. Every three years Council must monitor and measure how we have met community needs and expectations and report upon those outcomes to the district.

It is Council's vision that our community will work together, share knowledge, time, resources and expertise to make our district, safe, healthy, prosperous, unique and fun for all peoples, both now and in the future.

“Many peoples working together towards the same vision, makes a powerful and prosperous nation”.

The LTCCP – or Ten Year Plan - will be reviewed every three years.

Statements of Proposal including:

- Draft Long Term Council Community Plan
- Draft Funding and Revenue Policy (includes Draft Rating Policy)
- Draft Financial Contributions Policy
- Draft Policies and Statement of Intent for Rotorua Regional Airport Ltd
- Road Safety Programme Summary
- Sewerage Schemes

FOREWORD FROM THE MAYOR



Kia ora.

Our inaugural Long Term Council Community Plan (The Ten Year Plan) represents a defining moment for the Rotorua community. This is the most important and far reaching strategic document we have prepared. It sets the district on a clearly defined path towards future growth and progress for the next ten years – the path to **Destination Rotorua**.

It belongs to all of us in this community and therefore we all had a responsibility to consider submitting our thoughts and comments to the Council. This was a vital part of the process. I am delighted that nearly 1,200 residents and ratepayers took the opportunity to make submissions.

The Ten year Plan looks far into the future. It takes into account the aspirations of residents as told to Council during the recent *Bright Future Rotorua* consultation programme which identified community outcomes. Therefore it represents the community's collective vision for the District and it sets out to determine the role Rotorua District Council can play in achieving that vision.

Under new legislative requirements we no longer focus our planning primarily on just the coming year's activities – it is now a detailed ten year focus. It means coming to grips with careful planning, detailed forecasting, costing future needs and identifying funding issues for well into the future. Of course it also means some big dollar figures when we start thinking about the next decade, but we should not be afraid of that. It is important that we all have the courage to address the long term issues for this community and its future.

I believe that Council has made some very responsible yet progressive decisions in this Ten Year Plan. We have had to carefully consider the need for our community to grow and to make real progress, and

balance this with the community's ability to pay for our future needs. It means some brave decisions have had to be made and I know that councillors have been sensitive to the funding limitations of our community.

This is the last of the long term planning processes that I will personally be involved in as I will be standing down from the mayoralty later in 2004. I feel very confident that this council has set in place a well planned strategy to ensure this community grows into the future.

We are in a period of excellent economic growth with sound tourism development and increasing employment levels. We have excellent action plans underway to secure the future of our lakes and we are planning a much needed upgrade of our airport. In partnership with the Rotorua Energy Charitable Trust we are developing a new multi-purpose indoor events centre on the site of the current Sportsdrome. These are just a few of the things happening right now and so we have every reason to feel proud about this very special part of New Zealand.

These are exciting times. I will leave the mayoralty with every confidence that the future of this district is a well planned one and there is a clear path to **Destination Rotorua**.

Grahame Hall, QSO JP
Mayor

Elected Representatives as at 1 July 2004



His Worship the Mayor
Grahame Hall QSO, JP

NORTH WARD MEMBERS



Cr Charles Sturt



Cr Chris Campbell



Cr Bob Martin

SOUTH WARD MEMBERS



Cr Peter Barry MBE



Cr Glenys Searancke QSM



Cr Kevin Winters B.Ag.Sc

EAST WARD MEMBERS



Cr Maureen Waaka MNZM



Cr Cliff Lee



Cr Neil Oppatt

WEST WARD MEMBERS



Cr Trevor Maxwell MNZM



Cr Knocker Dean



Cr Janet Wepa

GOVERNANCE STATEMENT

Governance of the district relates to the manner of achieving representation of the community's views and how these are translated into actions and work programmes of the Council. This section focuses on the following governance themes:

Representation	<ul style="list-style-type: none"> ▪ involvement in governance decisions at Council and committee level ▪ advocacy undertaken on behalf of the Rotorua community ▪ effectiveness of governance structures
Leadership	<ul style="list-style-type: none"> ▪ overview of governance structures and outputs achieved
Strategic directions	<ul style="list-style-type: none"> ▪ strategic community achievements ▪ setting of strategic platform

Also included is a description of partnerships forged with other organisations, an overview of key planning documents, achievements, and areas for action.

Background

Local government in the Rotorua district is based on three core premises: transparency, participation and accountability. **Transparency** is achieved through the community being able to "clearly see the policies, plans and objectives and how they are able to be financed". **Participation** is achieved through the consultative community input processes that enable Council to connect with its constituents and interested parties. **Accountability** is achieved through a number of reports, including the Annual Report, which are produced to gauge effectiveness and attainment of targets. The Government's watchdog, the Auditor-General, audits both the financial and non-financial achievements in the Annual Report, providing both the community and Central Government with an independent assessment of Council's achievements.

Role of Council

Council has the overall responsibility for:

- Proper direction and control of the district's activities in a prudent financial manner
- Representing the views of the community in the most effective, strategic, and holistic manner possible
- Laying the strategic foundations for the district to grow in a dynamic and enabling manner.

These roles required stewardship of:

- Operation policy and strategic direction
 - Risk management
 - Administration of regulations and bylaws
 - Management integration
 - Safeguarding public interest, including advocacy.

Representation

Electoral System

The system of elected member representation is reviewed every three years. Currently there are four wards with three members elected per ward:

- North Ward
- South Ward
- East Ward
- West Ward

Ward boundaries are shown in this section. Members are remunerated in accordance with the determinations made by the Remuneration Authority.

Elections will be held in October 2004.

Meetings

Meetings up until October 2004 will remain as is. Council's committee structure and meeting arrangements will be determined by the new Council elected in October 2004.

The Mayor and Councillors

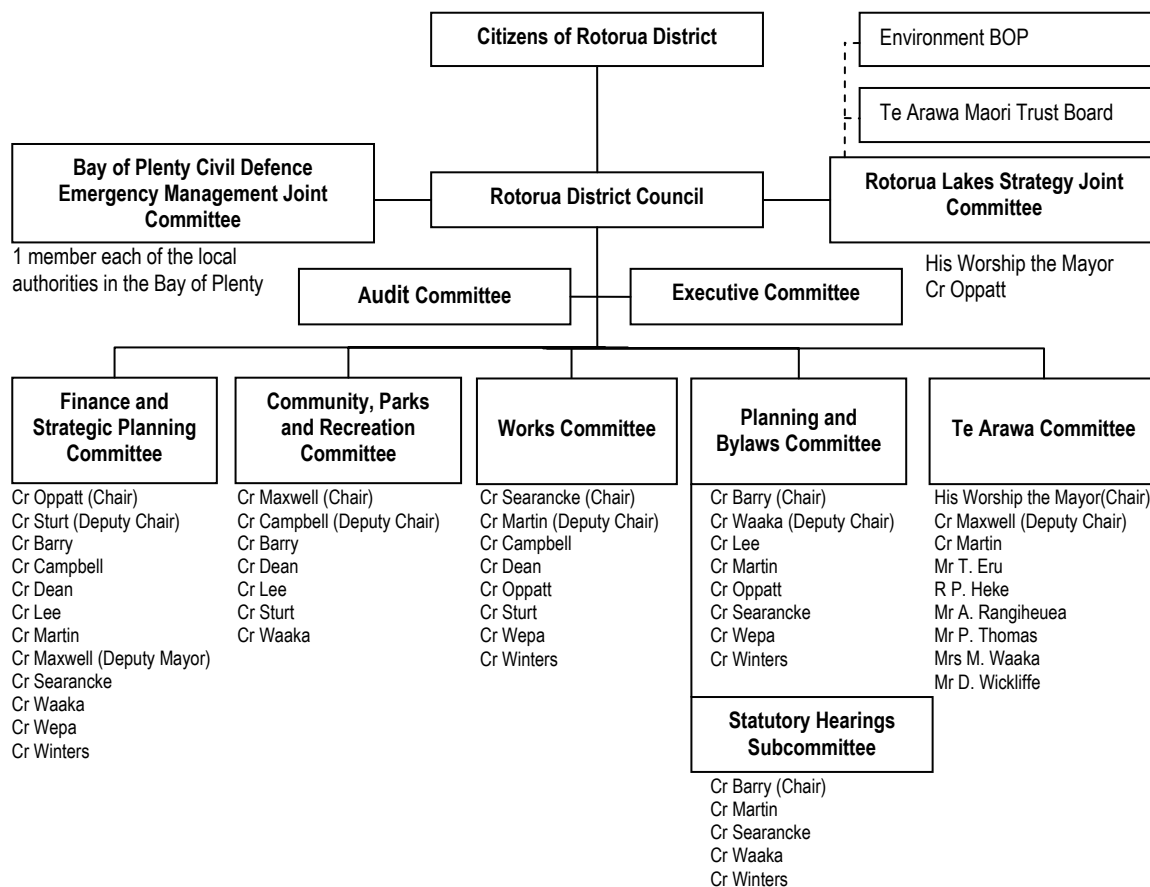
The Mayor is an ex-officio member of all Council committees and attends most meetings. The Mayor also holds positions on many trusts, community organisations, and community committees. These positions include acting as trust or board member, committee member or chair, and patron. The Mayor also hosts many meetings to ensure facilitation and transfer of knowledge within the community.

As well as holding the position of Justice of the Peace and Celebrant, the Mayor hosts Citizenship Ceremonies, Community Awards, Trustpower Spirit of Rotorua Awards, and Young Achievers Awards. The award ceremonies are well attended and recognise the important contribution that others make to the Rotorua community.

The information in the Governance Statement relates to Council as at 1 July 2004.

For up to date information on Governance check the 'About Your Council' document available from Council or on our website www.rdc.govt.nz.

Committee Structure until October 2004 Elections



Committee Terms of Reference

- Finance and Strategic Planning**
LTCCP and Annual Planning, Financial, general, marketing and development, Castlecorp business unit, and civil defence
- Community, Parks and Recreation**
Rotorua's Museum of Art and History, library, community, social policy, monitoring, information and research, community assistance policies, community safety, sister city relationships, parks and reserves, aquatic facilities, cemeteries/crematorium, event facilities.
- Works**
General, roading, road safety, traffic, land drainage, public health, water and lake waters.
- Planning and Bylaws**
Planning, regulatory, building, health, general and control of dogs
- Te Arawa**
As part of the Rotorua District Council's decision making process Te Arawa Standing Committee has the responsibility to provide a Te Arawa perspective on all matters that affect Maori.
- Executive Committee**
Comprises His Worship the Mayor, the Deputy Mayor, Chairperson of Finance and Strategic Planning Committee, Chief Executive, and where appropriate the Chairperson of the affected Committee. Its work includes decisions on applications for remission and/or postponement of rates in cases of extreme hardship, negotiation of leases and emergency matters.
- Statutory Hearings Subcommittee**
This committee is chaired by Cr Barry assisted by four other councillors who are members of the Planning and Bylaws Committee. It has approximately 12 meetings per year.

- Rotorua Lakes Strategy Joint Committee**
 Rotorua District Council, Environment BOP, and the Te Arawa Maori Trust Board form this joint committee. Lakes water quality is an important issue for the district and the Committee has been charged with ensuring a proactive strategic approach is taken toward co-ordinating lakes quality improvement. Mayor Hall and Councillor Oppatt are Council's representatives, Mayor Hall is Chairperson of the Joint Committee.
- Other Committees**
 These are formed as subcommittees to deal with particular issues as required. They usually meet irregularly and are in existence for as long as required, sometimes being in a period of abeyance between active periods. The Mayor is ex-officio member of all Committees.
- Audit Committee**
 This committee comprises His Worship the Mayor, the Chairperson and Deputy Chairperson of the Finance and Strategic Planning Committee and an "outside" appointee. Its work includes internal/external audit matters. This committee meets as required

Te Arawa Committee

This committee has representatives appointed and elected from the Te Arawa Iwi. The committee's terms of reference are "to have responsibility for providing a Te Arawa perspective on all matters affecting Maori".

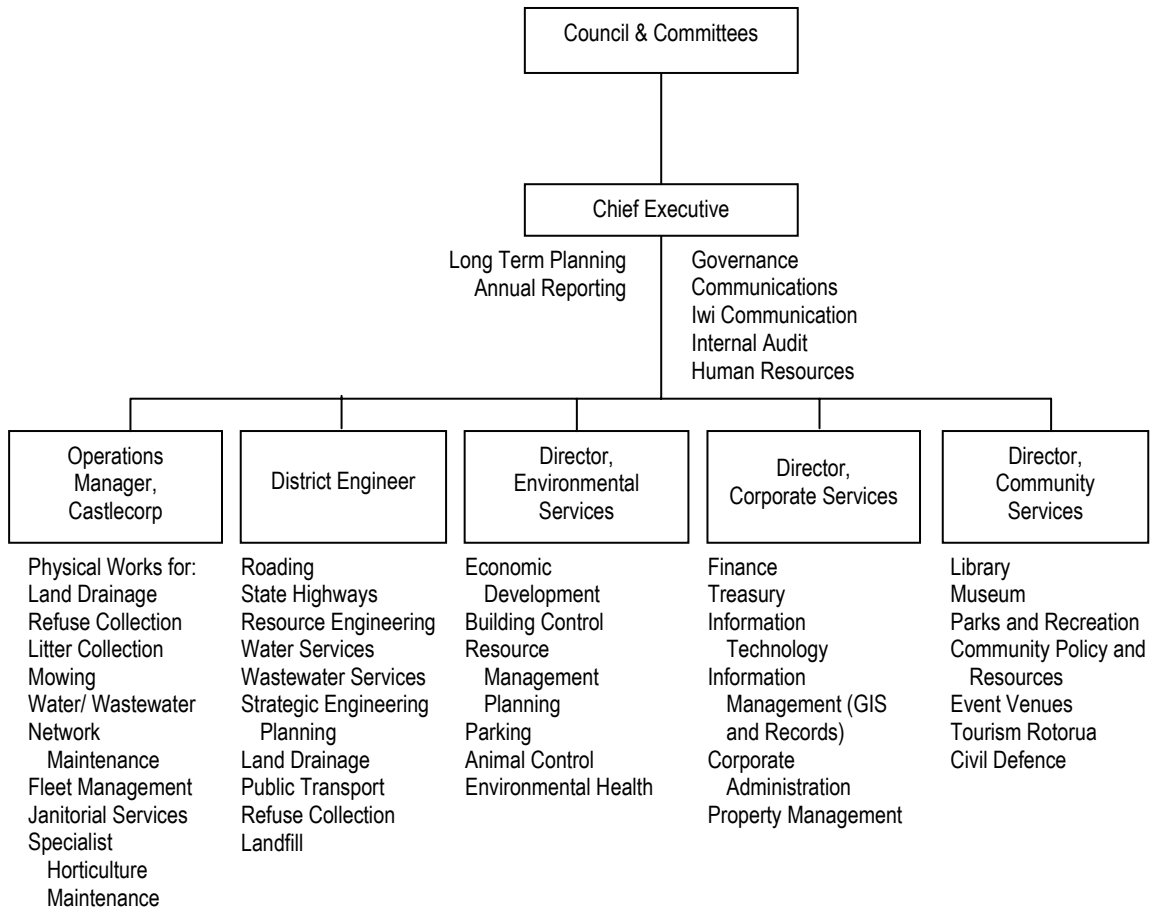


Back Row (left to right): Peter Guerin (Chief Executive), Piki Thomas, Mauriora Kingi (Director, Kaupapa Maori), Cr Bob Martin, David Wickliffe, Piwiki Heke

Front Row (left to right): Anaru Rangihueua, Bella Tait (Policy Analyst & Iwi Research Officer), Mayor Grahame Hall (Chairperson), Deputy Mayor Trevor Maxwell, Cr Maureen Waaka, Tai Eru

In February 2004 Anaru Rangihueua resigned from the committee upon becoming Chairman of the Te Arawa Trust Board. The Trust Board's new representative on the committee is Sam Hahunga.

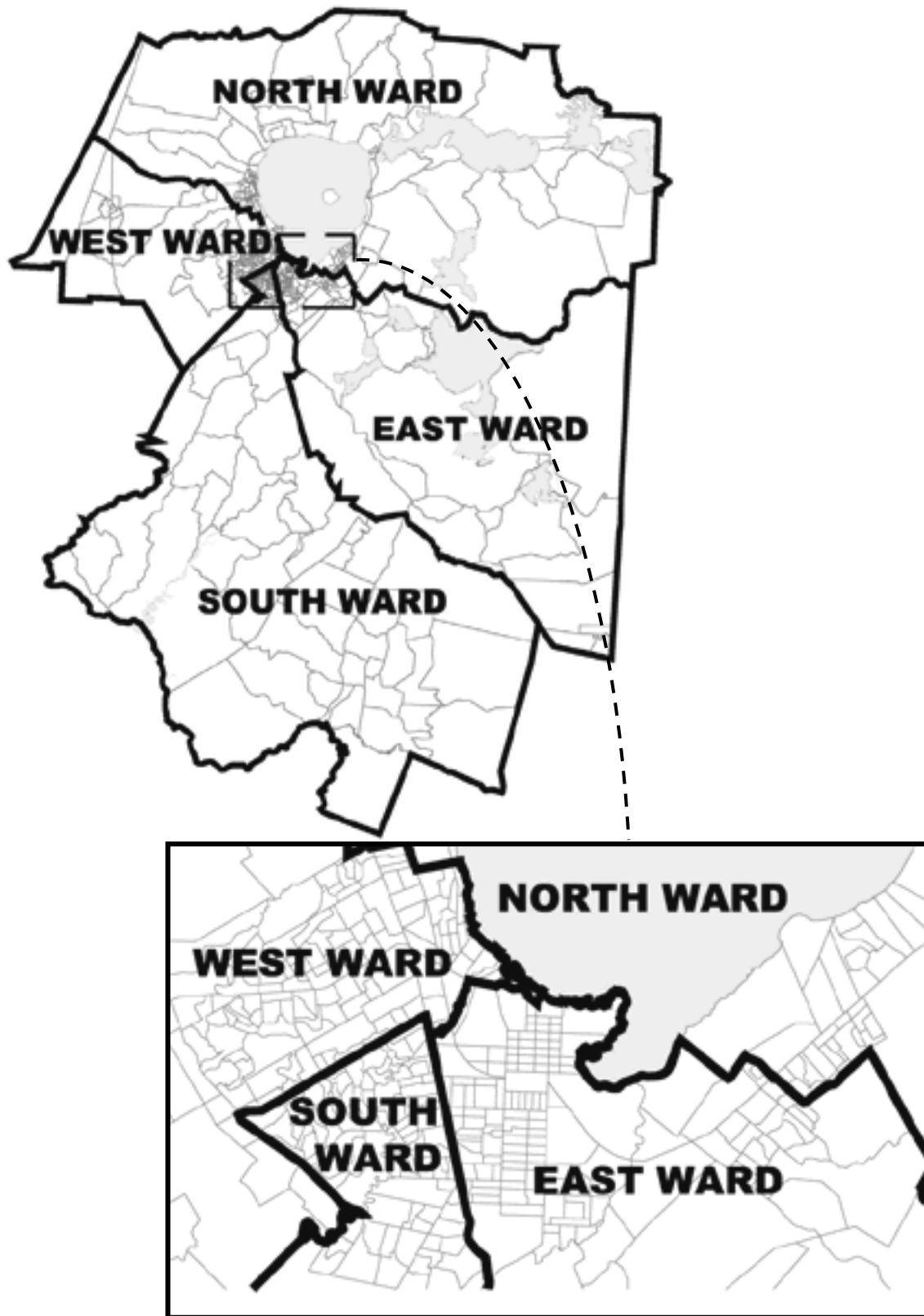
Management Structure



left to right - Paul Sampson – District Engineer (retired 9 July 2004); Charles Roberts – Director Community Services; Peter Guerin – Chief Executive; Jack Shallard – Director Corporate Services; Nigel Wharton – Director Environmental Services

Nico Classen was appointed the new District Engineer with effect from August 2004.

WARD BOUNDARIES



CORPORATE HEALTH INDICATORS

In addition to performance targets for the individual activities that Council undertakes, there are also some high level strategic indicators that provide a sense of how well the organisation is performing collectively. Each year Council reports on the following corporate health indicators.

	Corporate Health Indicators	Targets
1.	Annual Report	Unqualified Audit (NZ) opinion
2.	LTCCP	No Audit (NZ) issues
3.	LTCCP/Annual Plans	At least 70% targets met annually
4.	Complaints/Appeals to External Agencies	Any complaints determined in Council favour
	– Ombudsman	
	– Privacy Commissioner	
	– Audit	
5.	Litigation Schedule	Risks manageable
6.	Serious Fraud Matters (in terms of Council Policy)	Nil
7.	NRB Rating (Council and Staff)	At least 10% above national average
8.	Staff Turnover (organisationally)	No higher attrition than national statistics per annum
9.	OSH Reports	OSH Audit Reports satisfactory ACC discount rating not less than 15%

CHIEF EXECUTIVE'S OVERVIEW



Introduction

It is with great enthusiasm and privilege that I provide this overview to the Ten Year plan. There is a considerable amount of material in this plan that has

been considered and commented on, and still greater amounts of detail sitting in behind this document that are available. Your comments, through the submission process were very important so we could proceed with confidence knowing there is community support for the various plans and strategies contained in this Plan.

Local government has gone through a number of key changes over recent years. For Rotorua this started in 1976 with the amalgamation of the city and county Councils. In 1989 there was a round of reforms that saw the units of local government reduced from some 800 to 74. There were clearer outcomes expected, greater emphasis on efficiency/effectiveness and a clear separation of governance from management. In 1996 new financial management provisions were introduced that required greater transparency and accountability. In 2002 the first major rewrite of the Local Government Act for three decades occurred.

This new act saw a shift from:

- representative democracy to participatory democracy and with a greater leadership responsibility for local government
- a doctrine of "ultra vires" towards a "power of general competency".

There are now even greater financial management requirements, including this Ten Year Plan. The new Act also has a greater emphasis on sustainability i.e. for the benefit of the current and future generations.

This is Council's first Ten Year Plan prepared under the new Local Government Act 2002. It has been preceded by a process used to establish the district's community outcomes. These community outcomes have been important in preparing the activity plans for the services Council has chosen to provide and which appear in this Ten Year Plan.

I believe these are very exciting times for Rotorua District Council in that there is a major opportunity for Council to make a significant contribution to the social,

economic, environmental and cultural wellbeing of the district to promote sustainable development.

This Ten Year Plan places an emphasis on:

- Contributing towards the community outcomes.
- Retaining all existing levels of service and in some cases increasing service levels.
- Improving lake water quality of the district's 14 lakes.
- Building Destination Rotorua as a community brand for the benefit of all residents.
- Continuing the development of activities that contribute towards the district's sustainable growth.
- Ensuring implementation of the Rotorua Regional Airport Master Plan i.e. trans-Tasman preparedness.
- Development of community facilities such as the Museum of Art and History and the Rotorua Energy Events Centre.
- There has also been a review of Revenue and Financing policy with particular emphasis on the rating policy.

These emphases have a significant effect on the operating surplus and total public debt. The programme put up in this Ten Year Plan includes all capital expenditure. The programme provides for a 3.2% rate increase and will see debt at \$57 million for activities funded from general funds, \$13 million for separately rated activities and \$14 for the airport, in 2014.

Local Government Act 2002

After a two year policy development period, Parliament enacted the Local Government Act 2002 in December 2002. Local authorities have always been subject to statute and will now be relatively autonomous. However accountability to their communities has been strengthened.

The 2002 Act is a move from the prescriptive nature of the 1974 Act to the power of general competence that gives greater empowerment to communities as well as Council.

The Act requires local authorities to be more accountable to their communities. There is more flexibility in the decision-making process but local authorities must be open to influence and scrutiny by the community. This may lead to a shift from the current representative democracy to a more participatory democracy.

The Act charges local authorities with community leadership by:

- Requiring them to have a comprehensive view of community needs.
- Developing public policy that is robust and guides community development over the long-term.
- Empowering Maori to play a greater part in local governance.
- Using a sustainable development approach.
- A new approach to decision-making that requires a more participatory approach on Council's part.
- Using decision-making processes that are inclusive.

This Ten Year Plan presents our contribution.

Community Outcomes

The new Act 2002 requires councils to identify community outcomes not less than every six years. The purpose of these outcomes is to:

- Provide the community the opportunity to discuss its present situation and its future.
- Let the community prioritise in terms of Rotorua's future.
- Check how we are progressing towards our agreed outcomes.
- Help our community, other organisations and Council, to work together in a more efficient and co-ordinated manner.
- Influence and guide priorities in relation to the council and other organisation's activities.

Community Outcomes therefore provide overarching strategic goals that we and other organisations can use to guide our service delivery and resource allocation. They also promote closer working relationships to ensure resources are used more effectively in a coordinated manner.

The way in which Rotorua District Council will contribute to promoting community outcomes will be through this Ten Year Plan.

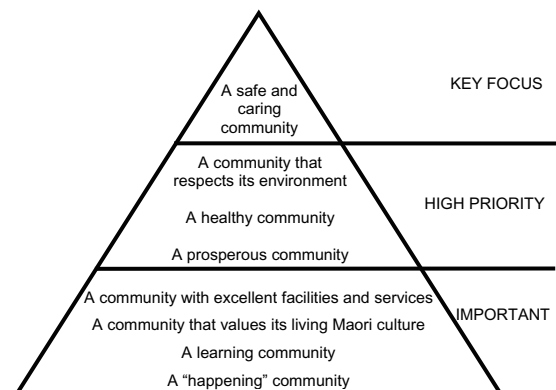
Rotorua District Council worked closely with other Rotorua service delivery agencies and secured their support for the "Bright Future" Community Outcomes

consultation process. Draft outcomes were formulated from information provided by the community through:

- The existing council strategic framework, which was the result of a large number of community and focus group meetings in 1996 and 1998.
- A review of a range of issues identified through recent consultation with the community, recent surveys, submissions processes, including analysis of submissions to Councils 1998 to 2003 Annual Plans
- A review of comments made in customer surveys and analysis of information taken from annual community satisfaction surveys.
- Supporting information from a number of sources, surveys, consultation documents, and reported statistics
- Relevant information from other organisations' strategy and planning documents. This included locally and regionally-based government agencies, health and education sectors, industry, Iwi and Maori organisations, the not-for-profit sector, local authorities, regional councils, sport and cultural organisations. Documents from cross-cutting groups such as youth and ethnic organisations were also used.

Using a communication strategy to widely consult on the draft outcomes the Bright Future project was able to validate the outcomes, prioritise them and gain information for their future review prior to 2006.

In prioritising the Community Outcomes, the innovative approach of STV (single transferable vote) analysis was used. This analysis informed us that although all outcomes were important to the community, a "Safe and Caring Community" was the most significant and important outcome.



In addition to identifying community outcomes and showing how council will promote them through this Ten Year Plan, we must also develop a framework to monitor the community's progress towards outcomes

and report on this progress no less than every three years.

We are continuing to work with other agencies and organisations to develop a monitoring framework and also to explore ways in which we can work collaboratively to ensure our different service delivery is consistent, effective and aligned with community expectations.

Top Priority Outcome - “a safe and caring community”

The unequivocal top priority Community Outcome is a “safe and caring community”.

Already work is underway to draft a ten year Community Safety Strategy which addresses five clear areas of focus identified by the community over the past year, and supported as priorities by Council. These include:

- Central Business District and surrounding reserves safety
- youth offending
- drugs and alcohol
- tourist safety
- capability building of community organisations dedicated to crime reduction and prevention.

Making Rotorua safer and more caring depends on a community wide effort. Effective collaboration, not only with Police, but with a wide range of stakeholders and partners will be the key to success through the decade. During the first three years Council will be taking a priority focus on working with others to improve safety in the CBD and surrounding reserves, including safety for visitors.

In addition Council’s Community Assistance Policies will be reviewed to ensure that support to the not-for-profit sector is strategically focussed to enhance and support a “caring community”, and Council’s interest in promoting the values of good citizenship will be explored.

Te Arawa Participation

The new act requires local government to ensure Maori are able to participate in the decision making processes of the local authority. This is not new for Rotorua District Council. We have for many years had a standing committee of council with representatives of Te Arawa

appointed to that committee. The committee’s responsibility is to provide a Te Arawa perspective on all matters affecting Maori.

We are also working with Iwi to develop a memorandum of understanding, or protocol, to assist in maintaining clear lines of communication both ways.

A report later in this Ten Year Plan shows the means in which we are proposing to do this.

The Te Arawa lakes settlement package is another important milestone in the district history and a major achievement for the Te Arawa Maori Trust Board. Whilst this is a matter for the Trust and the Crown, Rotorua District Council has an important role to play in some areas. Council has established 4 principles to guide it when dealing with the Trust or the Crown on this matter.

They are:

1. Crown responsibility
2. Advocacy for Rotorua
3. Protecting future generations
4. Te Arawa relationships

The Central North Island (CNI) Treaty claim will have a potentially significant effect on the ownership of many significant resources of our district. Council is developing means of effective communication with the Office of Treaty Settlements and Iwi so that Council can be kept informed about this claim.

Staff

People are the most important asset Council has. They along with the leadership from His Worship the Mayor and Councillors ensure we achieve the high levels of community satisfaction.

I take this opportunity to thank all our staff for the effort and energy that they put into their jobs. This ensures Council continues to make the maximum contribution to our district’s wellbeing.

It is with some sadness that I record Mr Paul Sampson retires from Council in July. In the 14 years with council as the District Engineer Paul has led a number of major projects and policy initiatives. To note just some:

- City centre upgrade including government gardens
- Urban waste water treatment plan
- Lakefront development
- Significant contribution to understanding lakes water quality issues
- Major State Highway and local roading enhancement

- Significant risk reduction programmes
- National rural fire representation.

Each year reviews are undertaken to ensure the structure fits the strategies. These changes will include:

- Consent processing reviewed and a new emphasis placed on the administration of consent processing and a greater focus on policy.
- Event Venues have grown a capability to attract and manage more events
- Laboratory staff skills and numbers matched with WWTP analysis requirements
- Re-allocation of word processors from corporate services to departments where the processing takes place
- Travel consultants increased to ensure coverage in peak time and holiday/sick leave periods.

Each year there are additional responsibilities entrusted with local government by central government and generally without the funding to go with these responsibilities. Following are some of the additional duties this year, in most cases without funding.

- Local Government Act 2002
- Gambling Act 2003, and the Racing Act 2003
- Prostitution Reform Act 2003
- Civil Defence Emergency Management Act 2002

Council has made submissions on a number of these Acts when they were in the bill stage. Council has also put in place a number of strategies to ensure that new legislation will be integrated and applied to its day-to-day operations.

Upcoming legislative/regulatory changes flagged:-

- Review of the Food Act 1981, Health Act 1956, and related regulations
- Building Bill
- Land Transport Management Bill
- Local Government Law Reform Bill (No 2) and Supplementary Order Paper No 79, and Dog Control Amendment Bill

Lakes Water Quality

Investment in the Lakes

The water quality of some of our lakes has been a problem for some time. Research has been undertaken by a variety of bodies with considerable input by Environment BOP and Rotorua District Council in recent years. We are at a stage where major capital investment is now required. This will be much greater than ever previously anticipated.

As noted below, there has been a considerable advance in the science surrounding the Lakes. Council,

Environment BOP and the government will be required to make a considerable contribution to various strategies that have been, or will be, developed in the future. We have included \$75,000 per annum for the next 3 years to develop new understanding, particularly around engineering solutions, over and above the expenditure proposed for community sewerage schemes.

At this stage we have no clear understanding of the additional expenditure required, although it may be in excess of \$100 million. This will be developed over the next 12 – 18 months. Once the research and analysis has been completed we will consult further with the community and other interested parties.

Joint Committee

Council, jointly with Te Arawa Maori Trust Board and Environment BOP, has been working with a range of community groups to develop action plans for the enhancement of the lake water quality. These action plans:

- Define the existing catchments' nutrient budget
- Determine what levels of nutrient inputs are sustainable
- Identify nutrient reduction targets
- Determine actions to achieve the targets
- Reach an understanding of the science.

The action plans employ a range of mechanisms for their success including regulations, research and monitoring, funding, capital works, education and communication.

Last year the first action plan was completed. This was for Lake Okareka. In 2004/05 an action plan for lakes Rotorua and Rotoiti will be developed. The remaining lakes will be addressed over the next 3-4 years

We have also meet with the Minister for the Environment to brief her about the high level of scientific and engineering understanding about:

- The issues that cause reduced lake water quality
- Solutions and their costs/benefits
- Costs of preferred options.

We have worked with the government to develop funding sources for the new proposed lake shore settlement community sewerage schemes. Some government funding assistance has already been approved.

Capital Expenditure

There has been a significant change in the overall budget for Rural Waste Water capital projects. There are two main reasons for this. They are:

- A change in the method of treatment for the Mourea/Okawa Bay area from a sequential batch

reactor (SBR) to piping the effluent into the Urban Waste Water Treatment Plant. This is now termed the Eastern Sewerage Scheme

- The inclusion of three new areas to be seweraged with community schemes.

A separate Special Consultative Procedure was undertaken for the Eastern Sewerage Scheme. Each ratepayer affected by the proposal was contacted directly. The resultant decisions from this consultation were around the areas to be serviced, funding and contributions.

This Ten Year Plan has been prepared on the basis that the scheme is going ahead. However the funding mechanism will be determined in May 2004.

The tables below show the budgets and funding sources.

Eastern Sewerage scheme

By Catchment			
Mourea Sewerage			6,801
Okere			5,418
Share waste water Treatment plant Upgrade			1,415
			13,634
By Work Type			
Eastern Trunk line			5,725
Reticulation			2,134
Okere			5,417
Share of Overheads			358
			13,634
Funding			
Grants Ministry of Health	45%		6,080
Grants Regional Council	2%		306
General Rates	15%		2,000
Targeted Rate (Over 25 Years)	38%		5,248
			13,634

Other Lakes Sewerage schemes

Gisborne Point (Hinehopu)			1,600
Okareka Sewerage			4,425
Lake Tarawera			8,595
Hamurana			4,375
Total Capital			18,995
Funding			
Ex Grants Expenditure after 2004	50%		9,485
Ex General Rates	15%		2,849
Ex Targeted Rate Over 25 Years)	35%		6,661
			18,995
Total over 10 years			32,329

Growth Strategy

Throughout the 2003/04 Annual Plan process there was a strong request for Council to take a leadership role in promoting the economic growth of the district. Council agreed that a growth strategy that works in partnership with key parts of the existing economy was needed. It was also indicated through the Annual Plan process that community aspirations should be reflected in any growth strategy developed.

It was agreed that the development of the growth strategy should not be overly complex and should have emphasis on delivery and implementation. It was concluded that the growth strategy would not be a single strategy aimed at encouraging growth, but would be an overall framework with a common goal to be achieved by key research, reports and plans being developed at the moment.

The following summarises the challenges for the growth strategy:

- Establishing how all of the pieces fit together
- Establishing sound baseline information
- Completing of the Urban Basin Study is a priority
- Integrating other planning exercises that are happening
- Identifying inhibitors to growth
- Undertaking efficient consultation
- Giving community, council, and staff buy-in into process
- Identifying what 'makes things happen' in the community

It is now recognised that the growth strategy will be an umbrella document providing vision and leadership to address the perceived growth issues. Presently there is a number of different strategies, action plans, and policies that are addressing component parts of 'growth' for the Rotorua District. Examples of these are:

1. Visitor Industry Strategy
2. Retail Strategy
3. Urban Basin Study
4. Lake Action Plans
5. District Plan/Variation 12
6. Open Space Strategy
7. District Plan review
8. Rotorua Urban Transport Strategy
9. Economic Development Strategy
10. Good Health – Rotorua District
11. Events Strategies
12. Revenue and Financing Review
13. Community Outcomes Project
14. Long-term Council Community Plan
15. Risk Management
16. Smart Growth
17. Regional Settlement Strategy

18. Eastern sewerage scheme
 19. Transit NZ strategies
 20. Airport Master Plan/SOI
 21. Waste management Plan
- And many more.

Each of these components is commented on later in this overview

The growth strategy will be the umbrella document that provides the co-ordinating link for these strategies to achieve a common goal of growth for the district. The important point to note is that Rotorua's growth strategy is to promote and encourage new growth, not to manage existing and forecast natural increase.

The areas that need additional focus are:

1. Identification of what is inhibiting growth:
 - Local perception survey
 - Regional national perception survey
2. Agreed indicators for Rotorua to:
 - Determine the growth factors
 - Determine impacts of growth – and the various strategies
3. Integration Plan showing how the current plans/proposal have the correct synergies for growth and not simply redistribution
4. Overall Action Plan, timelines and alignment to budgets

Over the next 12 months all the pieces that contribute to the district's social, economic, environmental and cultural wellbeing will be assembled in a strategic manner in order that the community can see and have a view on the direction our district is going. This Ten Year Plan is part of that process.

Destination Rotorua

The need for an overarching brand depicting the attributes of Rotorua as a desirable place to live, to work, to invest in and to visit, has been identified. It presents an opportunity to optimise community ownership of a shared vision and a positive destiny.

The concept of **Destination Rotorua** has grown out of that need and a brand has been developed - evolving from the established and ongoing tourism marketing brand: "ROTORUA - *feel the spirit – Manaakitanga*" which will continue to be the main visitor industry brand.

We have also developed a brand for Council's contracting Business Unit - Castlecorp - to help promote the community to deal directly with the service delivery arm of Council.



Visitor Industry Strategic Plan

Council has assisted the visitor industry, through Tourism Rotorua, to review the sector's Strategic Plan. A new draft has been prepared which started with a workshop last year and then a series of refinements through subsequent workshops, Rotorua Tourism Conference, Rotorua Tourism Advisory Board (RTAB), and portfolio group meetings. The RTAB believes there is widespread business support for the strategy which is strongly linked to the "community outcomes". The Strategy will make a significant contribution to developing the concept of Destination Rotorua.

The Strategy identifies the issues necessary to ensure a "new focus" for vibrant growth around:

- Products
- Infrastructure
- Retail
- Domestic Tourism
- International Market Share
- Sustainable Environmental Best Practice
- Manaakitanga

The Strategy has 10 strategic directions:-

1. Brand
2. Environment
3. Maori Tourism
4. Marketing
5. Infrastructure and Transport
6. Product Development
7. Training, Upskilling and Education
8. Monitoring, Review and Research
9. Funding and Finance
10. Governance

The goal is to increase the annual direct revenue from visitors to Rotorua from \$334 million in 2003 to \$538 million in 2013 creating 2,600 new jobs through the implementation of the strategic plan.

This strategy is a key part of our district growth strategy.

Retail Strategy

Like the Visitor Industry Strategy, Council facilitated the preparation of the Retail Strategy during the year. Two workshops were held that identified key issues that led to a vision of:-

“To grow Rotorua’s Retail economy, making Rotorua a leading shopping, dining and leisure destination”

The Strategy identifies key strengths for visitors:-

- Landscape
- Potential
- Big Box/Strip Retail Proximity
- Good infrastructure

There are 5 strategic directions around:-

1. Environment
2. Marketing and Promotion
3. Development
4. Infrastructure and Amenities
5. Funding and Management

Events Strategy

The Events Strategy has been prepared for both Council and community partners to ensure both the economic and community wellbeing opportunities of the district are maximised. The strategy contributes to the community outcomes and has 7 strategic directions around:-

- Internal Infrastructure
- Working with Partners
- Event Timing
- Promotion
- New Event
- Marketing
- Funding

The strategy has four stages to it:-

1. Providing the infrastructure to bid for and host events.
2. Establishing a group to advise.
3. Gathering funding.
4. Implementation.

This strategy will also make a significant contribution to the district’s social, economic, environmental and cultural growth.

Destination Rotorua Targeted Rate

As part of the submission process to the 2003/04 Draft Annual Plan, Council received a comprehensive submission from representatives of the visitor industry. The submission emphasised the importance of tourism and visitors to the district’s local economy.

Rotorua is considered a ‘must do’ destination for visitors to New Zealand. It is also a favoured holiday destination for New Zealanders. The submitters believed that Rotorua was falling behind other visitor destinations of New Zealand, and that there needed to be a new higher level of investment in the visitor industry.

On the back of this presentation from the visitor industry, Council was already considering the new brand of ‘Destination Rotorua’. This was to acknowledge that we, as citizens of Rotorua, also obtain a significant gain from visitors, at both an economic, community and environmental level. Destination Rotorua is therefore an opportunity to contribute to the district’s overall wellbeing.

Examples of how the city and district benefit from the visitor industry are:

- More supermarkets per population than other cities of similar size which leads to greater competition and hence lower prices.
- More overall sales i.e. GDP, because there are 8,000 additional people in the city each day.
- Investment in city streetscapes, reduction in graffiti etc.
- Infrastructure that is designed to benefit both residents and visitors that would not be developed and maintained to the extent that it is without the number of visitors to our city
- Increased sales of goods and services manufactured or grown in the district.

Council considered introducing a new targeted rate to be called the Destination Rotorua Targeted Rate. The rate would target the business group of ratepayers and will be used to fund a range of activities that has been identified in the relevant activity plan that includes events, economic development, and the visitor industry.

These activities provide a wide range of benefits to the community and, as in the past, the general rate will be used to fund much of these activities.

There is support from the Rotorua Tourism Advisory Board for a targeted rate. In addition the Chamber of Commerce, event organisers and Ready to Retail have indicated their support in principle.

However, the Council has resolved to not introduce the Destination Rotorua Targeted Rate at this stage and called for further investigation and reports for consideration during the 2004/05 year.

Rotorua Energy Charitable Trust

Rotorua Energy Charitable Trust (RECT) is a significant partner of this Council. The Trust's generosity has allowed Council to develop assets, and hence provide services, far beyond that which could otherwise be expected with the level of rates and debt that we currently have. Each year the Trust makes a considerable contribution to the wellbeing of the district through its grants to numerous worthy organisations.

It is very pleasing to note that RECT wish to celebrate their 10th anniversary by making a \$10 million dollar grant to the community through Council. This grant is a contribution towards the funding of the Rotorua Energy Event Centre. This is another example of RECT's ongoing level of commitment to our district.

I personally would like to thank RECT trustees and secretary for the insight and leadership they display in management of the Trust's substantial fund. It is a pleasure to see how our two organisations can work together in a coordinated and strategic manner for the benefit of the district.

Rotorua Regional Airport Ltd (RRAL)

The Airport is a vital infrastructural component of the Rotorua and wider Bay of Plenty/Southern Waikato Region's economy. Work done in 2002 by APR Consultants shows that the airport contributes \$150 million of revenue to the Rotorua region. They believe this is a conservative estimate and it is possible that it could increase if the airport is developed to its full potential.

The Airport is 100% owned by the Rotorua District Council through a company which manages and plans separate from Rotorua District Council through a board of directors.

When Council purchased the airport, it was thought that between \$3 million and \$5.5 million of equity, and airport related debt increasing to \$23 million, would be sufficient to see the airport develop a Trans-Tasman capability and to revitalise the appearance of areas

such as the entrance, terminal and parking. The Council has given the Board a clear vision of:

"A user friendly, attractive airport 'hub' which meets the regional needs for domestic and Trans-Tasman airline services and is a safe, commercially viable operation optimising the social and economic benefits to the community shareholder"

What has been achieved?

Recent milestones of the Airport include:

- The Council's purchase of its additional 50% shareholding in July 2002.
- Stage 1 runway extension completed in March 2003.
- Introduction of Airport Development Levy.
- Airport Master Plan.
- Air New Zealand 737 services from Christchurch reinstated.
- Qantas 737 Christchurch service commencing from 1 April 2004.
- It is possible that Virgin Blue will initiate a domestic jet service into Rotorua in the medium term.
- Significant contribution to the district's social and economic wellbeing

These successes have put pressure on the Airport to accelerate development.

Capital

The table below sets out the estimated cost of the various capital expenditure elements of the current development plan which will see the airport in a "Trans-Tasman Readiness" state of readiness in 2005 and 2006

Capital Expenditure	Budget
Security fencing	750
Strengthen aprons	910
New apron/taxiway	3,475
Wetlands mitigation	100
New terminal Stage 1	2,900
Temporary gate lounge	100
Road and car park	2,100
Moving lessees	270
Plan change/designation/ resource consents	660
Northern starter	1,400
Property purchases	1,500
Other costs/consultants	50
Asset transfers ex airport	
Airport expansion	
Plus loan advance – carry forward	
Other Less Depreciation (funds provided above	
Total	14,215

The current budget beyond Trans Tasman readiness for the infrastructure required to support Trans-Tasman operations is approximately \$16 million to \$17 million. The demand analysis for Trans-Tasman services is currently being undertaken by RRAL. This will show the airport has the necessary cash-flows from the increased demand to support the additional investment.

Funding

The airport has revenue streams from the following sources:

- Airport landing charges
- Airline support e.g. baggage handling
- Terminal rental
- Other rentals from either land or buildings
- Car park charges
- Development levy

Other sources of funding could include grants and contributions from other organisations and individuals such as:

- the visitor industry;
- Environment BOP;
- other community organisations e.g. Rotorua Energy Charitable Trust, BOP Community Trust.

The airport makes a significant contribution to the district's social and economic wellbeing beyond that of a simple return on investment to the shareholder (Council). This wider public benefit comes from investment used to achieve the airport's vision. The airport is not able to fund this investment under normal commercial arrangements. Council is therefore required to supply these funds either as equity or a loan which will be on terms no more favourable than Council can borrow itself.

Structure

Council received a draft "Statement of Intent" (SOI) from the Board of Directors of Rotorua Regional Airport Ltd (RRAL) in February 2004 which was required to be commented on by the end of April. The draft SOI effectively proposed a number of key strategic questions for Council as the 100% shareholder of RRAL. These were:

- At what rate does the Council wish to see the airport redevelopment occur?
- What is RRAL's funding capability and what form of funding ought to be used?

- What is the optimum structure that will ensure efficient, effective governance and management (with appropriate control and direction by Council as the sole shareholder) while ensuring that commercial interest is managed in the optimum way, and other regulatory requirements remain satisfied at all times?

Council subsequently engaged consultants PricewaterhouseCoopers to review the draft SOI. This review was then used to comment back to the RRAL board on the draft SOI.

In order to proceed at the rate Council has agreed, it is believed the ownership of assets needs to be transferred from RRAL to Council.

The ownership and funding structures contained in the Draft Ten Year Plan only briefly contemplated the transfer of assets. Council determined that it should therefore undertake a Special Consultative Process under the LGA before finally taking this decision. The proposal was:

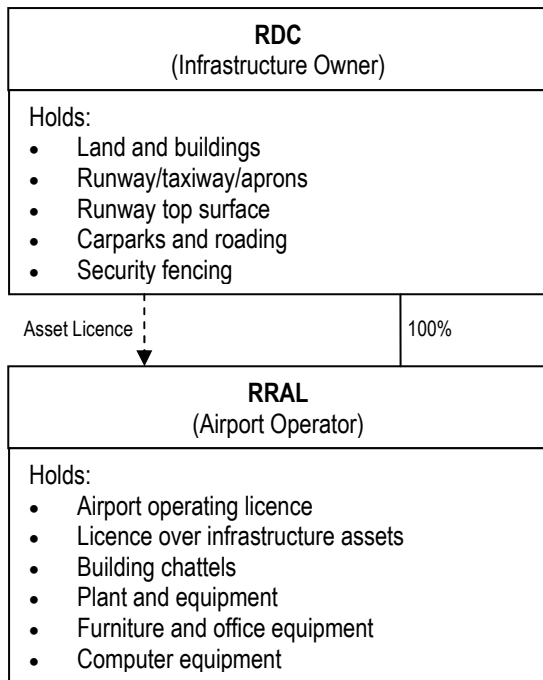
- That RRAL's infrastructure assets be transferred to Council so that they are owned directly by Council and;
- That RRAL continue as a stand alone company operating the Rotorua Regional Airport under an arrangement whereby the infrastructure assets are leased to it from Council.

The main reasons for the proposal were that:

- Council is in a stronger position than RRAL to raise capital and directly fund the necessary infrastructure redevelopment at a lower cost
- It makes best use of Council's existing asset management framework, resources and expertise
- RRAL, as the airport operating company, is able to operate in accordance with conventional commercial principles; and
- Once established, this structure should be simpler to administer than other alternatives.

The structure best addresses the necessary balance between the competing economic interests of RRAL and Council in a manner that offers the least administrative burden. It enables Council to manage the assets in accordance with its own day-to-day policies and procedures, but also in accordance with Council's vision for what is in the best long term interests of Council and the population it serves.

This structure is illustrated below:



The ten year projections for RDC in respect of its infrastructure ownership reflect the following assumptions:

- Land and buildings, runway/taxiway/aprons, runway top surface, carparks, roading and security fencing are acquired from RRAL at market value on 30 June 2004;
- Approximately \$5.8 million of equity is released from RRAL and applied against Council's total funding requirement;
- All further investment in airport infrastructure is undertaken by Council and is assumed to be debt funded at a rate of 6.75% (25 basis points lower than RRAL's assumed cost of debt funding);
- Council receives the development levy net of collection costs and receives the licence fee charged to RRAL.

Rotorua Energy Events Centre

In November 2002 Council commissioned Horwath Asia Pacific Ltd and Global Leisure Ltd to determine the requirements of sports, conventions, exhibitions and events for indoor space in Rotorua, the mix of space requirements to meet these demands and a preferred location for facilities.

The report was received in February 2003. The report concluded that to meet the needs of today and the foreseeable future, an additional four court games hall

with event style seating for approximately 2,500 people together with a flexible auditorium space capable of accommodating 800 – 1000 people was required. The facility would require integration with the existing Sportsdrome in Government Gardens both physically and operationally.

In June 2003 the Rotorua Energy Charitable Trust provided Council with a commitment to a \$10M donation towards the construction of a new multi-purpose Events Centre adjoining the existing single court indoor stadium, the Sportsdrome.

This generous contribution allowed RDC to commence this project with confidence, although it was recognised that the final design would more than likely require additional funding. A parallel project to generate more capital investment is underway.

The basic components of the building, incorporating the adjoining existing Sportsdrome, will provide space for conference and exhibitions that are too large for the existing Rotorua Convention Centre. It will also cater for concerts and banquet functions that have never really had an indoor venue large enough in Rotorua. The games hall, which will be able to accommodate 4 full size netball courts in community sport configuration will also be capable of being set out in centre court mode with a seating capacity of at least 2500.

The main hall will have an adjoining flat floor 'auditorium space' for large conference plenary sessions, whilst it is hoped to achieve a balcony of smaller 'committee rooms' that will double as corporate lounges overlooking the main hall as well as the unique views out over the Government Gardens and Lake Rotorua.

The central location adjacent to the CBD in the prestigious Government Gardens is seen as a key selling point of the new Rotorua Energy Events Centre.

Design and Budget

From registrations of interest four Design Consultants were short-listed and invited to provide concept design tenders. Boon Goldsmith Bhaskar Team Architecture's (BGB) proposal most closely met the requirements. The total cost of the project at this concept stage of the development is estimated at \$16 million.

It must be noted this cost estimate is at a unit rate level and based on the concept provided by BGB. This will continue to be refined as the design is detailed and developed. This will then form the basis of a final estimate to be approved by Council prior to calling tenders for construction. A further and final cut off point will subsequently be reached once construction tenders are received and council will then be in a position to make the final decision in full knowledge of the fundraising that has been achieved at that time.

Fund Raising

A professional fundraiser has been contracted to leverage the additional contribution already committed to meet the projected estimate. This approach, which was adopted by Tauranga District Council in seeking capital to fund their Aquatic and Leisure Centre, has reportedly been successful in securing significant non-rates investment in the facility.

Council has agreed to contribute \$4 million toward the project and will seek to raise a further \$2 million from other sources

Operational management – costs and revenues

The income and expenditure flows have been estimated based on a model proposed by Horwarth Pacific Ltd and known costs of revenues of the Sportsdrome.

The demand assumptions made in the model have been drawn from the information gathered by Horwarth Pacific modified to reflect a more conservative, cautious view of the market. Hire rates for community use have been based on existing rates applicable at the Sportsdrome and market rates for commercial use.

The model predicts that although there will be a net operating surplus from the additional elements of the facility, there will still be a call on ratepayer funds, in addition to the existing operational deficit of the Sportsdrome, to cover depreciation.

With the exception of depreciation, the new Energy Events Centre will cost the ratepayer no more to operate than the existing Sportsdrome.

Council has agreed to proceed to the next stage of this project i.e. to prepare developed designs for tendering the physical works

Rates Review

Last year council agreed to undertake a rates review as a result of submissions received to the Annual Plan. This was also seen as an opportunity to review the other revenue and financing policies. A draft of the policy was submitted, ahead of this Ten Year Plan, to the community in February of this year for feed back. Council then received almost 400 representations and made some changes to reflect, in its view, the issues raised.

The details of the review and implications for ratepayers is set out in detail in the Rating policy section of this Ten Year Plan. The proposed new system is designed to achieve the following:

- a) To provide relief for business properties in the Central Business District;
- b) To exclude residential and small holding properties, up to 5 ha from the farming category and include them within the residential category;
- c) To bring rates on small holdings into line. Some of these have been rated too low as compared with farming and residential properties. (This relates especially to rural residential and small holdings which are currently rated lower than farming);
- d) To consider some relief for farming properties;
- e) To consider whether it is appropriate to reclassify multi-unit residential properties as residential rather than business and reduce the rate;
- f) To consider whether vacant residential land should continue to enjoy a differential that is 80% of that per developed land;
- g) To consider whether rural residential and business land should continue to enjoy a differential that is 60% of the rate paid by their urban counterparts.

Financial Summary

This year there have been two major new items that have added to the debt level, and hence rates. They are:

- Rural waste water schemes and
- Airport.

Last year \$7.7 million was provided for Okawa Bay/Mourea, Okareka and Hinehopu. As part of the increase in understanding of the science around our lakes water quality, it has become evident that other lake shore settlements will need to have community sewerage schemes as opposed to the present septic tanks. The communities are:

- Okere/Otaramarae
- Lake Tarawera
- Hamurana

These new schemes have added a further \$28.5 million to the debt required.

A further \$12.5 million has been added to total debt to provide for the airport terminal, aprons and runway enhancements.

The other reason for the significant change is the inclusion of more new capital projects. These projects can be broken into two types:

1. Those projects that were not included in last year's budgets but highlighted in the planning process, and amount to some \$16 million. They are in the table below.
2. The budgets for asset renewal in the last three years of this Ten Year Plan are up on the previous projects in Long-term Financial Strategy as asset management plans gain comprehensiveness and new strategies are identified.

The balance sheet is changed around three key areas:

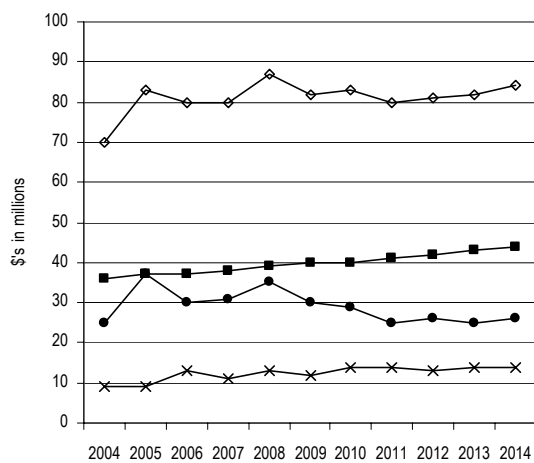
- Fixed assets
- Debt
- Surplus from operations.

All these matters contribute towards significantly changing Council's financial position over the next 10 years. However, it should be noted that the total debt is within Council policies and at the higher level does improve the intergenerational equity of benefit from the capital expenditure, but is still light when compared to earlier years. This provides an opportunity for future generations to make investment choices as well.

Income statement

for the year ending 30 June:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$'s in millions											
General Rates	36	37	37	38	39	40	40	41	42	43	44
Separate rates	9	11	13	12	14	14	14	14	14	14	14
Other revenue	25	35	28	30	33	28	29	25	25	25	26
Total revenue	70	83	80	80	86	82	83	80	81	82	84
Less:											
Expenses	50	57	59	60	60	61	63	62	62	62	62
Depreciation	15	16	16	16	16	16	16	16	16	16	16
Total expenses	65	73	75	76	76	77	79	78	78	78	78
Net Surplus	5	10	5	4	10	5	4	2	3	4	6

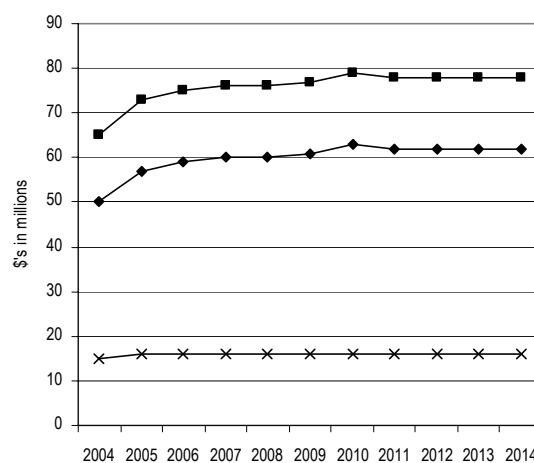
10 Year Plan Revenue Summary



for the year ending 30 June:

■ General Rates ● Other revenue
◆ Total revenue × Separate rates

10 Year Plan Expenses Summary



for the year ending 30 June:

◆ Expenses × Depreciation ■ Total expenses

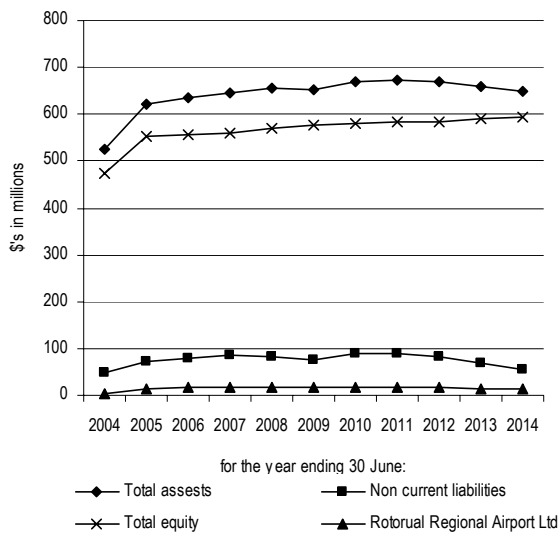
The main reasons for the increase in expenditure in 2005 over 2004 is normal inflationary pressures on the payroll, and increase in depreciation. These are covered of by increased rates revenue.

Balance Sheet

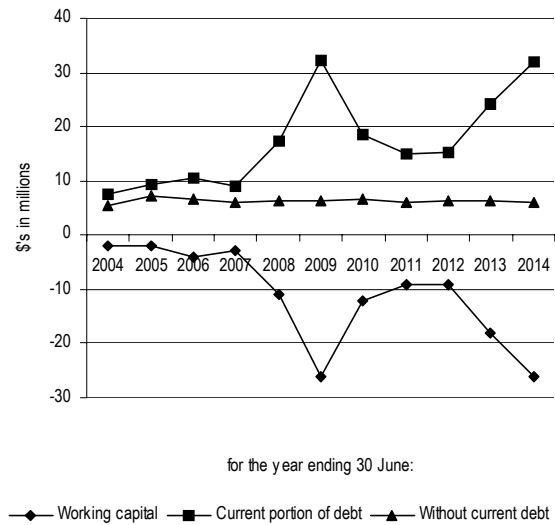
for the year ending 30 June:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<i>\$'s in millions</i>											
Working capital	-2	-2	-4	-3	-11	-26	-12	-9	-9	-18	-26
Investments	11	1	1	1	1	1	1	0	0	0	0
Fixed assets	513	624	639	648	665	676	680	681	678	677	675
Total assets	522	623	636	646	655	651	669	672	669	659	649
Non current liabilities	47	71	79	85	84	75	89	90	84	70	54
Total equity	475	552	557	561	571	576	580	582	585	589	595

INTRODUCTION

10 Year Plan Financial Position Summary



10 Year Plan Working Capital Analysis Summary



Fiscal Policy

Overview

Council employs two key fiscal policy tools. They are the level of rate increase and the total debt at the end of this Ten Year Plan. On the one hand, general rates will increase each year by the level of inflation and growth in the rating base of the district. On the other hand the total level of public debt at the end of the Ten Year Plan needs to be kept at a prudent level.

Council has always expressed the level of rate increases as an increase in all rates, that is: general rates, uniform annual general charge, and separate (targeted) rates from water supplies, sewerage, and refuse collection. This is to ensure the community is not misled about the rate increase each year. This year it is 3.2%. However it should be noted that this does not mean the total rates bill for each rate payer will increase by that amount. For example not all rate payers receive a refuse collection service and are not charged for this service. This applies to all targeted rates services. You are referred to the Funding Impact Statement for a schedule of the various income sources for the next 10

years. Below are schedules, of the targeted rates for 2004/05

General Rate Increase

As noted, the rate revenue increase each year has generally been based on the December Consumer Price Index (CPI) which was 1.6% for December 2003.

Council allows for an increase in the rating base as part of the increase in rates revenue for the budgeting process. This increase is calculated on the basis of new lots from subdivision multiplied by the Uniform Annual General Charge and a notional land value for each new lot. In theory, by allowing for growth in the rate increase, there will be extra rates revenue from those new lots, but all other properties would remain the same.

The estimated growth for 2004/05 calculated at December 2003 is 0.50% based on 347 new properties. This is up on the previous year which was estimated at 0.24%.

In 2003 Council approved a new two year tender for electricity supply which will see electricity costs increase some \$487,000 (approximately 1% of rates) per annum. This increase has returned electricity costs to the former level two years ago. At that time Council noted that the reduced electricity costs were likely to be short-lived and prices would rebound in future years. This is exactly what happened. Council at the time decided to use the savings for new projects that might otherwise not be able to be proceeded with.

Since then further increases in energy costs have been advised which are well above inflation. There is a general view that because of the shortage of electricity generation capabilities, New Zealand can expect real price rises every two years. An allowance of just under 0.2% has been provided for in 2004/05 with increases every alternate year of just under 0.2%.

Council has, over the years, steadily reduced the level of cash holdings. This cash has been used to do two things:

- Balance Sheet Restructure**
 Council restructured its balance sheet so that there was no need to hold large cash reserves and at the same time higher levels of debt. Cash reserves were used to repay debt. This was a prudent financial measure that, overall, reduced the net cost of debt and Council's exposure to interest rate risks.
- Rate Reduction**
 In both 2001/02 and 2002/03 Council has reduced cash as part of the rates calculation in order to continue with programmes but not increase rates. The table below shows the financial impact.

Year	\$ millions	Rates Effect	Actual Rating Increase
2001/02	5.0	12.5%	2.9
2002/03	1.0	2.4%	5.2
	6.0	14.9%	

The effect of using these reserves has been to allow services to continue and projects to go ahead that, without the use of these cash holdings, would have required a rate increase over the two years of 14.9% over and above the 5.3% in 2002/03 and 2.9% in 2001/02. It should also be remembered that the projects increase depreciation and operating costs, hence future costs.

Council has been fortunate to have a number of community assets provided by a partnership with Rotorua Energy Charitable Trust (RECT). It must be remembered these assets have associated operating costs. There has been a considerable number of legislative changes that require new resources in order to respond effectively. On top of these additional costs, services levels have been improved in some areas. Finally, the CPI is a proxy for inflation that uses a basket of goods and services and measures the change over time in the price of these items. Other costs, such as construction, had index increases of some 8% last year and are currently running at 1.5% per month. For these reasons general rates have been increased by more than the previously agreed fiscal policy of inflation plus growth. Council could not continue with the same levels of services, customer satisfaction levels, significant new capital expenditure programmes and with rating base growth at modest levels, without the approved rate increase of 3.2%.

The table below brings together all the inflation factors for 2004/05 which shows that for Council to retain the real spending power for 2004/05 then rates need to be increased greater than "inflation plus growth"

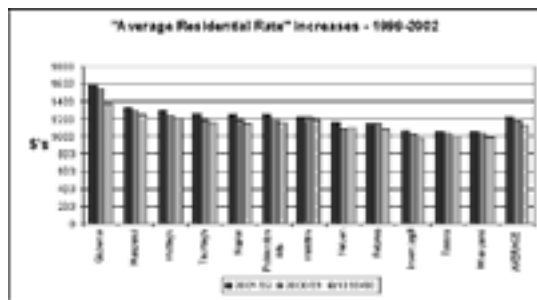
The table shows the general rate increase in recent years. It should be noted that since preparing the 2001 LTFS the following inflation data has been used which has increased costs and revenue accordingly:

Year ending 30 June:	2002	2003	2004	2005
Rating database growth	0.5	0.6	0.24	0.5
December CPI	4.0	1.8	2.74	1.6
Reserves etc	-1.6			
Major capital		2.9		
Other inflationary pressures			0.32	1.1
Total rate increase	2.9%	5.3%	3.3%	3.2%

Comparison with Other Local Authorities

The table below is prepared from information included in the Napier City Council 2003/04 Annual Plan. It shows that Rotorua District Council had the third lowest rates for the comparator's groups. Some are similar in size to our Council so it gives an indication of perceived value for money. Other factors that should be taken into account before making any final judgement are:

- Level of long term public debt
- Condition of infrastructural assets of benefits has been shifted to future generations with debt.
- Level and range of services provided.



Long Term Debt

The other part of the primary fiscal equation is the total debt at the end of the 10 Year Plan. There are a number of reasons for this:

- To ensure the total debt is at a level where adverse interest rate fluctuations do not place Council at risk of having to increase rates beyond the community's ability to pay or that projects are not deferred or service levels reduced.
- To ensure there is intergenerational equity between costs of expenditure and benefits received. By using debt, some of the costs of activities can be moved forward into future years. This means that the ratepayers in those future periods will contribute towards some of the costs of assets which provide services over a number of years. This applies to all infrastructural assets which are valued at over \$ 0.5 billion.

Council has also taken the view that by ensuring the total public debt is reducing over time, there will then be an opportunity for future generations to have some choices of projects and new services of their own.

To have debt below the optimum level ensures that Council has loan raising capability, within prudent financial management levels, in the event of an emergency. Emergencies could include Civil Defence, economic performance etc. Council already maintains cash of around \$5 million for this purpose

Treasury Policy

Council borrows funds for capital expenditure. The level of borrowing is maintained at an amount consistent with the Ten Year Plan. Given the nature of the assets acquired from the borrowing, Council weights its borrowing to long term fixed interest securities. Other forms of borrowing may also be included in the debt mix, having regard to prevailing interest rates and anticipated interest rate movements.

The primary borrowing policy objective is to minimise interest expense consistent with the central treasury policy of risk avoidance. Council maintains a spread of debt maturities to minimise the risk of refinancing substantial parts of the debt portfolio at times of unfavourable interest rates. Interest rate risk management by hedge agreement can be used to provide further certainty to future interest expense.

Specific borrowing limits are applied:

- Gross interest expense not to exceed 15.0% of total rates revenue.
- Funds flow to cover interest expense at least 2 times.
- No more than \$30 million of existing borrowing is subject to refinancing in any financial year.
- Effectiveness of performance is measured:
- Comparison of actual interest cost and rate against Annual Plan.
- Comparison of year end average borrowing rate and maturity profile against large commercial borrower.
- Council receives a report six weekly.

However, there is no formal policy on what the maximum debt should be.

Debt Profile for 10 Years to 2014

The debt presented in the graph below shows a significant variation between last year's LTFS and that proposed for this year. The main reasons are increase in new capital expenditure for:

- Growth
- Lakes water quality
- Service level improvements
- Airport.
- Increase in renewals in the later years of this Ten Year Plan as compared to last year's plan.

Determining the optimum debt level is a function of the following criteria:

- The need to maintain assets in a sustainable manner.
- Community ability to pay.
- Prudent financial management – risk.
- Benefits of doing the project now verses waiting – timing
- Council priorities
- Community expectations
- Influence of external agencies
- The Local Government Act 2002 requires a Liability Management Policy. The policy has been prepared on the basis of the previous Treasury Borrowing Policy.

- This criteria is to ensure there is opportunity for both the present community and for the future. How to determine this is difficult as there is also a need to ensure intergenerational equity of services from assets, which are in part funded from debt.
- The deprivation index for our district is extreme – from very high to very low.

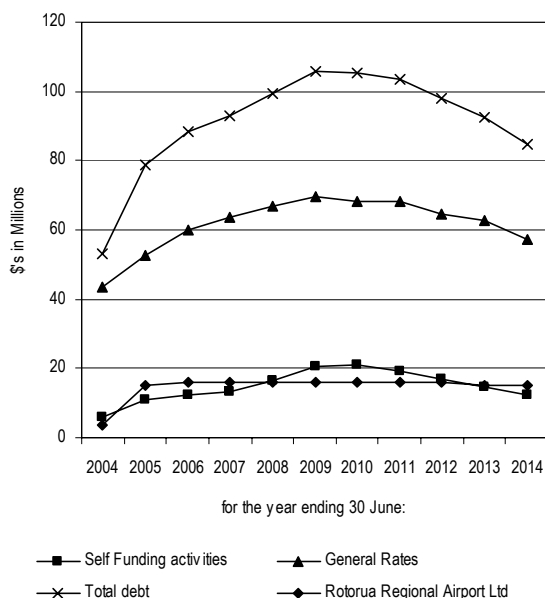
The table later in this report provides a matrix for managing the risk of borrowing and shows that Council can maintain a total debt of \$120 million in 10 years. The comparison between debt last year and this year shows the level of uncertainty over the short term.

It would seem that a better way to determine the optimum level of debt is not to focus entirely on the question of debt in 10 years but to balance that with a range of other financial performance indicators. The table below will help to balance risk, sustainability and ability to pay.

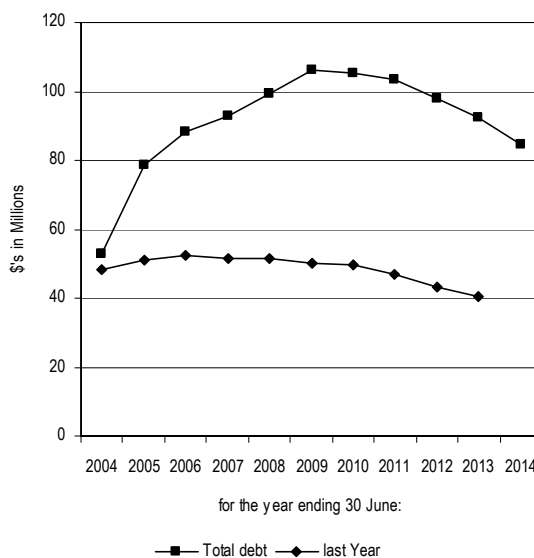
It would seem that a better way to determine the optimum level of debt is not to focus entirely on the question of debt in 10 years but to balance that with a range of other financial performance indicators. The table below will help to balance risk, sustainability and ability to pay. The tables below show the total debt proposed

for the year ending 30 June \$'s in millions	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
LTFS 2013											
Self Funding activities	7.8	7.1	6.8	6.3	5.2	4.0	4.5	3.5	2.3	0.9	
General Rates	40.6	43.9	45.4	45.4	46.5	46.3	45.2	43.3	40.9	39.6	
Total debt	48.4	51.0	52.2	51.7	51.7	50.3	49.7	46.8	43.2	40.5	-
2014 10 Year Plan											
Self Funding activities	5.8	10.9	12.2	13.3	16.3	20.6	21.1	19.4	17.1	14.7	12.4
Rotorua Regional Airport Ltd	3.8	15.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	15.0	15.0
General Rates	43.4	52.8	60.0	63.5	66.9	69.4	68.4	68.2	64.7	62.6	57.4
Total debt	53.0	78.7	88.2	92.8	99.2	106.0	105.5	103.6	97.8	92.3	84.8

10 Year Plan Long Term Debt Projection



10 Year Plan Long Term Debt Projection



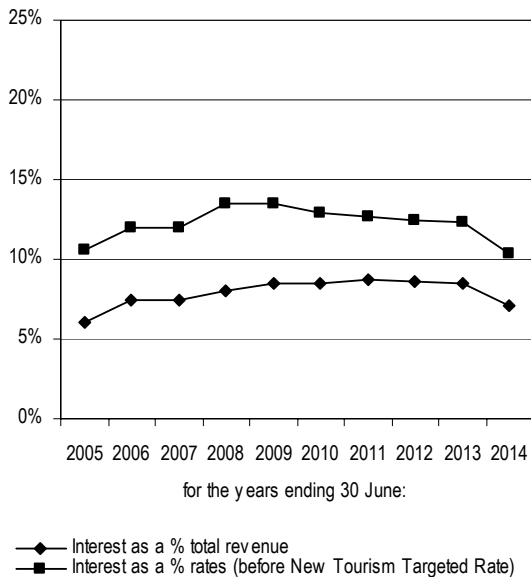
2014 Ten Year Plan Current and Term repayment analysis

for the year ending 30 June \$'s in millions	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Current portion of term debt	7.5	9.2	10.6	9.0	17.4	32.4	18.7	15.1	15.3	24.2	31.9
Term debt	45.5	69.5	77.6	83.8	81.8	73.6	86.8	88.5	82.5	68.1	52.90
Total debt	53.0	78.7	88.2	92.8	99.2	106.0	105.5	103.6	97.8	92.3	84.8

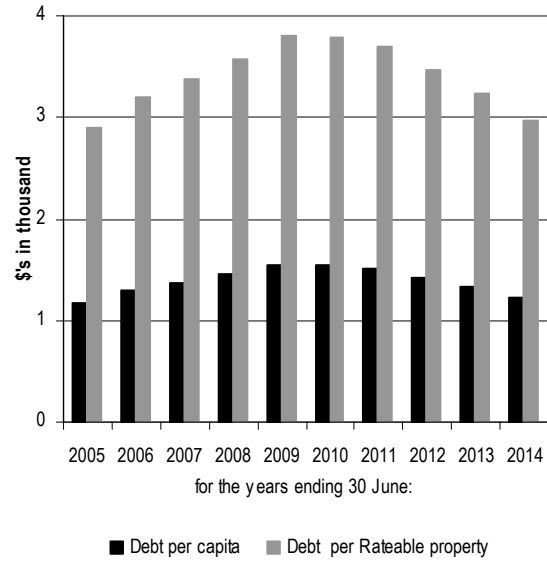
Council has its debt diversified with a range of financial institutions and manages the debt using a prudently developed treasury policy. There is sufficient working capital to ensure proper financial management. However the financial statements show the portion of long-term debt that is to be refinanced in the preceding year as a current liability. This debt will be refinanced at the time it become due for repayment. This therefore distorts the true working capital position. The graphs below show the treasury targets and working capital after adjusting for the current portion of term debt.

	Target	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt as a % of total revenue	150%	95%	110%	116%	114%	129%	128%	130%	121%	112%	101%
Interest as a % total revenue	15%	6%	8%	8%	8%	9%	8%	9%	9%	9%	7%
Interest as a % rates	20%	11%	12%	12%	13%	13%	13%	13%	13%	12%	10%
Maximum refinancing per year	\$30 m	3.3	8.1	10.6	9	17.4	32.3	18.7	15.2	15.3	24.2
Debt per capita	2,000	1,169	1,299	1,369	1,454	1,552	1,549	1,516	1,425	1,334	1,229
Debt per Rateable property	4,000	2,894	3,208	3,373	3,573	3,807	3,788	3,698	3,467	3,239	2,977

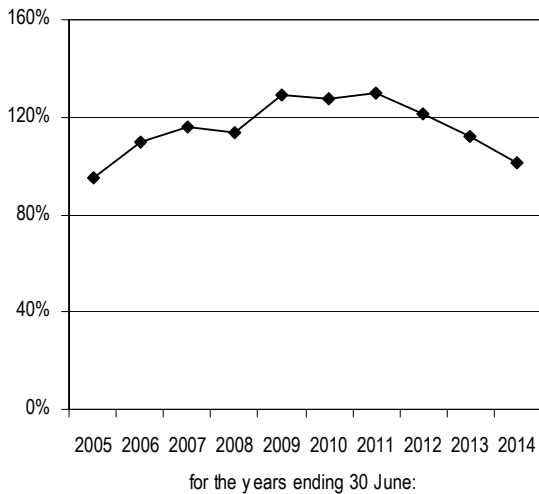
Interest Expense as a Percentage of Revenue



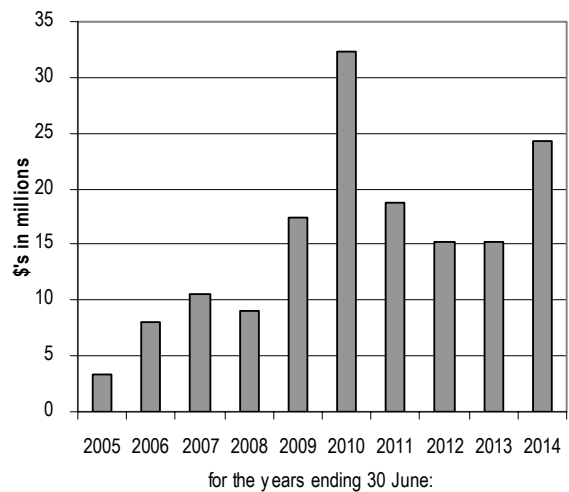
Interest Expense per Capita and Rateable Property



Debt as Percentage of Revenue



Debt Refinancing per Year



Conclusion

I commend this Ten Year Plan to you. There have been some major strategic decisions made around the environment and lake water quality, regional economic wellbeing, the Rotorua Regional Airport Ltd, and the way these are funded. The review of rating systems and the increase in overall debt are integral to these key decisions.

We are appreciative of the high number of submissions which we received to the draft Ten Year Plan and these helped Council to make final decisions on the Ten Year Plan which was adopted on 28 June 2004.

This plan sets the direction for Rotorua for the next ten years and beyond.



Peter Guerin
Chief Executive

EMPLOYEE RELATIONS

Introduction

This report provides some insight into the practices and processes that we follow to ensure Council is a good employer and one of the highest performing local authorities in New Zealand.

NRB Survey

Council staff have consistently maintained a high performance rating by residents. In 2003 some 70% of the residents rated the staff performance at very or fairly good. Staff have continued to be rated by residents above their peer group nationally.

Staff Development

As with all local authorities this Council has a wide range of career paths on offer with work places ranging from a labourer/driver, to planner, to engineer through to chief executive.

The Council does its best to encourage both professional and personal development by identifying individual training requirements through the Performance Development Review process (P.D.R).

As part of our overall training programme the Council has over the last four years entered a team in the Local Government Management Challenge and this year was no exception.

The Challenge is an Australian competition in which New Zealand Local Authorities compete. The Challenge is a contest of "Management Teams" of 6 people from Councils who address a range of issues based on a theme

The N.Z. winner of the Challenge then competes against the winner of each Australian state in an Australasian final. To date the Council has used the Challenge as a leadership training exercise and selects the team with this in mind, together with the willingness of staff to take part, rather than basing selection purely on maximising our chances of winning.

Health and Safety

We are focussed on a safe working environment and continue to strive to improve the overall health and safety record of our operations including those contractors and other organisations that we work with. Our Health & Safety record continues to improve each year.

Occupational Safety & Health Inspectors continue to acknowledge that Council is very good at proactively ensuring that staff work in a safe environment.

Staff Numbers

The total number of staff employed by Council for the year ending 30 June 2003 was 425 full time equivalents. Staffing levels are anticipated to remain similar over the next 10 years.

Staff Support Systems

Council has a number of initiatives to support staff health and wellbeing. One of the initiatives most used is the Employee Assistance Programme (EAP) which provides staff with an independent counselling service for both work and personal issues that are impacting on their work performance or have the potential to.

Free flu injections are also provided for staff as are Hepatitis injections for those staff working in Waste Water Reticulation activities. Ongoing hearing tests are also provided for staff working in noisy work sites.

Subsidised school holiday programmes for children of staff are also provided and have proven to be very popular. These programmes are organised in conjunction with Forest Research and have been successfully operating for some years now.

Managing Diversity

Te Waka Awhina O Aotearoa was established in 1991 and is an annual national conference that exists to provide appropriate and timely training for Maori within local and regional government to discuss, debate and learn about the various social, economic and political issues that impact on Maori. It is also a vehicle for

establishing a national Maori network for Maori involved in local and regional government.

The 2003 Conference was hosted for the first time by our Council. As well as participating, our staff played a central role in organising the hui with a number also attending. Annual participation in te Waka Awhina is one example of how Council manages diversity in the workplace.

Council is committed to making sure that staff at all work sites within Council have the same opportunities to contribute to, and share in, the successes.

Other initiatives that have been implemented for managing diversity are:

- Cultural Awareness Programmes
- Te Reo and Te Kanga Maori – Maori language and customs workshops

Remuneration Committee

The Remuneration Committee made up of the Chief Executive, three staff members elected 'at large' and one Union nominated representative from the Public Service Association reviewed 35 positions during the year ending 30 June 2003 compared with 30 positions for the same period the previous year. Ten of these positions were new positions with the balance being either re-grading applications or restructured positions through a reallocation of duties.

Equal Employment Opportunities Policy and Programme 2003/2004

Rotorua District Council is committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees and has a stated policy to this effect. This commitment is not only because of legal (Local Government Act) and moral obligations, but also because EEO makes good business sense. EEO is about good management practices; it is about valuing and encouraging diversity; about developing our human resource and about attracting the best people to our jobs. As such, Rotorua District Council will implement a purposeful programme of action to ensure its activities and services are carried out with an awareness of, and an intent to eliminate, discrimination in the areas of race, colour, ethnic origin, gender, religion, marital status, family responsibilities, age, people with disabilities, political opinion and sexual orientation.

The proposed programme of action for 2003/2004 is as follows and is a progression of the current policy and overall programme

Significant Objectives

Objective	How Often
To promote and maintain EEO awareness with all staff and management through:	
• Orientation training for all new staff.	• Ongoing.
• EEO Committee meetings.	• Quarterly.
• Liaison with other EEO networks.	• Ongoing.
• Ongoing training for staff in structured interview skills.	• Ongoing.
• Ongoing training in EEO issues for supervising staff and training for staff in general.	• Ongoing.
To produce EEO Census Reports on the demographic profile of job applicants and appointed staff for the EEO Committee and Management Team.	Quarterly.

Part 3

Bright Future

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DESTINATION

ROT@RUA

ROTORUA DISTRICT
COUNCIL

BRIGHT FUTURE ROTORUA – COMMUNITY OUTCOMES

The Local Government Act requires Council to carry out a process to identify community outcomes for the intermediate and long-term future of the district and, not less than once every 3 years, to report on the progress made by the community in achieving these community outcomes.

The purpose of the community outcomes process is to:

- Provide the Rotorua community with an opportunity to discuss its present situation and prioritise issues in terms of their importance for Rotorua's future
- Influence and guide priorities in relation to the council and other organisations' activities
- Help the community, council and other organisations to work together in a more efficient and co-ordinated manner, to better promote wellbeing in the district
- Check how we are progressing towards Rotorua's agreed outcomes

Community Outcomes are overarching strategic goals that councils and other organisations can use to guide their service delivery and resource allocation. They are also a focal point for promoting closer working relationships, to ensure resources are used more effectively and in a coordinated manner.

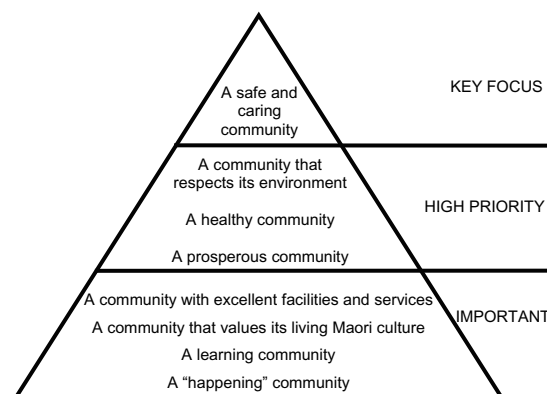
Rotorua District Council's contribution to promoting the community outcomes is described in this LTCCP. It is a requirement of all LTCCPs to describe which community outcomes different council activities will contribute towards.

In accordance with the letter and spirit of the Local Government Act, Rotorua District Council is taking a collaborative and inclusive approach to identifying and monitoring community outcomes. In mid-2003 the council discussed the community outcomes requirements with other key organisations that promote community wellbeing in the Rotorua District. These organisations endorsed a process of public consultation which took shape in the latter part of 2003 as the Bright Future Rotorua project.

First, information from previous community feedback was compiled into a set of eight draft community outcomes. This information was used as the basis for a community survey which asked residents to prioritise the draft outcomes according to what they felt was most important for the District over the coming decade. More than 800 responses were received from a broad cross-section of people. The results show that a safe and caring community is the most important outcome for Rotorua residents. Other high priorities include a healthy community, a prosperous community and a community that respects its environment.

Many survey respondents also suggested additional issues they felt were important for Rotorua, including supporting

young people, promoting multi-culturalism and ensuring strong leadership. These and other ideas will be considered over the coming two year period as part of a thorough review of the community outcomes pyramid.



Monitoring Reporting

In addition to identifying community outcomes and showing how it will promote them through its LTCCP, Council must also facilitate the development of a framework to monitor the community's progress towards outcomes, and to report on this at least every three years.

Rotorua District Council is continuing to work with other agencies and organisations, in consultation with the community, to develop a monitoring framework. Once a good set of indicators has been agreed, regular monitoring will take place and progress will be regularly reported back to the wider community. The monitoring programme will provide valuable information for Council and other organisations to help them ensure their activities and services are meeting the requirements of the community. Development of the monitoring framework is scheduled for completion in September 2004 with the first report-back to the community in October 2005.

Much of the value of the Bright Future project will only be realised if different organisations and sectors of the community work together. Rotorua District Council is exploring ways in which all agencies and organisations can work collaboratively to ensure service delivery is consistent, effective and aligned with community expectations.

Learn more about Rotorua's Bright Future at www.rdc.govt.nz.



COMMUNITY OUTCOMES

A safe and caring community – families and whanau are safe and strong; people are considerate and respect cultural diversity.

He Iwi Whanui e ngakau nui ana ki te manaaki motuhake.

- Safe homes and streets
- Less crime
- Fewer road accidents
- Organisations working together on agreed priorities
- Providing safe public spaces
- Families and whanau work, play and talk together

A community that respects its environment - people value, respect and understand the needs of our lakes, streams, forests and geothermal resources; commitment to preserving, monitoring and improving the natural environment is owned by everyone.

He Iwi Whanui tenei e ngakau nui ana ki te Taiao

- Looking after our air, land and water resources
- Improved lake water quality
- Waste reduction
- Kaitiakitanga (guardianship)
- People using and enjoying our natural environment
- Historical sites and buildings are protected and promoted
- Managing and protecting geothermal resources and our springs, trout, lakes, forests, geysers

A healthy community - health is holistic; people are supported to enjoy and experience physical, mental, emotional, and spiritual wellbeing

He Iwi Whanui tenei e ngakau nui ana ki tona oranga

- Increasing recreational opportunities
- Good access to health services
- Safe drinking water
- Improving health status for all
- Improved youth health
- Effective responses to developing health issues
- Improved self esteem/confidence ability
- Partnerships to promote healthy living
- Healthy whanau, healthy communities

A prosperous community - people and businesses are motivated to be successful; jobs are created and rewards are shared

He Iwi Whanui tenei e kokiri whakamua ana i roto inga take Houkura

- Rising average incomes
- Encouraging development of Maori Land
- Reducing unemployment rate
- More investment in our district
- More employment opportunities
- More new business
- Celebrating and promoting our district's unique qualities
- Encouraging growth

A community with excellent facilities and services - a community that plans well to ensure facilities and services are accessible and Rotorua is easy to get around, now and in the future

He Iwi Whanui tenei e mau pu motuhake ana ki ona taonga me ona ratonga

- Easy to get from place to place
- Good, safe, maintained services and roads
- Good quality infrastructure for future
- Excellent reliable communication technology
- Affordable facilities and reserves and services
- A great Airport

A Community that Values its Living Maori Culture – The history of Te Arawa in the district and the value of Maori culture are recognised and fostered.

He Iwi Whanui e manawa nui ana ki te Ao Maori

- Preservation and sustainable development of Maori resources
- Improved opportunities
- A community that recognises the value of partnerships including the Treaty of Waitangi
- Fostering Maori cultural activities and expression
- Respecting Te Arawa as part of the unique heritage of Rotorua District
- Strengthening relationships between cultures

A learning community - people of all ages and backgrounds are inspired to achieve and supported to learn and be well informed.

He Iwi Whanui tenei e ngakau nui ana ki te Ako me te Matauranga

- Learning activities accessible for everyone
- Excellent pre-school/infants facilities
- Addressing skill shortages through the right training
- Improve rate of formal qualification for school leavers
- Quality educational institutions
- Increasing participation in tertiary education
- Whanau supported learning

A “happening” community - Rotorua is an exciting place with lots of activities and events, people welcome diversity and are inspired by creativity

He Iwi Whanui tenei e tumeke ana

- Lots of events including sporting, cultural, festivals, arts
- Leading edge activity events
- Provision of good quality event, conference and tourism facilities
- Celebrating and nurturing traditional Maori culture
- Foster artistic expression, art, music, dancing, public performances and exhibitions
- Great facilities to visit eg: museum, arts village, aquatic centre



ROTORUA DISTRICT TODAY AND HOW WE GOT THERE

Rotorua lies on the boundary of the Bay of Plenty and Waikato Regional Council areas. With an estimated population count of 67,600, Rotorua ranks 5th in size out of the 59 districts in New Zealand, and 16th in size out of New Zealand's 74 cities and districts. The District is centred around a thriving urban area on the southern shore of Lake Rotorua, and extends to include a substantial rural area as well as lakeside communities. Rotorua is a bicultural District with an increasingly multicultural population. The local environment encompasses 14 lakes, active geothermal areas, and a considerable amount of public open space. Rotorua has an increasingly broad industry base that includes tourism, agriculture, forestry, retail, manufacturing, business services, social services and education.

Some vital statistics:

- The total area of the Rotorua District is 2,708km².
- The District's population is estimated at 67,600 (as at June 2003).
- The population of the main urban area is estimated at 54,800.
- Almost 20% of the population lives in rural and lakeside areas.
- The Rotorua District is a visitor icon in New Zealand and overseas, due in part to its geothermal and cultural attractions. On average, there are more than 8,000 visitors per night in Rotorua spending \$1 million every day.
- There are 1,800 ha of reserves managed by Rotorua District Council.
- There are more than 1,000 km of local roads in the District, of which almost 70% are sealed.
- The gross capital valuation is almost \$6.5 billion and gross land valuation is around \$2.5 billion.
- Rotorua's GDP is estimated at \$2 billion per annum.

Rotorua's Early History

According to oral history, many of the Rotorua's Maori residents trace their ancestry to Tamatekapua, the captain of the Arawa canoe that arrived in New Zealand from the fabled homeland of *Hawaiki* more than six centuries ago. The Arawa canoe was beached at Maketu on the Bay of Plenty coast where the new arrivals settled down to live. They had been at Maketu for some time when an ancestor called Kahumatamoe journeyed inland to explore. He discovered what is now known as Lake Rotorua, and

settled at what is now Kawaha Point. Prompted by reports from other explorers, including Tamatekapua's grandson Ihenga, other members of the Arawa tribe eventually moved from the coast and settled in the Rotorua and Taupo areas. The earliest Maori villages in Rotorua were located close to geothermal activity, including Ohinemutu and Whakarewarewa.

Descendants of the original settlers have left their mark on modern-day Rotorua through song, dance, legends and place names.

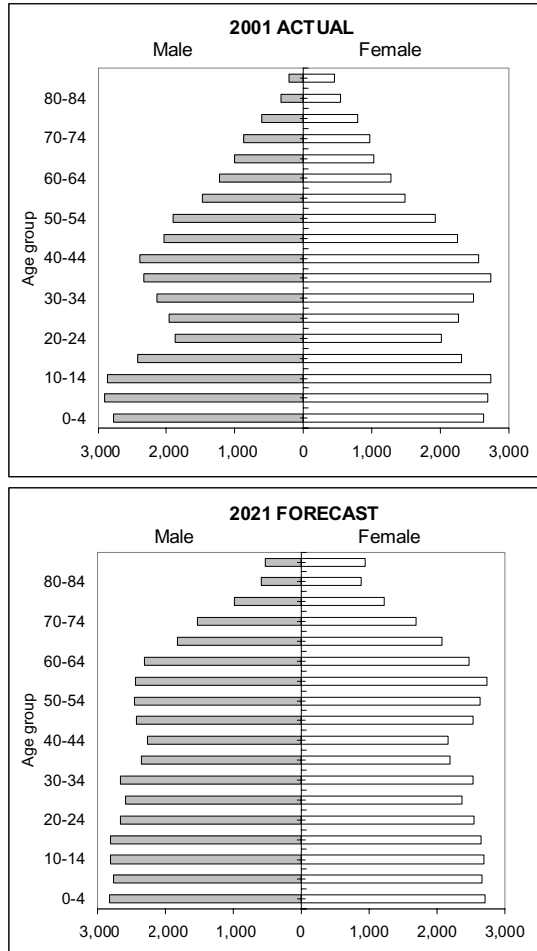
European settlers arrived in New Zealand throughout the 18th century. The subsequent development of the Rotorua area was driven by interest in the unique geothermal and cultural attractions of the area, coupled with the establishment of transport links, forestry and farming. The foundations of today's local government structure were laid by the Thermal Springs District Act of 1881, which made provisions for the establishment of certain amenities in the Rotorua. An agreement was also concluded between the Government and the Maori people on the setting up of a Town Board to administer the affairs of the new township. Te Arawa sub-tribe Ngati Whakaue contributed generously to the development of the town through the gifting of more than 120 parcels of land for health and recreational purposes. These include the Government Gardens, Kuirau Park, Pukeroa Hill, the Lakefront Reserve, and many other reserves. Today, policy issues in respect of Rotorua's gifted reserves are discussed by a joint committee of the Pukeroa Oruawhata Trust and the District Council.

Rotorua's People

Including people of mixed ethnicity, the major ethnic groups in the Rotorua District are European (72%), Maori (36%), Pacific Islands (4%) and Asian (3%). (Note: Some residents identify with more than one ethnic group). More than half of Rotorua's young people are of Maori descent. According to Census results, around 8,000 Rotorua residents are affiliated with the Arawa tribe that were the original settlers of the central Bay of Plenty area. In addition, many of Rotorua's Maori residents are affiliated with tribes from other parts of New Zealand. Rotorua's population profile is becoming much more multicultural than it has been in the past, including increases in residents from the Pacific Islands, Asian countries, and many other parts of the world. Rotorua's population profile is also relatively youthful but, like other parts of New Zealand,

is gradually growing older. Official projections show that the District is expected to have only moderate residential population growth over the coming decade, with more rapid growth in the eastern suburbs, northern rural areas and eastern lakeside areas.

Age-gender profile, Rotorua District, 2001-2021 (projected)



Source: Statistics New Zealand

Te Arawa and Geothermal Activity of the District

Included in the mythology of the Te Arawa people is an explanation for the origins of the geothermal activity within the district. The story of the tohunga (person of great knowledge) Ngatoroirangi is known and has been recited by both Te Arawa and Tuwharetoa, people of the Rotorua and Taupo regions for 100's of years. The following is a brief excerpt of the legend of Ngatoroirangi and the Pacific Ring of Fire:

The explorer Ngatoroirangi of the Arawa canoe was ascending Mount Tongariro when he called to his sisters from Hawaiki to bring him warmth or he would surely die.

Ngatoroirangi's prayers were heard and his sisters called upon the fire demons, Te Pupu and Te Hoata, who plunged into the sea and swam to Ngatoroirangi. Te Pupu and Te Hoata surfaced for the 1st time at Whakaari (White Island), where the earth burst into flames, they found that they still had many miles to go so continued on their journey, stopping briefly at Moutohora, Okakaru, Rotoehu, Rotoiti, Rotorua, Tarawera, Orakei-Korako and Taupo.

This is but one legend that talks about the geothermal wonders of NZ. These stories act to inform future and current generations about where the geothermal and volcanic activity is, to provide warnings and create an aura of importance about these treasures, whereby they are respected and protected.

Rotorua's Economy

Rotorua's central North Island location provides easy road, rail and air access. The District is enjoying a sustained period of investment, providing a solid infrastructure for growth. Council has invested significantly in improving public amenities in the District, including a \$30 million upgrade of the CBD. Rotorua is home to an increasing number of industry clusters including forestry, tourism and education. These are made up of professional bodies that are committed to working together to improve their operations.

Rotorua's economic base has been changing at a rapid pace, with considerable innovation in the traditional sectors of tourism, forestry and agriculture. These industries jointly contribute an estimated 25% of Rotorua's total economic output. There is an increasing number of smaller lifestyle farming blocks in the District, as well as rationalisation and more intensive use of larger farming blocks. In sectors such as education, manufacturing and retailing, Rotorua's competitive local environment has enabled many businesses and organisations to excel. There is also an internationally recognised depth of local expertise in the transport and engineering sectors.

Labour force participation in Rotorua has increased substantially over the past decade, and unemployment is at a 15-year low. Rotorua's occupational profile is gradually changing, with fewer agricultural workers and increased numbers of manufacturers, professionals, teachers and other service occupations. Career opportunities exist across a wide range of industries. Fast-growing sectors over the coming years are expected to include trade and tourism, manufacturing, health, education and transport. Despite continued uncertainties in the forestry sector, the outlook for forestry and wood processing also remains optimistic. Emerging industries in Rotorua include spa and wellness, biotechnology and film and television. There

is also considerable scope for increased commercial development on land and resources owned and managed by local Maori.

Rotorua's Environment

Rotorua's unique environment has shaped the development and identity of the District and provides a wide range of social, cultural, recreational and economic resources. The landscape and its cover have been substantially altered over time by geological events and human activity. Land cover in the District is now dominated by pasture (48%) and planted forest (20%), as well as indigenous forest and lakes. There are 137 Protected Natural Areas in the District, covering more than 30,620 ha. More than half of this area comprises scenic reserves.

The District's 14 lakes form a backdrop to an abundant variety of natural resources, recreation opportunities, visitor attractions and economic opportunities. The lakes and geysers of Rotorua are icons, recognised in this country and known throughout the world. Around 80% of Rotorua residents visit the District's lakes on at least a monthly basis. Lake water quality is an issue of significant community concern. In general, lake water quality has been declining over the long-term due to increased nutrient levels resulting in sporadic algal blooms on a number of lakes. A collaborative approach is being taken with Environment Bay of Plenty, Te Arawa Maori Trust Board and lakeside communities to better manage lake water quality.

Rotorua is located in close proximity to vast plantation forestry resources, including the extensive Kaingaroa Forest. Forest Research – New Zealand's largest forestry research organisation – is located in Rotorua, as is the Radi Centre of Excellence in Wood Manufacturing, a partnership between Forest Industries Training, the University of Auckland and Waiariki Institute of Technology.

Te Arawa are the traditional kaitiaki (guardians) of Rotorua's environment for future generations, and partnership with Iwi is a key principle in the management of the District's environment. The District Plan lists 235 archaeological sites, 34 marae and 27 other heritage sites or structures that have cultural or historical significance to Iwi. The process of consultation with Maori is evolving as greater efforts are made for improved communication.

Population Projection - 2001 (base) to 2021

Introduction

Each year there are around 5,400 births in the Rotorua District and 2,500 deaths, so natural increase is around 0.8% per year. However, over the period 1996 to 2001 the Rotorua District population remained unchanged due to excess out-migration to other parts of New Zealand and to overseas.

The 2001 Census counted 64,473 residents in the Rotorua District. Allowing for an estimated undercount of around 3.5% on Census night (as estimated by the 2001 Post-enumeration Survey), Statistics New Zealand estimates the Rotorua District population at 66,900 as at June 2001 [67,200 as at June 2002]. This forms the base for the latest official population projections from Statistics New Zealand.

Apart from overall population changes, the demographic profile of Rotorua is projected to change. In particular, the population profile is ageing, there is an increasing number of Maori residents, and also an increasing diversity of people belonging to Asian, Pacific Islands, and other ethnic groups.

Latest Projections

Migrational churning is a distinctive feature of the Rotorua District and wider Bay of Plenty. The latest population projections assume that Rotorua will continue to have slightly more out-migration than in-migration each year, resulting in an expected population growth rate of around 0.4% per annum over the coming 20 year period, compared with a national growth rate of 0.8%. The Bay of Plenty as a whole is forecast to grow at 1.25% per annum over this period, due to an expected continuation in the rapid growth in the Tauranga (2.3%) and Western Bay of Plenty districts (1.8%).

The Rotorua District population is forecast to reach 72,300 in 2021. Assuming higher rates of in-migration and births, this figure could be as high as 77,900. Assuming lower rates of migration and births, Rotorua's population could remain at around its current level over the next 20 years. These upper and lower limits are fairly arbitrary, but give some indication of the possible variation.

What The Projections Tell Us - And What They Don't Tell Us....

It is important to recognise that these projections are not set in stone. They are simply a "best-guess" based on extrapolating past trends in births, deaths and migration patterns. Key national assumptions include expected average fertility of 1.85 children per woman, increasing life expectancy, and a net national migration gain of 5,000 people per year. Key sub-national assumptions include a continuation of the northward and coastward population drift.

There are three separate components to future population change:

1. The long-term trend.
2. Cyclical changes.
3. One-off changes.
4. Structural changes.

Only the first of these is included in the Statistics New Zealand projections.

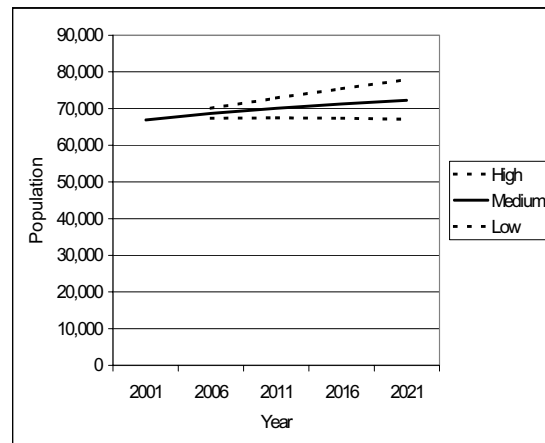
1. Cyclical changes might be due, for instance, to semi-regular changes to immigration policy, such as the tightened regulation that we are currently experiencing.
2. One-off changes are exactly what they sound like, and may be due to, for instance, a major business relocation.
3. Structural changes affect the long-term trend itself, and may be due to, for instance, strategic migration policies.



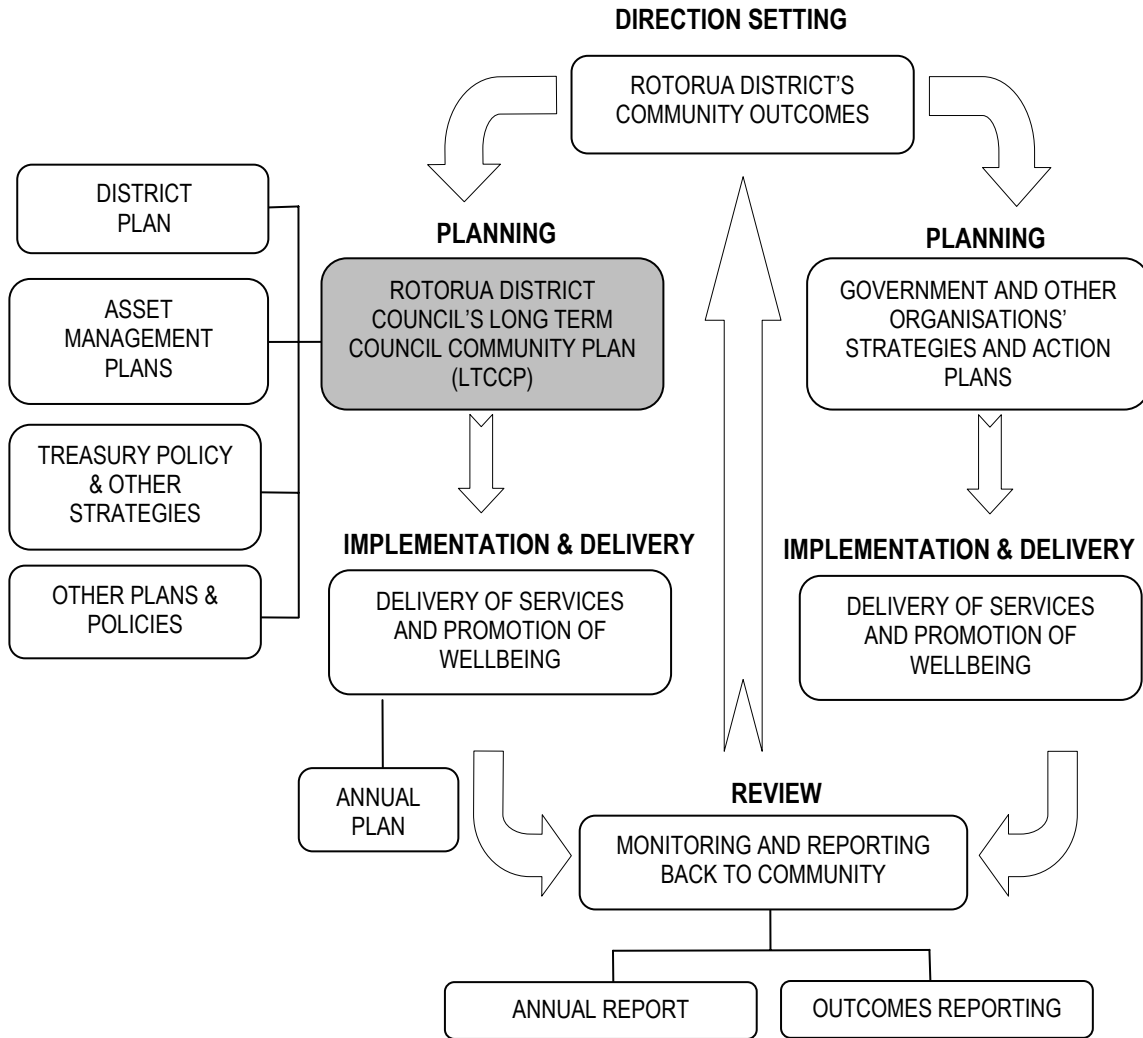
Rotorua District Population Change 1996 to 2001

1996 population	64,509	
Population at same address in 2001	24,921	
Population at different Rotorua address in 2001	17,172	
Population still in Rotorua in 2001:	42,093	65.3%
Population gain:		
Births	5,412	
In-migration - other NZ	9,087	
In-migration - overseas	2,625	
NEC/no fixed abode	5,256	
Total gain:	22,380	34.7%
Population loss:		
Deaths	2,429	
Ex-migration - other NZ	11,094	
NEC/Ex-migration - overseas (inferred = residual)	8,893	
Total loss (inferred)	22,416	34.8%
2001 population	64,473	

Rotorua District Population Projections 2001 to 2021



THE PLANNING FRAMEWORK



BRIGHT FUTURE

OUTCOMES RELATIONSHIP TO OTHER KEY STRATEGIC DOCUMENTS

Over the next ten years there will be a number of key strategic documents and policies whose development and/or implementation will provide the guiding framework to ensure the services delivered through Council's LTCCP are aligned with statutory obligations, and with the community's expectations as expressed through the Bright Future Community Outcomes. Key strategic documents and policies include:

Community Leadership

- Community Outcomes
- LTCCP
- Revenue and Financing Policy
- Information Services Strategic Plan
- Maori strategic communications Policy

Social and Cultural

- Open Space Strategy
- City Safety Strategy
- Event Venues Business & Marketing Plan
- Rotorua Museum Strategic Plan
- Library Strategic Plan
- Rotorua Civil Defence Emergency Management Plan

Environmental

- District Plan
- Strategy for the Lakes of the Rotorua District
- Rotorua Urban Fences Study
- Lakes Action Plans

Economic

- Rotorua Retail Strategy
- Rotorua Visitor Industry Strategy
- Volcanic Films Strategy
- Economic Development Strategy
- Rotorua Regional Airport Ltd Master Plan
- Rotorua Regional Airport Ltd Statement of Intent
- Tarawera District Plan Variation 12

Infrastructural

- Rotorua Basin Strategic Plan
- Servicing Infrastructure for the Rotorua Basin
- Assessment of Water and Sanitary Services
- The Environment BOP Water and Land Plan
- The RDC District Plan
- Asset Management Plans
- The Rotorua Urban Transportation Study (RUTS)
- National Land Transport Strategy
- Solid Waste Management Strategy
- Eastern Sewerage Schemes Special Consultative Process

SUSTAINABLE DEVELOPMENT

Sustainable Wellbeing Statements

In addition to its role as a provider of public infrastructure and services, Council makes an important contribution to local development as a leader and an enabler. The Local Government Act 2002 requires Council to facilitate community discussions to identify a shared vision and priorities and then over time to monitor progress towards improved community wellbeing.

*Ma te noho marama ki nga tumanakotanga
mo inaiane ka taea e tatou te nuku whakamua*

*Only by having a clear understanding of where we are now
can we hope to move forward to where we want to be in the future*

Over the past several years Council has developed baseline sets of indicators for each of four dimensions of wellbeing – social, economic, environmental and cultural. These indicator sets will be further developed during the coming years. They will also be aligned with the Community Outcomes Monitoring Programme that is currently being developed by an inter-agency working group.

The statements that follow present up-to-date local information on:

- Social wellbeing
- Economic wellbeing
- Environmental wellbeing
- Cultural wellbeing

When interpreting this information it should be recognised that there are many influences on community wellbeing, including Council activities, Government policies and services, national and international economic conditions, technological advances, and many other factors.

Social Wellbeing Statement

A report published in 2002 presented data on more than 40 indicators of social progress in the Rotorua District. This information is kept up-to-date on Council's website as it comes to hand. The information is compiled from a range of sources, including Government agencies and community surveys. The indicators were carefully chosen on the basis of relevance, availability and public feedback. Ongoing consultation is undertaken with local organisations and individuals to continue refining the data set.

Council's social monitoring programme covers the following broad topics:

- Rotorua's People
- Health
- Housing
- Education

- Standard of Living
- Community safety
- Social connection
- Democracy

Rotorua's People

Rotorua's demographic profile is the 'canvas' on which social trends are overlaid. Characteristics such as age and ethnicity are determinants of social outcomes such as education, health and employment. Key demographic trends in Rotorua include:

- Moderate population growth averaging 0.4% per annum over the coming 20 year period, with more rapid growth in the eastern suburbs, northern rural and eastern lakes areas.
- Increasing numbers of Māori, Pacific Islands and Asian residents.
- Increasing numbers of older residents.

Health

The annual number of people in the Lakes area who die before age 65 was 31% in 1999 compared with 34% in 1998. More recent figures, to be released next year, will help clarify whether or not this is the start of a positive trend. The comparable 1999 figure for New Zealand overall was 24%. The reason that an above-average number of Rotorua people die before age 65 is due at least in part to the relatively poor health status of Māori. Other indicators show that Rotorua has an above average rate of young parenting, low birthweight babies and infant deaths.

Housing

Since the early 1990's household overcrowding has fallen both locally and nationally. Around 440 dwellings in the Rotorua District could be considered 'high occupancy' as at March 2001. Over the period 1991 to 2001, home ownership in Rotorua fell from 74% to 66%. This compares with a 2001 home ownership rate of 68% throughout New Zealand as a whole. The decline in home ownership over the past decade may be partly due to policy changes such as the introduction of the student loans scheme, and may also be due to changing householder preferences. Housing New Zealand Corporation currently provides a stock of 685 housing for low-income families in Rotorua, and Rotorua District Council currently provides 146 units for pensioners.

Education

Pre-school education in Rotorua is readily available through the District's many kindergartens, play centres, kohanga reo and pre-school groups. There are around 89 licensed early childhood services in the District providing an early start to the formal education of more than 3,400 Rotorua children. According to Ministry of Education statistics, 47% of Rotorua students attend a school with a decile rating of 3 or lower. There has been a recent positive trend in high school education, with the number of student stand-downs dropping to 257 in 2002 from 286 in 2001. This was in contrast with many other parts of New Zealand which experienced a rise in stand-downs between 2001 and 2002. According to Census results, the percentage of working-age population in the Rotorua District with some form of academic qualification increased to 69% in 2001 from 60% in 1996. However, the percentage of working-age people with an academic qualification remains below the 2001 national average of 72%. More frequent information from the Ministry of Education shows that the percentage of Rotorua school leavers with no formal

qualification is around 21% compared with 18% at the national level over this period.

Standard of Living

Around 34% of Rotorua children live in sole-parent families, which is slightly higher than the rate of 33% in 1991. Children growing up in sole-parent families tend to be disadvantaged in terms of health, education and future earning opportunities. In real terms (1999 dollars) median household income in the Rotorua District increased from \$33,337 in 1991 to \$36,569 in 2001. This is around \$1,300 below the national median household income of \$37,920. As at December 2003, 2,920 people were registered as receiving the Unemployment Benefit at the Rotorua work service site, down slightly from 3,046 in December 2002. The Bay of Plenty regional unemployment rate is currently around 5.9%, which is the lowest it has been in many years.

Community safety

As at June 2003, 21% of Rotorua residents thought the District was not really/definitely not a safe place to live, up from 13% in 2002 and slightly above the national average of 17%. The main reasons people gave for saying the District was not safe included problems with young people, burglaries, and physical violence. There has been an increase in serious crimes in the past several years, particularly violence-related and drug offences. The total number of reported crimes in the Rotorua Police District increased to 12,228 in the year to December 2003 compared with 10,304 in the year to December 2000. This is an increase of 19% over a three-year period. Contributing factors included an increase in reported dishonesty offences, drugs and anti-social offences, violence offences, property damage offences and property abuses. Note that changes in reported offending may partly reflect trends in public awareness rather than actual offending. The annual number of road traffic accidents in the Rotorua District increased to 155 in 2002 compared with a low of 95 in 2000. There were 226 road casualties in the District in 2002 compared with 142 in 2000. On a positive note, the annual number of road fatalities in the District has remained in single figures for the period 2000-2002. The Land Transport Safety Authority estimates that the social cost of crashes in the Rotorua District in 2002 was \$64.7 million.

Social connection

As at June 2003, 72% of residents rate Rotorua's community spirit as good or very good compared with 75% in 2002. The perceived level of community spirit in Rotorua is similar to the national average. More than half of all Rotorua residents feel that they can generally trust strangers, which is slightly above the national average.

Democracy

In 2001 the voter turnout for the Rotorua District Council election dropped to its lowest recorded level of 49%. However, satisfaction with Council services and elected representatives remains fairly high compared with other districts. As at June 2003, 68% of Rotorua residents rated the performance of the Mayor and Councillors as good/very good compared with the national average of 56%. Major issues on which Rotorua residents want consultation include roading, airport development, lake ownership, town planning, lake water quality and rates.

Economic Wellbeing Statement

This section presents available information on the Rotorua economy under the following headings:

- Economic overview
- Business confidence
- Agriculture
- Forestry
- Manufacturing
- Construction and real estate
- Transport
- Wholesale and retail
- Tourism and hospitality

Economic overview

Rotorua's economic output is estimated at \$2,000 million per year. Rotorua's estimated economic growth rate is currently steady at around 4% per annum, which is slightly above the trend at the national level. A growth rate of around 2.6% per annum is projected in the longer term. Labour force participation has increased substantially over the past decade, and unemployment has fallen. Rotorua's occupational profile is gradually changing, with fewer agricultural workers and increased numbers of manufacturers, professionals, teachers and other service occupations. Census results show that the most significant industries in the District in terms of employment include retail trade (employing 3,500 people), manufacturing (3,500), property and business services (2,550), health and community services (2,500), agriculture and forestry (2,400), accommodation, cafés and restaurants (2,300) and education (2,300). Fast-growing sectors over the coming years are expected to include trade and tourism, machinery and equipment manufacturing, wood products manufacturing, health, education, forestry and transport. There are a number of available sites for new investment in the Rotorua District, particularly for light industry. Major new developments include a 22-hectare business park opposite Rotorua Airport, as well as a rural 67-hectare site greenfield site in Rerewhakaaitu to accommodate strategic wood processing industries. Council is currently initiating community consultation to develop a 'sustainable growth' strategy for the District, which will encompass action plans for specific industry sectors. Economic growth across all industries is also being supported through the implementation of the Rotorua Employment Skills Strategy, which was developed in 2002-03 with support from industry, Council, Waiariki Institute of Technology, Work and Income Bay of Plenty and the Tertiary Education Commission.

Business confidence

Council commissions a quarterly survey of Rotorua firms to assess trends in business confidence. The results are compared with those of a national survey undertaken by the National Bank. The most recent results for December 2003 show that local confidence in national general business conditions remains well above the national average. A net 26% of Rotorua businesses expect national business conditions to improve over the coming year compared with a net 16% of businesses nationally that feel general business conditions will in fact worsen. A similar pattern holds with respect to local general business conditions, with a net 37% of Rotorua businesses expecting an improvement over the next 12 months. As at December 2003, a net 36% of Rotorua businesses were expecting local economic activity to increase over the next year.

Agriculture

The agricultural industry directly employs around 1,400 people in Rotorua, with a further 180 employed in agricultural services. Most of the agricultural land in Rotorua is dedicated to dairy, beef, sheep and deer farming. There is an increasing number of smaller lifestyle blocks in the District, as well as rationalisation and more intensive use of larger farming blocks. Dairy and deer farming have shown strong profitability in recent years. Horticulture remains a relatively minor industry in the Rotorua District, although there may be scope for introducing new crops based on specific soils and microclimates.

Forestry

Rotorua's forestry sector directly employs more than 750 people. When indirect employment such as manufacturing and transport are accounted for, the local forestry sector accounts for around 3,000 jobs and an estimated \$250 million of income. Rotorua is located in close proximity to vast plantation forestry resources, including the extensive Kaingaroa Forest. The Central North Island supply area produces nearly 56% of New Zealand's annual wood harvest, and is projected to remain the dominant wood-producing region in New Zealand. There are opportunities for further investment in both planted production forestry and timber processing in the Rotorua area. Indirect investment opportunities also exist in terms of forestry inputs, engineering services, consulting, research, and education. The Waiariki Institute of Technology is New Zealand's Centre of Excellence in Wood Processing Education and Training, training approximately 150 persons per annum for the wood processing sector.

Manufacturing

The manufacturing sector accounts for 13% of employment in the District. Around two-thirds of all manufacturing employment in Rotorua relates to wood products and machinery production, which reflects the importance of these sectors within the local economy. In the period 1988 to 2001, employment in Rotorua's wood and paper products sector increased by around 400 full-time equivalents. Food and beverage processing is also a significant local employer.

Construction and real estate

The construction sector, including building-related services such as plumbing and roofing, employs around 1,500 people in Rotorua. Approximately 60% of equivalent full-time jobs in this sector relate to trade services. The continued development of tourism and other business activity will be a key driver of commercial construction growth in the future. The residential building sector remains fairly flat with growth of 10% in the number of building consents issued for new dwellings in 2003 calendar year, slightly above the national growth rate of 9% for the same period. Nevertheless, the local real estate market is active both nationally and locally. There was annual average growth of 38% in the number of Rotorua dwellings sold in the year ended December 2003, well above the national figure of 18%.

Transport

The transport and storage sector accounts for around 1,000 jobs in Rotorua. Rotorua's central North Island location provides efficient road, rail and air access to most parts of New Zealand. Major state highway networks pass through the District and make travelling by road straightforward. Bus and coach companies travel to and from Rotorua on a daily basis. The Council-owned Rotorua Airport provides connecting flights to and from other domestic airports around New Zealand, as well as direct flights to Christchurch International Airport. The airport is being developed and extended over the coming years to future-proof Rotorua's position as a premier visitor destination.

Wholesale and retail

The wholesale and retail sectors collectively account for around 5,000 jobs in Rotorua, or close to 19% of the total workforce. Increased rural incomes and visitor numbers have been major drivers of growth in recent years, and the opening of major chain stores has

increased the attractiveness of Rotorua for shoppers. Survey results from Statistics New Zealand show that there has been a prolonged expansion in the size of the retail sales market both nationally and in the Bay of Plenty Region which has recently started to ease. Annual average growth in retail sales was 5.5% for the year ended November 2003, at both the national and regional level. Rotorua-specific retail figures are not available.

Tourism and hospitality

The dominance of Rotorua's tourism industry is reflected in the fact that 8.7% of the local workforce is employed in the accommodation, cafés and restaurants sector compared with 4.9% for New Zealand as a whole. Rotorua is one of the leading tourism centres in New Zealand, attracting more than one-third of all international visitors to New Zealand. Accommodation providers include a broad range of motels, backpackers and lodges, as well as major hotels. Latest results from Statistics New Zealand show there was 3% annual average growth in international visitors to New Zealand in the year ended December 2003. This is relatively low compared with past growth rates, and can be attributed in part to various major events over several years such as the SARS outbreak. According to the Quarterly Commercial Accommodation Survey, approximately 1 million visitors stayed in Rotorua commercial accommodation in the year ended May 2003, for a total of 1.8 million guest nights. Tourism growth is expected to improve in the future on the basis of national and international trends.

Environmental Wellbeing Statement

Environmental reporting is required by both the Local Government Act 2002 and the Resource Management Act 2001. In addition, reporting of environmental trends helps to educate people about their local environment and inspire community action. An award-winning report published in December 2002 presented data on 37 baseline indicators of environmental progress in the Rotorua District. Council's environmental indicators set will be further developed over the coming year. The indicators are not just focused on the natural environment but also aim to provide a broader picture of how we as a community are interacting with and affecting the resources of our District.

The data in Council's environmental monitoring programme currently covers the following topics:

- Tangata whenua
- Water
- Land
- Urban
- Transport

Tangata whenua

Rotorua District Council has a legal and social responsibility to incorporate Māori values into its environmental reporting programme. The District Plan lists 235 archaeological sites, 34 marae and 27 other heritage sites or structures that have cultural or historical significance to Iwi. Iwi are the traditional kaitiaki (guardians) of the environment for future generations, and partnership with Iwi is a key principle in the management of the District's environment. Te Arawa hapu Ngati Whakaue contributed generously to the development of Rotorua's urban area through the gifting of more than 120 parcels of land for health and recreational purposes. These include the Government Gardens, Kuirau Park, Pukeroa Hill, the Lakefront Reserve and many other reserves. Today, policy issues in respect of Rotorua's gifted reserves are discussed by a joint committee of the Pukeroa Oruawhata Trust and the District Council. The process of consultation with Māori is evolving as greater efforts are made for improved communication. A list of all planning applications is reviewed by a panel of kaumatua (elders) and advice is taken on the consents for which additional consultation is required. On the basis of this advice, around 5% of consents receive further Iwi input.

Water

Water is an important resource for all people in Rotorua. The lakes and geysers of Rotorua are icons, recognised in this country and known throughout the world. The cultural, recreational, ecological and functional values of water directly influence the wellbeing of the entire community. Trend data shows that geothermal water levels are recovering. Many of Rotorua's spring fed drinking water supplies are of sufficient quality that they do not require treatment. Around 80% of Rotorua residents visit the District's lakes on at least a monthly basis. Lake water quality is an issue of significant community concern. In general, lake water quality has been declining over the long-term due to increased nutrient levels resulting in sporadic algal blooms on a number of lakes. A collaborative approach is being taken with Environment Bay of Plenty, Te Arawa Māori Trust Board and lake side communities to better manage lake water quality. Each catchment is different so potential solutions need to be worked through to identify effective, innovative programmes that are acceptable and affordable to local communities. Council continues to support the retirement and replanting of pastoral land through regional council environmental programmes. Council budgets \$50,000 annually for this type of work to improve landscapes, protect lake margins and wetlands and conserve and increase biodiversity in the District.

Land

Rotorua District Council has a responsibility under the Resource Management Act 1991 to control the effects of activities on land. Effective management of land use and subdivision is essential to ensuring the sustainable development of our District. The landscape and its cover have been substantially altered over time by geological events and human activity. Original ecosystems have been predominantly replaced by forestry and pastoral farming. Land cover in the Rotorua District is now dominated by pasture (48%) and planted forest (20%), as well as indigenous forest and lakes. There are 137 Protected Natural Areas in the District, covering more than 30,620 ha. More than half of this area comprises scenic reserves. Subdivision of rural land for residential purposes is occurring around the perimeter of Rotorua's urban area. There are new District Plan provisions to maintain and enhance the outstanding natural features of the area centred around Lake Tarawera (known for planning purposes as the Lakes A Zone). Up to 80% of Rotorua's current waste stream has the potential to be recycled. The recycling centre at the landfill and the 'in-town' recycling centre together divert more than 15,000 tones of material from the landfill each year. Increased use of these recycling facilities should help to reduce Rotorua's waste to landfill from the current rate of 4 kg per person per day.

Urban

More than 80% of Rotorua's population live in urban areas. An Urban Development Strategy is being advanced to accommodate future urban land uses. Council has identified the potential for up to an additional 6,200 greenfield and 1,500 residential lots to be created within the existing urban fence. There are a wide range of living options available, and most existing residents are satisfied with the accessibility of amenities such as health services, reserves and supermarkets. Some 85% of residents are satisfied with their level of privacy, and District Plan guidelines are largely being met with regard to noise levels. The annual number of noise complaints is stable at around 3,200 calls, and 77% of residents are satisfied with Council's noise control service. All residential dwellings within the Rotorua urban fence have access to reserve areas within 500 meters (straight line). Council has invested significantly in improving public infrastructure in Rotorua, including a \$30 million upgrade of the CBD. Council has also prepared a detailed design guide for development in the central business district. The CBD design guide includes suggestions on architectural and building treatments, colour and design principles. The guide complements Council's past achievements in winning New Zealand's Most Beautiful City Award.

Transport

Land transport infrastructure plays an important part in the way people and communities provide for their social, economic, environmental and cultural wellbeing. Management of the environmental effects of land transport such as pollution, noise, congestion and accidents can have significant community benefits. Rotorua District Council manages approximately 1,000 km of road network and 180 km of state highway. Council has a rural seal extension programme of 10 km per year that equates to an annual spend of \$1 million. Another \$500,000 per year is spent on urban and rural street improvements. A 2002 survey showed that 77% of residents feel there has been an improvement in the visual appearance of Rotorua's three main roadway entrances in recent years. However, more than half of surveyed residents (55%) believe that traffic in and around Rotorua has become worse in the last two years (although the same number also say that it is easy to drive in and around the city centre). NRB survey results show consistently low relative satisfaction with central city parking. Vehicle use and ownership has been steadily increasing over the past decade, placing increased pressures on the environment. Around 40% of residents say they have traffic issues in the area where they live. An improved bus service, managed by Environment Bay of Plenty, commences operation from 1 July 2004. There are more than 15 km of marked cycle ways within Rotorua's urban area, but currently less than 3% of working-age residents use a bicycle as their main mode of transport to work.

Cultural Wellbeing Statement

Cultural wellbeing includes pride in one's own culture as well as an appreciation and understanding of cultural diversity. A report released in 2003 presents information on various aspects of cultural wellbeing in Rotorua, including:

- Māori heritage
- Ethnic diversity
- Arts and culture
- Sports and recreation
- Older persons
- Youth culture

Māori heritage

The foundation of Rotorua's cultural profile was established more than six centuries ago when the Arawa tribe settled in the Rotorua and Taupo areas. Māori culture is a major influence within the overall culture of Rotorua, and is reflected in place names and locations throughout the District. The present-day Rotorua District is a heartland of Māori culture in New Zealand, and holds an unrivaled position as a cultural tourism destination. Around eleven percent of residents are bilingual in Māori and English.

Ethnic diversity

The major ethnic groups in the District are currently European (72%), Māori (36%), Pacific Islands (4%) and Asian (3%). (These add to more than 100% because people can classify themselves in more than one group). Immigrants to Rotorua come from many parts of the world. According to survey results, more than half of all residents feel that cultural diversity makes Rotorua a better place to live.

Arts and culture

Rotorua has a wide diversity of arts and cultural activities and events. Local achievers have gained national and international recognition in many artistic fields, including singing, acting and kapa haka. A recent addition to the local arts community is the development of the Rotorua Arts Village with funding from the Rotorua Energy Charitable Trust. The village is managed by a charitable trust, and provides a central venue for clubs to meet and to run classes.

Sports and recreation

Playing and watching sports is an integral part of Rotorua's culture. Residents take pride in Rotorua's sporting achievements and sporting icons. Popular pursuits include rugby, golf, fishing, swimming, mountain biking and running. There are more than 140 sports clubs and organisations in the District, with a combined membership of over 13,000 residents.

Older persons

In twenty years' time, around one in every six residents will be aged 65 and over. This age group will become increasingly diverse in terms of ethnicity and culture. Ongoing implementation of Council's Older Persons Policy aims to ensure that older people remain valued and supported in the community, and that older people have input into addressing local issues that affect them.

Youth culture

Rotorua's young people have adopted many features of global youth culture, including musical interests, fashion styles and figures of speech. Popular pastimes for Rotorua young people include hanging out with friends, listening to music and playing sports. Rotorua District Council supports young people's development through the implementation of its Youth Policy and annual Youth Action Plan. Council's approach is to find a balance between responding to the immediate needs identified by young people and developing longer term strategies which strengthen local services and youth involvement in decision making.

DEVELOPMENT OF MAORI CAPACITY TO CONTRIBUTE TO DECISION-MAKING PROCESSES

In Rotorua District's Bright Future Project, one of the community outcomes identified was "A Community that Values its living Maori Culture". Rotorua District Council has a number of mechanisms by which it encourages Maori participation in the decision making processes of local government and helps to build capacity within the Maori community.

These mechanisms recognise Te Arawa as having mana whenua within the district and over the next 10 years Council will be working to improve and strengthen relationships as well as ensuring all Maori are able to participate in decision-making processes.

A positive relationship with Tangata Whenua/Maori is significant to the strategic focus of Council. Part of this focus is designing, implementing and monitoring the effectiveness of positions, committees, advisory groups, policies, procedures and communications that will involve or affect Tangata Whenua and Maori in the varied decision-making processes of Council.

The Local Government Act 2002 has a number of references to Maori and the Treaty of Waitangi (Section 4 Part 1). Parts 2, 6 and Schedule 10 clause 5 of the LGA 2002 provide principles and requirements for local authorities and Maori communities.

This section of The Ten Year Plan overviews how Council currently works with Tangata Whenua Maori and will outline future strategies of engaging and encouraging participatory democracy with our diverse Maori community.

Rotorua's Maori community

There are more than 21,000 Maori currently living in the Rotorua District and this number is steadily growing¹. Rotorua's Maori population is very young; 56.2 percent of the under-15 age group in Rotorua are of Maori descent. The Median age of Maori people in the Rotorua District is 22.1 years compared with 33.0 years for the District population as a whole².

At least 25 percent of Rotorua's Maori population have identified as being of Te Arawa descent. Rotorua's young Maori profile, Tangata Whenua and Maori from other tribal areas, pose a number of challenges for

Rotorua's District Council in ensuring that Maori as a whole either have opportunities to participate, or are contributing to Council's decision making processes.

Council is proposing for the following three years, to create opportunities to engage and positively influence participation from Maori that live in Rotorua, but are from other rural and urban areas.

Maori Communications Strategy

The strategy is intended to identify feasible, cost effective and targeted methods of engaging and encouraging participation from Rotorua's Maori community. Research will be undertaken to identify the type of Council information that will increase awareness and build capacity to participate in Council decision-making processes (eg. electoral processes, funding options, rating policies, customer services, resource consents, committees, legislation etc) to assess how this information can and is presented; taking into consideration the media used, how accessible and user-friendly that media is (eg, reports, internet, brochures, public notifications, customer services, policies and procedures, committee meetings). Implementation of research findings and action plans will be based upon available resources and how well the plans progress Council's Community Outcomes.

Intent of the strategy is to initiate and maintain an open and effective relationship with Maori, iwi organisations and individuals, to encourage feedback and information sharing, about;

- appropriate and effective consultation processes,
- current and future land and resource development strategies
- potential models of collaboration and co-operation
- environmental, business, social, cultural and recreational initiatives.
- defining tribal geographical boundaries and associated contacts.

Council is currently seeking commitment and cooperation from community organisations and Maori to develop monitoring indicators which will measure and evaluate how Council's Community outcomes are being met, in terms of enhancing and fostering a "Living Maori Culture".

¹ Rotorua District Cultural Profile 2003 pg6

² Rotorua's Changing Communities 2002 pg 11

Tangata whenua have an active representative role in some decision-making processes of Council, through the following forums. These forums encourage tangata whenua to become familiar and interact with Council staff, Councillors, policies and procedures. Forum members are able to utilise, and communicate with, their networks about Council processes as they relate to specific departments or functions.

Te Arawa Standing Committee

This committee was established in 1993 to review all matters that may impinge upon the collective resources of Te Arawa iwi, hapu and whanau and to provide a Te Arawa perspective on all matters that affect Maori. Elections for the committee are held every three years in the same year as local body elections

Iwi Consultative Group

Council established a consultative committee in 2000, to meet its obligations under Sections 6(e) and 8 of the Resource Management Act. The role of the committee is to determine when further consultation is required and who to contact in such circumstances. Three Te Arawa Kaumatua are members of the consultative committee.

Kaumatua Committee O Te Whare Taonga o Rotorua

The Committee was set up to facilitate communications between Council and Te Arawa, whanau, hapu and iwi on matters regarding Te Arawa taonga, conservation methods, ethnology and social history, exhibits, placement, storage and movement of taonga within the museum and to other local or national locations.

Ngati Whakaue Gifted Lands Protocol

This is an agreement between the Rotorua District Council and Pukeroa Oruawhata Trust on behalf of the original owners of the Pukeroa Oruawhata Block (known as the City of Rotorua), and their descendants. The agreement is that Council will not effect any changes of status with respect to any reserves, or take steps to dispose of or alienate any of them, without prior negotiation, consultation and consent in writing from the Pukeroa Oruawhata Trust.

Kauae Cemetery Trust Board

The Kauae Cemetery is part of the Rotohokahoka E Block. In June 1884 by order of Judge Clarke of the Native Land Court, the title was issued in the names of fifteen owners or grantees. On 23 August 1923 Judge Harold Carr of the Native Land Court made an order vesting the "Ngongotaha Cemetery in the first board of Trustee. The Mayor holds the position of chairperson. Three Councillors, and three Ngati Whakaue members whom are descendants of the original owners, comprise the board. The board meets once a year to work through operations, policies and procedures.

Iwi Management Plans

A policy to create environmental, strategic and operational alliances with tangata whenua will be implemented in 2004. The policy encourages Te Arawa iwi/hapu based organisations, resident in Rotorua, to apply for funding to enhance and develop their resources. The policy is intended to facilitate models of co-operation (Tangata Whenua & Council), encourage information and expertise sharing and stimulate economic, social, cultural and environmental outcomes.

Rotorua Joint Lakes Committee

The Rotorua Lakes Strategy Joint Committee is currently a joint committee of Rotorua District Council and Environment BOP, with Te Arawa as a co-opted member. The committee's role is one of strategic monitoring and facilitation with respect to co-management issues for the Lakes of the Rotorua District.

With a pending settlement offer from the Crown to Te Arawa in relation to ownership of the lakebeds of the Rotorua District, the composition and legal status of any joint committee will be reviewed accordingly.

The forums and strategies outlined in this document are pivotal to meeting community expectations, reflected in "Community Outcomes".

They will assist Council to initiate and create positive models of mutual co-operation between Maori and Council. These strategies and forums are legal requirements and meet the intent of the Local Government Act 2002 as it affects Maori and their participation and contribution to Council's decision-making processes.

BRIGHT FUTURE

Part 4

Activity Groups

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DESTINATION

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ROTORUA DISTRICT
COUNCIL

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GUIDE TO ACTIVITY GROUPS

Introduction

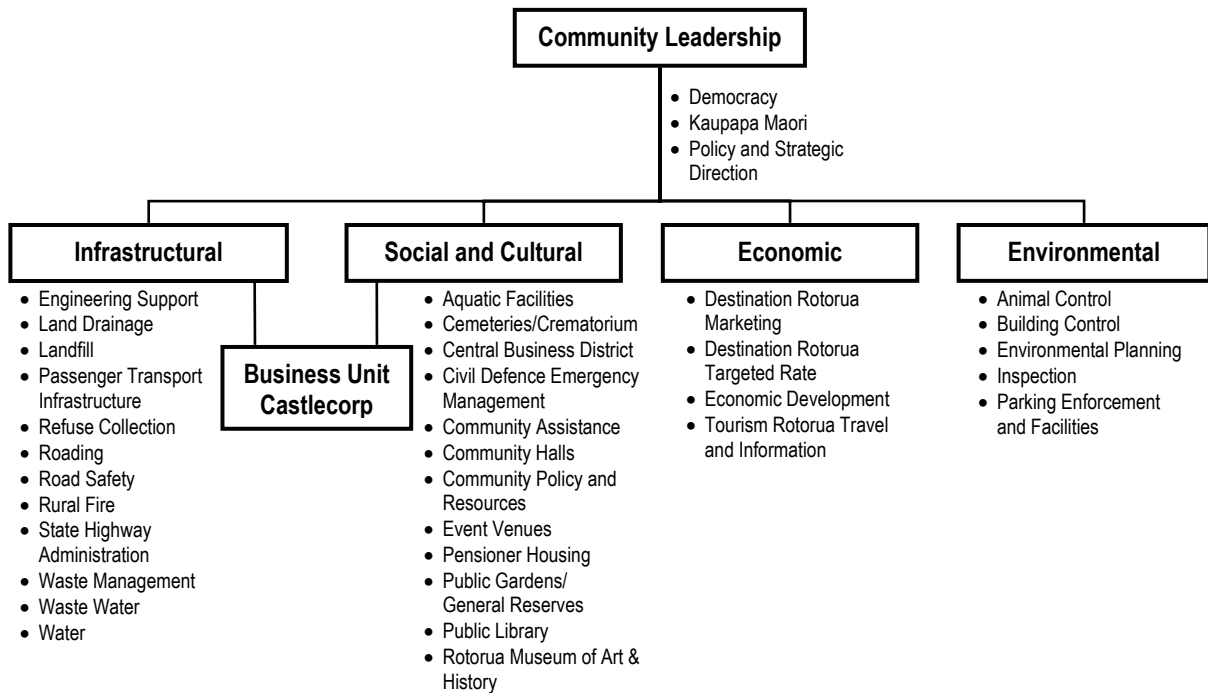
In preparing this year's Long Term Council Community Plan, consideration was given to the description and nature of costs associated with each of Council's activities. The Local Government Act 2002 (LGA 02) places an emphasis on:

- Local democracy and community participation
- Providing opportunities for Maori to contribute to Council's decision-making processes
- Sustainable development including:
 - social,
 - economic,
 - environmental, and
 - cultural wellbeing

There is also a special emphasis on policies, their priorities, and how they are developed.

As a place to start, Activity Groups have been further refined since last year's Annual Plan in response to the requirements of LGA 02 and community expectations. At the same time it is acknowledged that planning process, including the Long-Term Council Community Plan, will be of an evolving nature as the local government sector learns how to operate in this new legislative environment.

The diagram below shows the Activity Groups and their relationships.



- **Community Leadership** is at the heart of local government and is central to the LGA 02 which defines the purpose of local government as:

To enable democratic local decision-making and action by, and on behalf of, communities

It also acknowledges the considerable importance of using a robust and transparent process for decision-making. The activity group also recognises the need for Council to provide opportunities for Maori to contribute to its decision-

making process. This has been achieved by including the activities associated with the Kaupapa Maori cost centre activity within the group.

- **Infrastructural** has been established as an activity group in the main because many of the cost centres provide a contribution towards all of the wellbeing activities e.g. stormwater ensures homes are protected, businesses are not at risk of flooding and the environment is not degraded from uncontrolled stormwater runoff.

- **Social and Cultural** is an area where there is considerable room to develop in order to respond to identified community outcomes and priorities. The word 'cultural' can be used in a number of different contexts. Culture can be defined as the set of beliefs, attitudes, behaviours and institutions that characterise a community. Rotorua's complex cultural profile, includes its Maori heritage, modern-day ethnic diversity, arts scene, sporting culture, intergenerational differences, and measure of social connection.
- **Business Unit Castlecorp** is a separate business unit within the Rotorua District Council whose purpose is to provide infrastructural services to the residents of the District of Rotorua 365 days per year for:
 - water
 - wastewater
 - refuse
 - land drainage
 - parks and reserves
 - sports fields
 - public gardens
 - fleet maintenance
- **Economic** can be improved through Council working with key sectors and individuals to foster economic growth. Last year saw Council initiate a number of new strategies to contribute towards and facilitate economic growth. The LTCCP provides for the resourcing and implementation of Council's contribution to those strategies over the next 10 years.
- **Environmental** is strongly supported through Council's planning and regulatory roles and relates mainly to our functions and responsibilities under the Resource Management Act.

Levels of Service and Targets

Within the activity groups each activity includes a statement to provide accountability not covered by the financial statements. Non-financial measurements determine the quantitative and qualitative elements of the outputs produced by Council. In order to be measured and therefore report actual performance against the planned performance, performance targets must have:

- Quantity - how much of the service/output is being provided
- Quality - how well the service/output is to be provided
- Timeliness - when the service/output will be provided

- Cost - how much delivery of the services/output will cost
- Location - where the service/output will be provided

Although all of the above components are relevant, some have greater importance than others. At times it may be appropriate to omit a particular component if it is clear that it is not required in a particular circumstance.

In this LTCCP, Council presents its intended levels of service provision for the next 10 years. Appropriate levels are determined, monitored and reviewed using 3 key mechanisms:

- Asset management plans
- Public perception surveys, and
- Submission process.

Surveys

In parts of the LTCCP reference is made to an NRB survey. This is an annual community satisfaction survey relating to Council, policies, operations and level of service and how well it is meeting the needs of the community. The survey was first conducted in 1991 by the National Research Bureau using a telephone poll of 400 people selected at random with 100 from each electoral ward.

The survey has been conducted again in subsequent years. The margin of error for the 2004 survey was $\pm 4.9\%$.

Quality

Council employs a number of professional, qualified staff in such areas as water, sewerage, planning, inspection, roading and a range of other activities. They continually monitor and review the quality of processes and outputs in their respective areas to ensure the maintenance of professional and Council standards. A considerable amount of operational work is carried out under contract either externally or by Castlecorp Business Unit. These areas include roading, waste management, land drainage, janitorial and reserve maintenance. Professional staff are fully responsible for the planning, programming and total management of these contracts to ensure appropriate professional and Council standards are maintained.

10 Year Budget

This statement provides financial information in summary about the outputs for each activity and in total for each group of activities.

Contribution to Outcomes

At the beginning of each Activity Group section of the plan, we show in general terms which Community Outcomes the activities contribute to. More detail is provided in the descriptions of each individual activity.

For more information on the Community Outcomes, see the Bright Future section of this plan.

Other Information

The summary page for each group of activities includes any significant negative effects that have been identified as arising from activities within the group.

Also included is a section that outlines areas where significant Council decisions will be made in relation to activities undertaken or intended to be undertaken within the group of activities.

Types of Service Delivery

In each Activity Group, Council contributes to promoting outcomes through a number of roles. These include:

- Funder
- Asset owner and/or manager
- Facilitator
- Service Provider
- Policy Advisor
- Regulator

COMMUNITY LEADERSHIP GROUP

Contribution to outcomes

Activities within this Group	Community Outcomes							
	A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
Democracy	✓	✓	✓	✓	✓	✓	✓	✓
Kaupapa Maori	✓	✓	✓	✓	✓	✓	✓	✓
Policy and Strategic Direction	✓	✓	✓	✓	✓	✓	✓	✓

Overview of Group

This group of activities underpins Council's democratic processes and provides the policy and priorities for strategic direction, advocacy, and delivery of services to best meet the community's needs.

The activities in this group are central to ensuring that Rotorua District Council's services are contributing towards the promotion of community outcomes and improving social, cultural, economic and environmental wellbeing for the people of the District.

Significant Negative Effects

No significant negative effects have been identified in relation to this activity group.

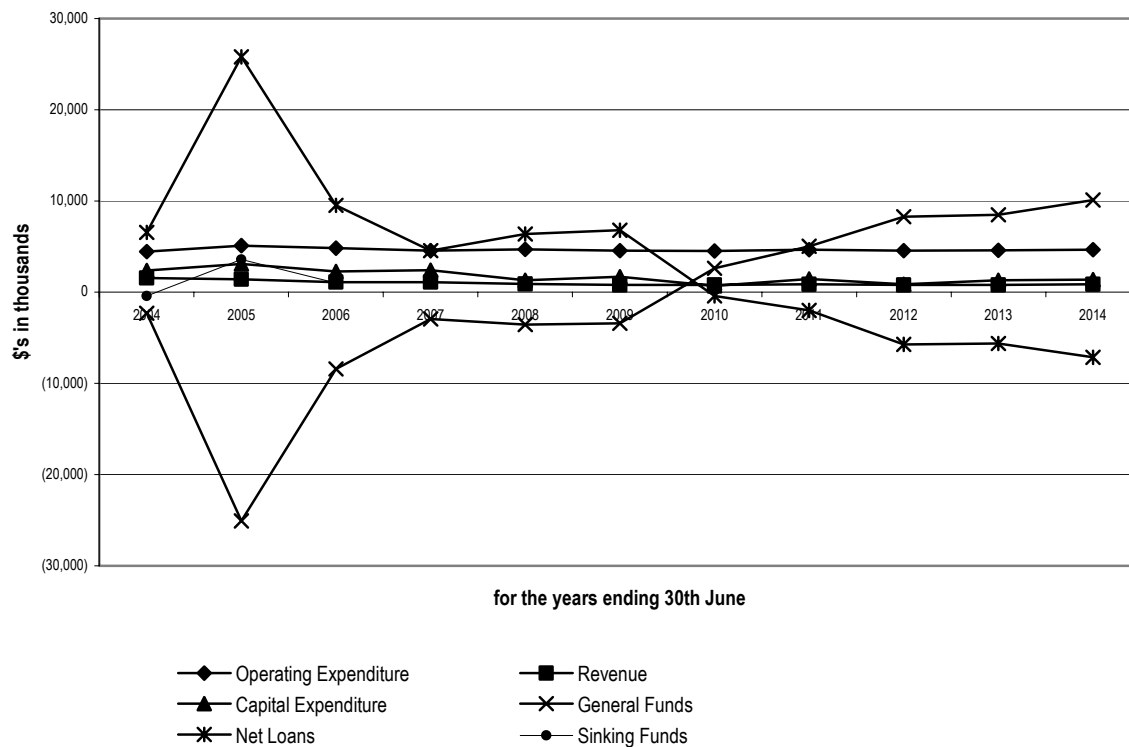
Key Strategic Decisions

- Review of representation, including canvassing opinion for Maori representation for the 2007 elections.
- Shared services with other organisations and local authorities, or authorities of similar size.
- Emergence of Joint Committees with territorial and regional authorities.
- Development of the concept of "Destination Rotorua" across all of Council in addition to Tourism Rotorua.
- The increase in overall level of corporate debt to fund lakes sewerage schemes, Rotorua Regional Airport Ltd and other new capital works. Council is confident that it has provided a financially prudent balance between debt, intergenerational equity, the community's ability to pay and growth provisions.

Summary of Group Net Cost of Service

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Democracy	2,018	2,340	2,270	2,272	2,368	2,240	2,262	2,335	2,234	2,225	2,354
Kaupapa	217	222	210	214	212	211	214	212	211	215	215
Support Services	9,727	10,893	11,039	11,211	11,573	11,338	11,455	11,488	11,301	11,576	11,567
Interest Expense	3,563	4,598	5,734	6,240	6,631	7,120	7,396	7,320	7,050	6,652	6,207
Interest Received	(771)	(537)	(434)	(410)	(412)	(410)	(406)	(402)	(401)	(397)	(394)
Less Internal Recoveries	(12,763)	(14,998)	(16,266)	(17,211)	(17,700)	(17,919)	(18,318)	(18,291)	(17,819)	(17,609)	(17,291)
Policy & Strategic Direction	913	1,176	1,163	1,113	1,126	1,168	1,115	1,122	1,169	1,117	1,124
Net Cost Of Service	2,904	3,694	3,716	3,429	3,798	3,748	3,718	3,784	3,745	3,779	3,782

Activity Group Income, Costs and Funding



Assets Used in Activity Group

Asset Type	Cost/Valuation (thousands)	Accumulated Depreciation	Book Value 30 June 2003
Buildings	19,388	623	18,765
Computer Hardware	2,503	1,667	836
Computer Software	2,704	2,069	635
Furniture & Fittings	1,018	711	307
Land	8,561	0	8,561
Office Equipment	531	412	119
Plant & Machinery	746	302	444
	35,451	5,784	29,667

Activity Group Revenue Sources

For the year ending 30 June:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Interest and Dividends	536	434	411	412	410	408	405	405	401	400
Fees and Charges	845	651	676	440	360	360	440	360	360	440
Financial Recoveries	34	34	34	34	34	34	34	34	34	34
Total	1,415	1,119	1,121	886	804	802	879	799	795	874

Democracy

Overall aim of the activity

To provide strong representation and advocacy through open and transparent decision-making processes that seek to balance stewardship, growth and affordability, and ensures community involvement.

Allowance is made in this activity for the many costs associated with the statutory requirements of a Council conducting normal business.

Four staff are employed in meeting the administrative and secretarial needs of Mayor and Council.

Activity purpose – how and why we provide the service

This activity provides leadership for Council as an organisation, and political leadership for the district.

The political structure which provides a representative local government for the people of the Rotorua District is a Council consisting of a Mayor and 12 Councillors, representing four Wards. The Te Arawa Standing Committee has three representatives from Council and six representatives elected by Te Arawa and is a full Standing Committee of Council.

The Council provides a forum for debating how resources should best be allocated to meet community needs and aspirations, and makes decisions in this regard.

This activity comprises election costs, remuneration of members, policy formulation, costs of servicing Council meetings, District and civic functions, and specific archive requirements.

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

- A safe and caring community**
- A prosperous community**
- A community that respects its environment**
- A community that values its living Maori culture**
- A community with excellent facilities and services**
- A healthy community**
- A learning community**
- A “happening” community**

This activity provides the governance structures to ensure that Council’s decisions are made in relation to activities that are relevant to each of the community outcomes.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Public approval for Council’s policies and performance.	Ensure that all Council meetings have a quorum of members at the beginning, and for the duration of all meetings.	100% compliance	100% compliance	100% compliance	100% compliance
	Councillors will collectively attend 95% of all full Council meetings by year end, where absences for officially sanctioned Council business will be taken into consideration.	95% compliance	95% compliance	95% compliance	95% compliance
	Councillors will collectively attend 95% of all Committee meetings of which they are members by year end, where absences for officially sanctioned Council business will be taken into consideration.	95% compliance	95% compliance	95% compliance	95% compliance

ACTIVITY GROUPS

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
	Where members have attended conferences as Council representatives, a written or verbal report will be provided at the next appropriate Committee meeting.	All conferences reported back to appropriate Committee.	All conferences reported back to appropriate Committee.	All conferences reported back to appropriate Committee.	All conferences reported back to appropriate Committee.
	Use a community survey as a method to gauge public approval for the performance of the Mayor and Councillors.	NRB 75% Fairly good/very good rating or higher. Satisfaction with Mayor and Councillors is higher than average for peer authorities	NRB 75% Fairly good/very good rating or higher. Satisfaction with Mayor and Councillors is higher than average for peer authorities	NRB 75% Fairly good/very good rating or higher. Satisfaction with Mayor and Councillors is higher than average for peer authorities	NRB 75% Fairly good/very good rating or higher. Satisfaction with Mayor and Councillors is higher than average for peer authorities
Ensuring that transparency and accountability in the decision making process is maintained at all times	Members will provide full disclosure of any conflict of interest where issues are being debated, and where they may have an interest greater than the public at large.	Members' Interest Register kept current, and maintenance of database for audit purposes	Members' Interest Register kept current, and maintenance of database for audit purposes	Members' Interest Register kept current, and maintenance of database for audit purposes	Members' Interest Register kept current, and maintenance of database for audit purposes
Ensuring that the basis for the triennial elections is consistent with the wants of the community.	Conduct the 2004 triennial elections in accordance with the Local Government Act.	Elections held with no successful petition of enquiry.	N/A	N/A	Elections held with no successful petition of enquiry.
	Review and determine the basis for the 2007 triennial election in accordance with the provisions of the Local Government Act.	N/A	N/A	To determine the basis of the 2007 triennial elections in accordance with relevant legislation.	To determine the basis of, and hold, the triennial elections that occur through this period.

Democracy 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	2,018	2,420	2,270	2,272	2,448	2,240	2,262	2,415	2,234	2,225	2,434
Revenue	0	80	0	0	80	0	0	80	0	0	80
Net Cost	2,018	2,340	2,270	2,272	2,448	2,240	2,262	2,335	2,234	2,225	2,354
Capital											
Renewals											
General	2	12	6	5	12	6	5	12	6	5	12
Total Capital	2	12	6	5	12	6	5	12	6	5	12

Assets Used in Democracy Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Computer Hardware	20	11	9
Furniture & Fittings	260	260	0
Office Equipment	5	4	1
Plant & Machinery	3	3	0
	288	278	10

Where will funding come from

Who benefits from the activity

- Entire community benefits from the ability to influence Council's decisions.
- Council benefits from clarity of community needs and wants.

Period of benefit

Benefits are ongoing with Council/public partnership.

Who creates need for the activity

- Need is created by entire community for knowledge of and involvement in Council decisions.
- Need is created by Council for guidance from the public in decision making.

Funding source

Public 100%

Operational/Capital funding

Operating costs	General rates	100%
Capital	Corporate funding	100%

Kaupapa Maori

Overall aim of the Activity

To create bridges of understanding between Council and the Maori community.

Activity purpose - how and why we provide the service

This activity employs the Director Kaupapa Maori and its key outcome revolves around the following operation directions:

- Policy development which explicitly addresses issues of greatest importance for Tangata Whenua and Maori of the district.
- Enhancement of the social, cultural and economic wellbeing of Tangata Whenua and Maori in the district.
- Provision of expert advice and assistance in the development of appropriate policies to promote and enhance the efficient employment and management of Tangata Whenua resources consistent with the environmentally prudent development of all the district resources.
- Ensuring that the specific interests of Tangata Whenua and Maori are included in relevant areas of the Council's core business.
- Ensuring that the specific needs and values of Tangata Whenua and Maori are taken into account in the formulation of Council policy.
- Fostering positive partnership between Tangata Whenua and Maori, and the Council.
- Encouraging and improving the awareness and understanding of appropriate Maori perspectives within Council.

- Assisting the facilitation of Council and Te Arawa relationships through appropriate protocols.
- To manage Council's relationships with Te Arawa and Tangata Whenua; to provide advice to the organisation (RDC).
- Forging/creating a better relationship amongst the Mayor, Chief Executive, staff and Tangata Whenua.
- To increase the organisation's capacity to align with Maori through joint projects.
- To develop and implement cultural training.
- To provide leadership at a senior management level.
- To advise and guide the organisation internally on Tikanga and Maori protocol and culture.

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

A safe and caring community

A prosperous community

A community that respects its environment

A community that values its living Maori culture

A community with excellent facilities and services

A healthy community

A learning community

A "happening" community

This activity supports Council in promoting all community outcomes.

Levels of Service and Targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
The inclusion of a Maori perspective in existing Council policies.	Have all new relevant Council policies assessed from a Maori perspective.	100% compliance	100% compliance	100% compliance	100% compliance
Understanding of Maori cultural values in areas of Council core business including Te Reo Maori and Tikanga Maori will be encouraged.	Have management approved training programmes in Te Reo Maori and Tikanga Maori including Waiata available to staff and Councillors each year.	Available by 31.12.04	Available by 31.12.05	Available by 31.12.06	Available by 31.12.07-13

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Working with Maori of the District to facilitate appropriate policies.	Iwi Management Plans will be supported and approved where requested.	Plans supported and completed when requested by 30.06.05.	Plans supported and completed when requested by 30.06.06.	Plans supported and completed when requested by 30.06.07.	Plans supported and completed when requested by 30 June each year.

Kaupapa Maori 10 Year Activity

For the year ending 30 June	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	217	222	210	214	212	211	214	212	211	215	215
Revenue	0	0	0	0	0	0	0	0	0	0	0
Net Cost	217	222	210	214	212	211	214	212	211	215	215
Capital											
Renewals											
General	5		8	5		8	5		8	5	5
Total Capital	5	0	8	5	0	8	5	0	8	5	5

Assets Used in Kaupapa Maori

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Computer Hardware	14	7	7
Computer Software	1	1	0
	15	8	7

Where will funding come from

Who benefits from the activity

Council benefits from clarity of community needs and wants.

Who creates need for the activity

Need is created by Council for guidance from public in decision making.

Funding source

It is considered that the benefits of expenditure on the provision of this service are entirely public in nature.

Operational/Capital funding

Operating costs	General rates	100%
Capital	Corporate funding	100%

Policy and Strategic Development

Overall aim of the Activity

To guide the organisation with inspiring competent leadership and direction.

Activity purpose - how and why we provide the service

This activity ensures the implementation of corporate policies and activities determined by the democratic processes.

The Local Government Act (LGA 2002) puts a new rigor on how decisions are made and hence policy developed. Coupled with this is the long list of policy areas that both Council and Management have requested. The areas exceed our resources in the short term and therefore some prioritisation is required.

In order to get some corporate priorities, there is a need to have a full understanding of:

- what policies have been identified for development,
- timing - when the policy is needed,
- resources requirements.

To do this in an integrated way is important. This will ensure a greater likelihood of compliance with the LGA

2002, more efficiency and effectiveness, and a transparent prioritisation system. It is believed that by centralising the overview of policy development and giving greater attention to allocating the necessary resources, more informed decisions can be made.

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

The activity supports Council in promoting all community outcomes by providing strategic directions.

- A safe and caring community**
- A prosperous community**
- A community that respects its environment**
- A community that values its living Maori culture**
- A community with excellent facilities and services**
- A healthy community**
- A learning community**
- A “happening” community**

Levels of Service and Targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Community participation in setting strategic direction.	Identify and review Community Outcomes on behalf of community.	Link activities in LTCCP to prioritised Community Outcomes	Re-identify Community Outcomes	Link activities in LTCCP to prioritised Community Outcomes	Re-identify Community Outcomes before 2011/12
	Consult with public on Draft LTCCP.	Draft LTCCP and summary for consultation minimum 1 month.	N/A	Draft LTCCP and summary for consultation minimum 1 month.	Draft LTCCP and summary for consultation minimum 1 month every 3 years.
	Outcomes monitoring framework.	Framework developed in consultation with community and monitoring initiated 31.12.04.	N/A	N/A	N/A

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
	Facilitate Integrated Outcomes Plan.	N/A	Plan completed and publicly available 30.08.05.	N/A	N/A
Community informed and consulted on major policies, decisions, projects and activities.	Publication of Council/Community news paper .	At least 4 issues per year.	At least 4 issues per year.	At least 4 issues per year.	At least 4 issues per year.
	Question residents on approval/disapproval of Council decisions/actions.	Less than 35% of NRB respondees disapprove of recent decisions/ actions.	Less than 35% of NRB respondees disapprove of recent decisions/ actions.	Less than 35% of NRB respondees disapprove of recent decisions/ actions.	Less than 35% of NRB respondees disapprove of recent decisions/ actions.
	Report to community on progress towards Community Outcomes.	N/A	Report to community by 01.12.05.	N/A	Report to community by 01.12.08 and 2011.
Council performance monitored and reported back to community.	Report to the public against LTTCP and Annual Plan financial and non financial targets in accordance with the Local Government Act.	Report adopted by 30.10.04. Unqualified Audit opinion.	Report adopted by 30.10.05. Unqualified Audit opinion.	Report adopted by 30.10.06. Unqualified Audit opinion.	Report adopted by 30 October each year. Unqualified Audit opinion.
	NRB survey used to gauge public perception of Council performance.	Survey completed and reported by 31.08.04.	Survey completed and reported by 31.08.05.	Survey completed and reported by 31.08.06.	Survey completed and reported by 31 August each year.

Policy and Strategic Development 10 Year Activity

Incorporates Support Services, Interest and Internal Recoveries

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	2,220	2,468	2,355	2,063	2,024	2,101	2,042	2,033	2,095	2,130	2,001
Revenue	1,551	1,336	1,119	1,120	806	804	800	796	795	791	788
Net Cost	669	1,132	1,236	943	1,218	1,297	1,242	1,237	1,300	1,339	1,213
Capital											
Renewals											
Civic Administration Building - Plant/Lift/Airconditioning	30	60	20	563		195		43	24	45	
Strategic Land Purchases	950	964									
Information Technology - Hardware/Software/ Servers	346	710	445	286	564	645	286	700	445	286	219
Cost of Ariel Photography			260					260			
Information Management - Financial System	669	300									
Library - Air Conditioning	8			20		120				83	597
Information Management - Software	50	130	130	130	130	130	130	130	130	130	130
Vaughan Road Depot - Plant & Equipment	0		12	8					10	198	
Intranet Renewals General	319	513	407	497	411	403	248	297	236	545	423
New For Improved Service											
Information Management - Request for Service				300							
Information Management - Data Where Housing			100	200							
Information Management - Web		200	200	100							
Rating database		110									
Imaging			700	300	200	200					
Total Capital	2,372	3,087	2,274	2,404	1,305	1,693	664	1,430	845	1,287	1,369

Assets Used in Policy and Strategic Development Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Buildings	19,388	623	18,765
City Focus	0	0	0
Computer Hardware	2,489	1,632	857
Computer Software	2,703	2,068	635
Furniture & Fittings	1,018	711	307
Land	8,561	0	8,561
Office Equipment	531	412	119
Plant & Machinery	746	302	444
	35,436	5,748	29,688

Where will funding come from

Who benefits from the activity

- The entire community benefits from transparent Council goals, intended path to meet those goals and monitoring the progress.
- Council benefits from defined objectives and clear processes.

Period of benefit

Benefits are ongoing with the continued development of Council as an efficient organisation.

Who creates need for the activity

- Need is created by the entire community for a well structured, transparent and effective Council.
- Need is created by council to meet the expectation of the public, to be accountable to the community and efficiently process public inquiries.

Funding source

Public 100%

Operational/Capital funding

Operating costs	General rates	100%
Capital	Corporate funding	100%

SOCIAL AND CULTURAL GROUP

Contribution to outcomes

Activities within this Group	A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
Aquatic Facilities	✓		✓		✓		✓	✓
Cemeteries/Crematorium	✓		✓		✓			
Central Business District	✓				✓			✓
Civil Defence Emergency Management	✓							
Community Assistance	✓		✓		✓			✓
Community Halls	✓				✓			
Community Policy and Resources	✓		✓	✓				
Event Venues	✓	✓		✓	✓	✓		
Pensioner Housing	✓							
Public Gardens/General Reserves	✓	✓	✓	✓	✓			✓
Public Library	✓	✓	✓	✓	✓	✓	✓	✓
Rotorua Museum of Art & History	✓	✓		✓	✓	✓	✓	✓

Overview of Group

The activities in this group enhance the district as a place to live. Many of the services provided through these activities are recognised as very important to the community and would not be able to be provided to the level expected without Council's contribution and involvement.

Significant negative effects:

Event Venues

This activity has impacts on parking availability and roading infrastructure during significant events. Ongoing traffic management plans and infrastructure design will be required to allow Rotorua to deal with these heavy use events safely. These effects will be managed through infrastructure design and traffic management plans.

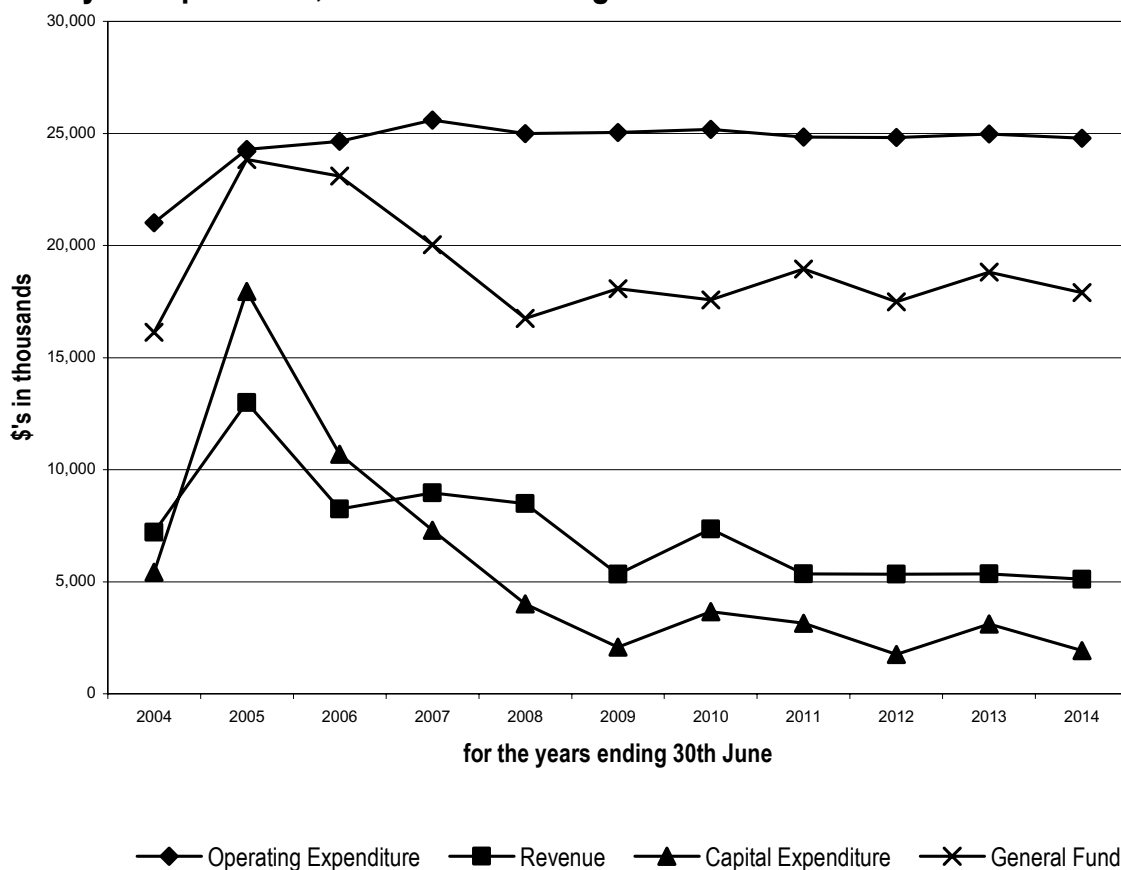
Key Strategic Decisions

- Development of first Bay of Plenty Civil Defence Emergency Management Plan.
- Library expansion
- Museum Bathhouse Building extensions
- Possible joint investment in the full redevelopment of some of the units at the Rawhiti pensioner housing complex and retrofitting of the remainder of the units at this complex.
- Construction of the Rotorua Energy Events Centre.
- Purchase of sports fields at Westbrook,
- The acquisition and disposal of reserves as a result of the implementation of the Open Space Strategy,
- Aquatic Centre facility redevelopment within the next ten years.
- The redevelopment of Kuirau Park.
- Lakefront wharf/pavilion upgrade
- New regional framework for emergency management planning purposes and the management of hazards and disasters.

Summary of Group Net Cost of Service

For the year ending 30 June:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Aquatic Facilities	1,162	1,239	1,258	1,266	1,264	1,276	1,274	1,278	1,270	1,283	1,266
Cemeteries/Crematorium	182	182	182	181	185	182	184	182	182	182	179
Central Business District	1,088	1,364	1,383	1,390	1,389	1,385	1,403	1,394	1,389	1,384	1,394
Civil Defence Emergency Management	177	224	219	223	231	223	224	230	224	226	230
Community Assistance	725	1,018	1,045	1,532	657	995	818	559	709	639	607
Community Halls	194	227	234	265	229	252	250	239	247	253	223
Community Policy & Resources	835	836	823	833	841	829	834	841	831	838	841
Event Venues	(525)	(5,069)	(200)	1,525	1,505	2,772	2,842	2,752	2,767	2,875	3,052
Pensioner Housing	19	148	188	188	183	207	253	199	254	287	229
Public Gardens/General Reserves	5,839	6,680	7,055	7,239	7,253	7,286	5,367	7,298	7,284	7,268	7,172
Public Library	2,724	2,850	2,757	3,027	3,080	2,940	3,011	3,089	2,967	3,019	3,092
Rotorua Museum of Art & History	1,373	1,493	1,466	(1,041)	(311)	1,345	1,380	1,410	1,354	1,376	1,384
Net Cost Of Service	13,793	11,192	16,410	16,628	16,506	19,692	17,840	19,471	19,478	19,630	19,669

Activity Group Income, Costs and Funding



ACTIVITY GROUPS

Assets Used in Activity Group

Asset Type	Cost/Valuation (thousands)	Accumulated Depreciation	Book Value 30 June 2003
Art & History Collection	5,788	6	5,782
Bridges	77	1	76
Buildings	34,471	1,132	33,339
City Focus	222	56	166
Computer Hardware	799	598	201
Computer Software	231	163	68
Database	18	6	12
Footpaths	1	0	1
Furniture & Fittings	3,069	2,364	705
Land	78,857	0	78,857
Library	3,232	610	2,622
Minor Wastewater Treatment System	94	8	86
Nursery	2	0	2
Office Equipment	746	606	140
Park & Reserves	14,058	685	13,373
Plant & Machinery	4,117	2,554	1,563
	145,782	8,789	136,993

Activity Group Revenue Sources

For the year ending 30 June:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Subsidies and Grants	8,342	3,498	4,107	3,555	305	305	305	305	305	305
Interest and Dividends	37	40	21	22	24	26	29	29	32	35
Fees and Charges	4,105	4,157	4,240	4,272	4,377	6,377	4,387	4,372	4,372	4,138
Resource Management Contributions	300	300	300	300	300	300	300	300	300	300
Financial Recoveries	211	249	301	337	337	337	337	337	337	337
Total	12,995	8,244	8,969	8,486	5,343	7,345	5,358	5,343	5,346	5,115

Aquatic Facilities

Overall aim of the activity

To provide affordable and safe aquatic facilities that meet the needs and requirements of the local community.

Activity purpose – how and why we provide the service

Council undertakes this activity because of demand from the community for a multi-purpose swimming and aquatic leisure facility that is unlikely to be satisfied by the private sector. It is also consistent with the Rotorua District Recreation Strategy, which promotes healthy communities through opportunities for physical activity.

The Centre provides a Learn to Swim School (Swimsation) that is available to all members of the public. This is demand driven, with water safety and swimming being particularly important in the lakes district.

Also included within this activity is the administration of the lease of the Waikite Valley Thermal Pools. This facility provides a hot geothermal bathing facility that offers a unique, safe and enjoyable experience in a friendly rural environment. It was originally a community facility built on Council reserve but is now managed by a private operator under a long-term lease arrangement. Council is involved in this activity as a legal requirement of being the administering body for the reserve.

The Rotorua Aquatic Centre is a recreational and competitive swimming and aquatic leisure facility that is open 7 days per week from 6.00am to 9.00pm and is available to all the community. To provide adequate supervision (there are 16 fulltime and 13 part-time staff employed at the Centre with a number of casual staff to cover the peak periods); to ensure the safety of patrons and the effective operation of the aquatic centre. Predictions are for over 305,000 admissions each year. The water quality is to New Zealand Standards and supervision levels are as promoted by Water Safety NZ.

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

A safe and caring community

- Learn to swim classes promote safety in the water.
- Encourages participation and provides water space for the diversity of users of the aquatic centre.
- To provide programmes that encourage the working together of organisations on agreed priorities.
- To promote and provide facilities and programmes that promote the growth and strengthening of families to work, play and talk together
- To provide programmes that offer training for employment in the aquatic industry.

A community with excellent facilities and services

- The Rotorua Aquatic Centre is an excellent facility that is increasingly well patronised.
- Waikite Valley Thermal Pools are run on a joint venture basis with a private operator, and fill an important niche for family orientated low cost thermal bathing.
- To provide an affordable aquatic facility for the local community.
- To invest in additional facility upgrades to provide excellent facilities.
- To provide qualified, friendly and helpful staff

A healthy community

- By maintaining and actively promoting the Rotorua Aquatic Centre for health and recreation.
- To provide programmes which promote a healthy community.
- To provide programmes which encourage youth health through activities which promote interaction, improve self-esteem, confidence and provide interaction.

A learning community

- The Aquatic Centre provides learn to swim classes.
- The Aquatic Centre provides teaching for Swim School Instructor qualifications.

A “happening” community

- To provide ‘fun and enjoyable’ events and programmes that caters for all ages and ethnicity of the community.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Maintaining and actively promoting the Rotorua Aquatic Centre for health and recreation.	Provide an Aquatic Centre facility within budget whilst achieving the targeted community satisfaction level.	75% NRB Fairly good/very good rating or higher. 80% satisfaction user survey	80% NRB Fairly good/very good rating or higher. 85% satisfaction user survey.	80% NRB Fairly good/very good rating or higher. 85% satisfaction user survey	Increasing high levels of satisfaction all met with each year's current budget.
Enhancing the core philosophy that "Learn to Swim" is within the reach financially and physically for all residents of the Rotorua District.	Provide a quality Learn to Swim teaching service at the centre.	96% programme availability. User survey undertaken first and third terms. 94% satisfaction user survey.	97% programme availability. User survey undertaken first and third terms. 95% satisfaction user survey.	97% programme availability. User survey undertaken first and third terms. 95% satisfaction user survey.	Maintain high levels of availability and satisfaction.

Aquatic Facilities 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	1,955	2,253	2,272	2,280	2,278	2,290	2,288	2,292	2,284	2,297	2,280
Revenue	793	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014
Net Cost	1,162	1,239	1,258	1,266	1,264	1,276	1,274	1,278	1,270	1,283	1,266
Capital											
Renewals											
Aquatic Centre	10	42	111	216	102	70	37	(3)	34	279	230
Waikite Pools			150				30				
New For Improved Service											
Aquatic Centre Upgrade			60	82		50		1,550	1,550	50	
Total Capital	10	102	343	216	152	70	1,617	1,547	84	279	273

Assets Used in Aquatic Facilities Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Buildings	7,404	206	7,198
Computer Hardware	46	33	13
Computer Software	7	3	4
Furniture & Fittings	414	411	3
Land	196	0	196
Minor Wastewater Treatment System	94	8	86
Office Equipment	70	55	15
Park & Reserves	17	2	15
Plant & Machinery	1,588	1,347	241
	9,836	2,065	7,771

Where will funding come from

Aquatic Centre

Who benefits from the activity

- The entire community benefits from choice of recreational activities and a healthy active community.
- Specific benefits to the users of aquatic facilities.

Period of benefit

Benefits are ongoing as long as facilities are maintained.

Who creates need for the activity

Need is created by entire community for recreational facilities and choice.

Funding source

It is considered that the benefits relate to 60% private and 40% public. The private beneficiaries are the users of the facilities who learn to swim, improve personal health and fitness, and enjoy the recreational services provided. The public benefit is derived from the availability of the facility to develop the health and wellbeing of the community, and attract spending from visitors to the District attending events, tours, and training sessions.

It is noted the impact to move to 60% recovery from users would have on the Centre's fees. Currently about 34% is recovered from direct charges. A significant increase is likely to stop visits to the Centre by many low income users. It is proposed fees be set at a level that will enable all potential users to have access to the Aquatic Centre and to encourage use, it is proposed to retain admission fees at existing levels..

Operational/Capital funding

Operating expenses	Charges at least	44%
	General rates (residual)	56%
Capital	Corporate funding	100%

Waikite Valley Pools

Who benefits from the activity

- The entire community benefits from choice of recreational activities and a healthy active community.
- Specific benefits to the users of aquatic facilities.

Period of benefit

Benefits are ongoing as long as facilities are maintained.

Who creates need for the activity

Need is created by entire community for recreational facilities and choice.

Funding source

It is considered the benefits apportion 75% private and 25% public. Private beneficiaries are the users of the facility, and include regulars from the immediate local rural community. It is recognised there is a public benefit from the therapeutic/health/wellbeing associated with the facility.

It is considered that the net residual landlord costs are the appropriate measure of public good.

Operational/Capital funding

Operating expenses	Charges at least	75%
	General rates (residual)	25%
Capital	Corporate funding	100%

Cemeteries/Crematorium

Overall aim of the activity

To provide for the burial and cremation of deceased persons of Rotorua and the surrounding District in a manner that is appropriate to the needs of the community.

Activity purpose – how and why we provide the service

Council provides this service for legislative compliance reasons and to enhance community health and safety.

This activity involves the provision, operation and maintenance of the Council owned Crematorium, and Rotorua, Reporoa, Ngakuru and Mamaku Cemeteries. Council also administers and maintains Rotorua's main public cemetery at Ngongotaha for the Kauae Cemetery Trust Board of Trustees with the administrative and corporate support costs met by Council.

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

A safe and caring community

- Respectful and caring provision of services to bereaved families.

A community with excellent facilities and services

- Access to quality crematorium and cemetery facilities at an affordable price.

A healthy community

- Provision of cemetery and crematorium services in accordance with legislative requirements is a public health requirement.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Providing for the burial and cremation of deceased persons of Rotorua and the surrounding District in a manner that is appropriate to the needs of the public.	Provide a burial and cremation booking service responding to all requests promptly.	<ul style="list-style-type: none"> • 24 hour service. • 30 minutes response time. 	<ul style="list-style-type: none"> • 24 hour service. • 30 minutes response time. 	<ul style="list-style-type: none"> • 24 hour service. • 30 minutes response time. 	Continued prompt and responsive service.
	Have cremated remains ready for dispatch in a timely manner.	Within 16 working hours of accepting the body for cremation.	Within 16 working hours of accepting the body for cremation.	Within 16 working hours of accepting the body for cremation.	Continued prompt and responsive service.
	Acquire and develop additional cemetery land to provide for future needs.	Land secured by 30.06.05.	Development plan completed by 30.06.06.	Commence development works Stage 1 by 30.06.07.	Completion of Stage 1 development and ready for burials by 2014.

Cemeteries/Crematorium 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	322	330	331	330	334	331	333	331	331	331	328
Revenue	140	148	149	149	149	149	149	149	149	149	149
Net Cost	182	182	182	181	185	182	184	182	182	182	179
Capital											
Renewals											
Crematorium - Plant/Equipment/Land Acquisition	0	330	13			4				546	26
Kauae Cemetery Development	35	265	230	95	95	95					
General					5			5			5
Total Capital	35	595	243	95	100	99	0	5	0	546	31

Assets Used in Cemetery/Crematorium Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Buildings	206	8	198
Computer Hardware	7	5	2
Computer Software	6	6	0
Furniture & Fittings	46	39	7
Land	1,627	0	1,627
Office Equipment	2	2	0
Park & Reserves	13	0	13
Plant & Machinery	212	165	47
	2,119	225	1,894

Where will funding come from

Who benefits from the activity

- The entire community benefits from respect for, and provision for the historical significance of those who have passed away.
- Individual users.

Period of benefit

Benefits are ongoing.

Who creates need for the activity

The entire community creates the need for cemeteries and related services with equity of access and affordability.

Funding source

It is considered that the provision of this activity provides private benefits to individuals as well as indirect benefits to the public as a whole. The costs of burials and cremations are considered 100% private while the cost of ongoing open space maintenance of what is essentially a park is considered 100% public benefit. There are also public benefits from the heritage value of cemeteries, the ability to plan, the elimination of individual/indiscriminate burial, and the general

promotion of public health through the sanitary disposal of the deceased.

Operational/Capital funding

Operating costs directly associated with burials and cremation

Charges	45%	
General rates (residual)	55%	
Operating costs of open space		
Charges	0%	
General rates (residual)	100%	
Capital	Corporate funding	100%

Central Business District Operations

Overall aim of the activity

To create a well presented, pleasant and vibrant city centre environment.

Activity purpose – how and why we provide the service

This service is provided in order to meet ratepayers expectations and involves keeping the central city area clean and tidy, welcoming and alive, as well as management and maintenance of:

- City Focus
- Central Business District
- Government Gardens
- Lakefront
- Parking Building
- CBD Off-Street parking lots
- Meter parking facilities
- Public conveniences
- Tourism kiosks and signage
- Street banners and decorative lighting features
- Crime prevention camera network

It also involves management of a range of regulations, engineering, property management, promotional and administrative tasks.

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

A community with excellent facilities and services

A safe and caring community

- By ensuring a very high standard of cleaning and maintenance in the Central Business District.
- By maintaining public conveniences to a very high standard of upkeep and cleanliness.
- By providing a crime prevention camera network.

A “happening” community

- By ensuring activity in the City Focus and Central Business District is encouraged and adds flavour, enhances Rotorua’s character and is well managed.
- By ensuring the central city area is always neat and tidy.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
A safe CBD environment for all users.	Maintain the operation of the crime prevention camera system.	100% achieved.	100% achieved.	100% achieved.	100% achieved.
Ensuring high standards of CBD cleaning and maintenance.	Ensure CBD, Lakefront and Government Gardens cleaning and maintenance is completed within approved budget and to approved standards.	Budget achieved. 95% contractor compliance.	Budget achieved. 95% contractor compliance.	Budget achieved. 95% contractor compliance.	Budget achieved. 95% contractor compliance.
Provision of efficient and effective sanitary janitorial services for all public conveniences.	Have janitorial services programmes completed within approved budget.	Budget achieved. Janitorial programme completed 100%.	Budget achieved. Janitorial programme completed 100%.	Budget achieved. Janitorial programme completed 100%.	Budget achieved. Janitorial programme completed 100%.
	Ensure all janitorial services policies are complied with.	100% compliance	100% compliance	100% compliance	100% compliance
	Respond promptly to all complaints on sanitary standards.	Within 1 hour	Within 1 hour	Within 1 hour	Within 1 hour

Central Business District Operations 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
30 June:	(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Operations												
Expenses		1,096	1,372	1,391	1,398	1,397	1,393	1,411	1,402	1,397	1,392	1,402
Revenue		8	8	8	8	8	8	8	8	8	8	8
Net Cost		1,088	1,364	1,383	1,390	1,389	1,385	1,403	1,394	1,389	1,384	1,394
Capital												
Renewals												
General		42	14	64	51	49	4	11	44	55	63	88
Total Capital		42	14	64	51	49	4	11	44	55	63	88

Assets Used in Central Business District Operations Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Buildings	1,151	34	1,117
Computer Hardware	14	12	2
City Focus	222	56	166
Furniture & Fittings	16	13	3
Plant & Machinery	321	85	236
Office Equipment	73	73	0
	1,797	273	1,524

Where will funding come from

Who benefits from the activity

To provide a central city focal point and maintain central city general amenities, and to enhance the image of Rotorua's focal point, and ensure control over all activity that takes place in the street and public places.

Funding source

It is considered that the majority of the benefits accrued from expenditure on this activity are public in nature (99%). The general public is attracted into a clean, well-maintained city centre and receives the benefits of easy and unobstructed access to an attractive shopping environment. The balance of the benefits accrues to the retailers and building owners who receive a greater commercial opportunity from operating in an attractive environment.

It is noted that there is little ability to attract revenue for this activity and that it is essential that the public places and facilities under this activity are accessible and available to all residents.

Operational/Capital funding

Operating costs	Fees	1%
Capital	Corporate funding	99%

Civil Defence Emergency Management

Overall aim of the activity

To provide for the maintenance and operation of a Civil Defence organisation suitable for the needs of the District.

Activity purpose – how and why we provide the service

The primary functions of the activity are the maintenance and improvement of Civil Defence Emergency Management operations to standards necessary for the efficient and effective implementation of the Civil Defence Emergency Management Act (CDEM). This activity is undertaken primarily by contract.

The activity also covers the cost of conducting training exercises and competitions such as casualty handling, communications, search and rescue etc. These functions provide valuable training for the large volunteer component of the Civil Defence Emergency Management organisation.

The CDEM 2002 Act was passed by Government on December 1st 2002. It is a requirement of the act that all territorial local authorities belong to one and only one Regional Civil Defence Emergency Group. Rotorua

chose to join the Bay of Plenty CDEM Group. The CDEM Group will, over a two year period commencing 1 June 2003, develop a Regional Civil Defence Emergency Management Plan. This plan must be approved by the Minister. Local authorities remain responsible for civil defence emergency management within their boundaries.

The budget for some additional funding to assist with the development of the CDEM Group structure and the preparation of the CDEM Group plan. Rotorua District Council will also be seeking to increase its reimbursement from the Ministry of Civil Defence Emergency Management for approved expenditure. To date claims for reimbursement by Rotorua have been at the lower end of the scale.

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

A safe and caring community.

- An efficient, effective and responsive organisation.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Maintenance of efficient and effective Civil Defence operations to standards necessary to provide for adequate protection for residents of the District in the event of Civil Disaster in terms of the Civil Defence Act.	Hold a major internal (district) Civil Defence exercise involving the full mobilisation and exercising of the Rotorua District Council Civil Defence Headquarters, and to participate fully in a regional Civil Defence exercise as required by Environment BOP.	1 internal exercise	1 internal exercise	1 internal exercise	1 internal exercise
		1 joint exercise	1 joint exercise	1 joint exercise	1 joint exercise
	Identify the status of home preparedness for a Civil Defence Emergency and mount a campaign to reinforce this.	Status monitored and reported.	Status monitored and reported.	Status monitored and reported.	Status monitored and reported.
	Prepare a Civil Defence Emergency Management Group Plan and have approved by Minister of Civil Defence/ Emergency Management.	CDEM Group Plan approved by Minister by 01.06.05.	N/A	N/A	N/A

Civil Defence Emergency Management 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	197	244	239	243	251	243	244	250	244	246	250
Revenue	20	20	20	20	20	20	20	20	20	20	20
Net Cost	177	224	219	223	231	223	224	230	224	226	230
Capital											
Renewals											
General	0	9	19	20	4	21	15	12	10	7	2
Total Capital	0	9	19	20	4	21	15	12	10	7	2

Assets Used in Civil Defence Emergency Management Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Computer Hardware	19	11	8
Computer Software	11	10	1
Furniture & Fittings	24	24	0
Office Equipment	48	33	15
Plant & Machinery	11	10	1
	113	88	25

Where will funding come from

Who benefits from the activity

The entire community benefits from assurance that in an emergency a community plan for coping with it exists.

Period of benefit

Benefits are ongoing in terms of peace of mind for residents, although direct benefits are short term in the event of a disaster.

Who creates need for the activity

- Need is created by entire community for an action plan in the event of a disaster or emergency.
- Need is created by Council to meet legal obligations.

Funding source

It is considered that the benefits of expenditure on this service are entirely public (100%) in nature in that the whole District benefits from the knowledge that there is a state of readiness in the event of a civil emergency, thereby providing a sense of protection, wellbeing and security for the whole community.

Operational/Capital funding

Operating expenses	Subsidies	8%
	General rates (residuals)	92%
Capital	Corporate funding	100%

ACTIVITY GROUPS

Community Assistance

Overall aim of the activity

To manage resources through strategic policies which assist community development in priority areas defined by Council.

Activity purpose – how and why we provide the service

Over many decades Council has developed a range of policies and processes through which to support the work of local not-for-profit organisations in addressing local needs and issues, and enhancing community wellbeing.

The Community Assistance area includes a wide range of policies and functions including:

- Facility provision and support through Community House, the Rotorua Arts Village
- Community Grants scheme
- Community Asset Development Fund
- Contracts with the not-for-profit sector;
- Council's Annual and Rates grants;
- Creative Communities Rotorua Fund (on behalf of Creative NZ).

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

A safe and caring community

- Much of the resource invested by Council each year supports "caring" and "safety" community organisations which provide community development and service functions

A community with excellent facilities and services

- Community House and the Rotorua Arts Village provide the community with great facilities for social and cultural use

A healthy Community

- A number of Community Assistance policies support the promotion of health and healthy lifestyles, for example contracts and facilities for recreation organisations, grants for health and wellbeing, Community House which is tenanted by many health services.

A happening Community

- Council's Community Assistance Policies support many large and small community events including the Mardi Gras, Picnic on the Green and many small events run by youth, social and community service organisations.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Community funding management to support local community initiatives which improve wellbeing.	Administer all of Council's Community Assistance Policies within budget and timeframes and prepare an annual report.	By 30.06.05	By 30.06.06	By 30.06.07	Annually by 30 June.
Administration of Creative New Zealand funding	Administer funding within budgets and within agreed guidelines and timeframes.	Funding rounds completed. 100% compliance with guidelines.	Funding rounds completed. 100% compliance with guidelines.	Funding rounds completed. 100% compliance with guidelines.	Funding rounds completed. 100% compliance with guidelines.
Consolidate Policy and Action Plans around assisting the Not-for-Profit Social and Community Services Sector on the basis of Pilots begun in 04.	Review current local and national policies and practices and develop new Policy and Action Plans for adoption.	By 30.06.05	Implement Action Plans and Report By 30.06.06	Implement Action Plans and Report By 30.06.07	Implement Action Plans and Report annually by June 30th

Community Assistance 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
30 June:	(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Operations												
Expenses		889	1,182	1,089	1,576	701	1,039	862	603	753	683	651
Revenue		164	164	44	44	44	44	44	44	44	44	44
Net Cost		725	1,018	1,045	1,532	657	995	818	559	709	639	607
Capital												
Total Capital		0	0	0	0	0	0	0	0	0	0	0

Assets Used in Community Assistance Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Furniture & Fittings	2	1	1
	2	1	1

Where will funding come from

Who benefits from the activity

- The entire community benefits from choice of arts and cultural activities and a healthy caring community.
- The entire community benefits from the educational opportunities and cultural awareness that the provision of performing arts activities and facilities brings.
- Specific benefit to users of facilities.

Period of benefit

Ongoing educational benefits from an informed, creative population.

Who creates need for the activity

Need is created by entire community for access to cultural and creative media.

Funding source

Benefits of expenditure on this service are entirely public in nature, in that Council's objective for providing the services is to enhance social and community wellbeing.

Operational/Capital funding

Operating costs	Grants (Creative NZ, RECT)	
	(at least)	4%
	General rates (residual)	96%
Capital	Corporate funding	100%

Community Halls

Overall aim of the activity

To provide access to quality rural halls.

Activity purpose – how and why we provide the service

Historically Council has built, or been gifted, halls which serve rural community purposes. Council has regarded this as a way of providing for social and community activity in rural areas.

RDC owns nine community centres and halls in the rural District. Council assists the management committee of each hall by way of maintenance and on-going liaison in respect of operational matters.

In addition, Council makes an annual grant towards two independently owned halls, one at Rotoma and one outside the District boundary at Atiamuri, but used by a number of Rotorua ratepayers.

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

A safe and caring community

- Council supports rural communities to have meeting and gathering places by owning and maintaining nine community centres and halls at Waikite Valley, Kaharoa, Broadlands, Okareka, Mamaku, Reporoa, Rerewhakaaitu, Ngakuru, and Ngongotaha.
- Each has its own local management committee or contacts who oversee the day-to-day use of the facilities and liaise with Council.
- Council also provides grants to two independently owned halls at Atiamuri and Rotoma, to ensure that those communities have an accessible meeting place.

A community with excellent facilities and services

- Eleven facilities are supported in rural communities.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
The management of Council's Community Halls	Manage Council's rural halls within Council policy and budget and to monitor and report annually on the activity.	Review policy including charging rates and report by 30.06.05 100% policy compliance within general rate Activity report presented by 30.06.05	100% policy compliance within general rate. Activity report presented by 30.06.06	100% policy compliance within general rate. Activity report presented by 30.06.07	100% policy compliance within general rate. Activity report presented annually by 30 June.
Active support to Community Halls to increase community use of halls with vacant capacity.	Develop and maintain promotional material about the Rural Hall facilities, and assist halls administrators to plan for increasing use.	Develop and implement plans and report by 30.06.05	Update material by 30.06.06	Update material by 30.06.07	Update material annually by 30 June.
Establish and implement a robust monitoring programme about the level of use of rural halls	Develop and implement systems for documenting the level and type of community use of rural halls.	Report on usage levels and patterns by 30.06.05	Report on usage levels and patterns by 30.06.06	Report on usage levels and patterns by 30.06.07	Report on usage levels and patterns annually by 30 June.

Community Halls 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
30 June:	(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Operations												
Expenses		209	243	250	281	245	268	266	255	263	269	239
Revenue		15	16	16	16	16	16	16	16	16	16	16
Net Cost		194	227	234	265	229	252	250	239	247	253	223
Capital												
Renewals												
General		0	0	0	5	0	0	0	16	0	67	0
Total Capital		0	0	0	5	0	0	0	16	0	67	0

Assets Used in Community Halls Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Buildings	1,501	73	1,428
Furniture & Fittings	25	24	1
Land	811	0	811
Office Equipment	1	1	0
Plant & Machinery	58	32	26
	2,396	130	2,266

Where will funding come from

Who benefits from the activity

- The entire community benefits from choice of recreational activities and a healthy active community.
- Particular event organisers also benefit from commercial gains from using the facilities.
- Specific benefit to users of facilities and spectators of events.

Period of benefit

Benefits are ongoing as long as facilities are maintained.

Who creates need for the activity

- Need is created by entire community for recreational facilities and choice.
- Event organisers create a need for infrastructure in order to hold events.

Funding source

It is considered that benefits are split 50% private and 50% public. The private beneficiaries are the local community users, including school groups, sporting groups, community oriented organisations, and individual family members. There is, however, some use of the facilities by district people outside the immediate rural communities. Council considers this activity provides some holistic benefit to the wellbeing of the District as a whole.

It is proposed the existing level of user pays (6%) be preserved on the basis it is not wise to detract from community activities and spirit throughout the District by increasing user charges significantly. It is acknowledged, however, that the ratepayers do not expect to subsidise this activity 100%. It is also acknowledged it has little ability to extract greater user pays from the facilities given their localities, the market available, and the voluntary management and cleaning role undertaken by the community.

Operational/Capital funding

Operating costs	Rental	6%
	General rates (residual)	94%
Capital	Corporate funding	100%

Community Policy and Resources

Overall aim of the activity

To foster community wellbeing through advocacy, facilitation, research, information provision, co-ordination, and community policy development and implementation.

Activity purpose – how and why we provide the service

For many years successive Rotorua Councils have prioritised a focus on social, cultural and community needs. The Local Government Act 2002 now requires that all local authorities consider these dimensions of wellbeing in their priority setting, decision-making, and actions. The Community Policy and Resources Division activities provide leadership for Council in the areas of social and community development within the District through a wide range of strategies.

These include:

- Facilitating community consultation, research and activities around local social and cultural issues as directed by Council
- Monitoring Rotorua social and cultural trends and keeping Council and the community informed
- Developing policy through which Council can effectively address local issues and needs (e.g. Community Assistance Policies, ICT Strategy)
- Implementing Action Plans within policies adopted by Council (e.g. Youth Policy and Action Plans)
- Establishing and maintaining relationships with a wide range of organisations and groups with a commitment to Rotorua's community and social fabric (eg Community Safety Forums)
- Facilitating planning, events, activities and services relevant to Council priorities (e.g. Anzac Day Civic Service, the development of comprehensive Arts Sector databases)
- Providing support to Council and the community's relationships with our Sister Cities including with Beppu – Japan, Lake Macquarie – Australia, Klamath Falls – Oregon USA and Wuzhong City – China; and international programmes to which RDC is committed including People to People

- Advising Council on social policy issues and matters in support of Council's advocacy and leadership roles
- The Division also undertakes the management of resources and services which enhance community wellbeing including Council's Community Halls, Pensioner Housing and Community Assistance Policies (including various grant and loan schemes, community contracts and community group facilities including the Arts Village and Community House)

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

A safe and caring community

- Much of the Division's work is focussed on this Community Outcome, including research, information provision, community directories, Social Policy development and implementation in the Arts, Youth, Older Persons and Community Assistance areas
- A current priority in response to the Community Outcomes "Key Focus" (A safe and caring community) is on developing a more strategic approach by Council to community safety
- A further related priority is to explore the most appropriate roles Council should play in supporting the not-for-profit sector, and facilitating cross-sectoral approaches which more effectively involve the not-for-profit sector

A Prosperous Community

- Youth Policy focus on creating better local pathways for young people into work
- Art Policy focus on the potential for cultural tourism and employment creation within arts sectors
- Leadership of the Community ICT Strategy

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Facilitating consultation, research, and activities around community, social and cultural issues, and advise Council on appropriate responses.	Produce annual workplan and reports within Council's priorities	Produce Annual Workplan (coming year) and Annual Report (year past) by 30.06.05.	Produce Annual Workplan (coming year) and Annual Report (year past) by 30.06.06.	Produce Annual Workplan (coming year) and Annual Report (year past) by 30.06.07.	Produce Annual Workplan (coming year) and Annual Report (year past) by 30 June.
Monitoring Rotorua's social trends	Produce and distribute an annual report	By 30.06.05	By 30.06.06	By 30.06.07	Annually by 30 June.
Produce quality information to support local community development including web and hard-copy resources	Produce Annual Workplan and report	By 30.06.05	By 30.06.06	By 30.06.07	Annually by 30 June.
Youth Policy implementation of action plans including youth employment development focus.	Produce Youth Policy Annual Report on Action Plans and annual update of plans	By 30.06.05	By 30.06.06	By 30.06.07	Annually by 30 June.
Older Persons Policy implementation of Action Plans.	Produce Older Persons Annual Report on Action Plans and update of plans	By 30.06.05	By 30.06.06	By 30.06.07	Annually by 30 June.
Computers in the Community (Community ICT Strategy) implementation of Action Plans.	Produce Computers in the Community Annual Report on Action Plans and update of plans	By 30.06.05	By 30.06.06	By 30.06.07	Annually by 30 June.
Community Safety Strategy implementation of Action Plans	Produce Community Safety Strategy Annual Report and update of plans	By 30.06.05	By 30.06.06	By 30.06.07	Annually by 30 June.
Art Policy implementation of Action Plans.	Produce Art Policy Annual Report on Action Plans and update of plans	By 30.06.05	By 30.06.06	By 30.06.07	Annually by 30 June.

Community Policy and Resources 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	836	836	823	833	841	829	834	841	831	838	841
Revenue	1	0	0	0	0	0	0	0	0	0	0
Net Cost	835	836	823	833	841	829	834	841	831	838	841
Capital											
Renewals											
General	5	10	7	11	10	7	11	10	7	11	10
Total Capital	5	10	7	11	10	7	11	10	7	11	10

Assets Used in Community Policy and Resources Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Computer Hardware	35	29	6
Database	6	3	3
Furniture & Fittings	27	22	5
Land	285	0	285
Office Equipment	2	2	0
Plant & Machinery	7	6	1
	366	64	302

Where will funding come from

Who benefits from the activity

- Disadvantaged members of society benefit directly.
- Entire community benefits from enrichment that exposure to different groups brings.

Period of benefit

Benefits are ongoing as sharing of experiences and expertise leads to community enhancement.

Who creates need for the activity

The entire community creates the need as the more integrated members of society are, the more they contribute to the economic, social and cultural wellbeing of the city.

Funding source

It is considered that the benefits of expenditure on this service are entirely public (100%) in nature in that the whole District benefits.

Operational/Capital funding

Operating costs	General rates	100%
Capital	Corporate funding	100%

Event Venues

Overall aim of the activity

To provide venues for conventions, theatre shows, entertainment, sporting events and community use for local residents and visitors to Rotorua.

To provide the best event facilities for Rotorua that supports the destination in its endeavours to attract large, high yielding events (local, regional, national & international)

- Local amateur performance venues
- Sport and recreation venues
- Conference and incentive venues
- Social function venues
- Touring and local professional performing venues

Activity purpose – how and why we provide the service

This activity covers the operation of the Rotorua Convention Centre, Civic Theatre, Event ticketing – Response and Ticketek, Soundshell and Sportsdrome, the development of the Rotorua Energy Events Centre, International Stadium (including Number 2 field) and Community Sports and Events in terms of Council policy. Funding is required to cover operations, maintenance and caretaking costs to keep the buildings in order to obtain optimum return. Current usage varies for each centre. The Convention Centre was opened in March 1995 and the 2002/2003 financial year will be its eighth full year of operation.

To assist Rotorua District Council's proactive approach creating employment opportunities within the tourism sector for the citizens of Rotorua.

This activity employs sixteen staff in total for all facilities plus Events.

Council provides the Event Venues facilities and services in order to meet ratepayer expectations.

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

A safe and caring community

- Community encouraged to use facilities.
- Multi-use facilities to keep costs down.
- Contributes facilities that encourage community growth in performing arts.
- Develop up and coming sports to ensure the growth in 'get active stay active'.

A prosperous community

- By providing facilities that can attract events.
- Working in partnership with the business community.
- More events attract more visitors which equals greater business opportunities.

A community that respects its environment

- Blending historical buildings with today's requirements.

A community with excellent facilities and services

- Provides a conference centre in the heart of the city.
- Provides historic buildings for public and private use.
- Provides an indoor multi-purpose sporting venue.
- Provides the Stadium for big day or night events.
- Provides an outdoor facility for all codes.
- Provides professional support and assistance in the deliverance of events.

A community that values its living Maori culture

- Increases opportunities to experience diverse cultural events.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision of venue operations that meet the needs of customers in all aspects.	Undertake client surveys and achieve required satisfaction levels.	90% satisfaction	90% satisfaction	90% satisfaction	90% satisfaction
Attracting events to benefit the Rotorua District economically.	Obtain National/ International Conferences/Events of significance size (that could not be held without Event Venues).	17 conferences/ events	18 conferences/ events	20 conferences/ events	20 conferences/ events

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision of facilities for community use.	Ensure that community bookings are at least 40% of total bookings.	community bookings to be 40% or more	community bookings to be 40% or more	community bookings to be 40% or more	community bookings to be 40% or more
	Increase community functions at Te Runanga Tea House.	5% increase	5% increase	5% increase	5% increase
	Increase weekday use of Te Runanga Tea House.	5% increase	5% increase	5% increase	5% increase
	Introduce new events at the Soundshell.	2 events	4 events	-	-
	Increase audience attendance of Theatre shows.	5% increase	5% increase	-	-
Increasing and enhancing community events and sports activities.	Instigate new community events.	5 events	5 events	5 events	5 events
	'Revamped' community events.	5 events	N/A	N/A	N/A
Diversifying marketability of facilities.	Increase diversity of use of the International Stadium by attracting:				
	a) cultural events	a) 2	a) 2	a) 2	a) 2
	b) new events other than rugby	b) 5	b) 5	b) 5	b) 5

Event Venues 10 Year Activity

For the year ending 30 June:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	2,716	3,520	3,947	3,935	3,901	3,923	3,993	3,913	3,913	4,021	3,964
Revenue	3,241	8,589	4,147	2,410	2,396	1,151	1,151	1,161	1,146	1,146	912
Net Cost	(525)	(5,069)	(200)	1,525	1,505	2,772	2,842	2,752	2,767	2,875	3,052
Capital											
Renewals											
Convention Centre	537	553	1,531	152	220	321	209	42	23	97	91
Sportsdrome	72	78	114	45	50	20	20	18	25	300	15
General	44	99	128	79	49	104	63	68	47	96	80
New For Improved Service											
Event Centre	2,300	11,900	4,000	1,000							
Convention Centre Carving/Bar Upgrade			120								
Total Capital	2,953	12,630	5,893	1,276	319	445	292	128	95	493	186

Assets Used in Event Venues Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Buildings	11,881	320	11,561
Computer Hardware	61	39	22
Computer Software	23	23	0
Furniture & Fittings	1,409	1,050	359
Land	3,200	0	3,200
Office Equipment	400	359	41
Plant & Machinery	721	334	387
	17,695	2,125	15,570

Where will funding come from

Convention Centre

Who benefits from the activity

- Entire community benefits from city's vibrant image and attraction of visitors.
- Specific benefits to event organisers of facilities and infrastructure.
- Specific benefits to those attending events.

Period of benefit

- Ongoing benefit of city image, promotion, and diversity.
- Short-term benefit to specific events managers and spectators, but ongoing for all events managers and spectators.

Who creates need for the activity

- Entire community creates need for events and facilities for community involvement and development.
- Individual event promoters create need for infrastructure development and maintenance.

Funding source

It is considered that benefits are split 50% private and 50% public. The private beneficiaries include tourism operators, retailers, suppliers, community groups hiring the venues and local residents attending shows etc. The activity also benefits the community generally by contributing to the economic growth and employment of the District, by providing an upmarket venue for community groups to use and by providing a theatre venue which enhances artistic and cultural experiences locally.

It is considered in the interest of residents and ratepayers to maximise both commercial revenue from the centre and local use. Council noted, however, that market conditions at both a local and commercial level will determine the increase available from revenues, and any adjustments in price changes will need to be transitioned carefully.

Operational/Capital funding

Operating expenses	Grants	
	Charges at least	25%
Capital	General rates	75%
	Corporate funding	100%

Sportsdrome

Who benefits from the activity

- Entire community benefits from city's vibrant image and attraction of visitors.
- Specific benefits to regular users and event organisers of facilities and infrastructure.
- Specific benefits to those attending events.

Period of benefit

- Ongoing benefit of city image, promotion, and diversity.
- Short-term benefit to specific events managers and spectators, but ongoing for all events managers and spectators.

Who creates need for the activity

- Entire community creates need for events and facilities for community involvement and development.
- Individual event promoters create need for infrastructure development and maintenance.

Funding source

It is considered that 50% of the benefits of expenditure on this activity are private nature. The benefits are to a small percentage of the community who use the facility on a regular basis. Council also recognises the 50% public benefit the facility provides for a wide range of exhibition, entertainment and sporting events to be held.

It is noted the impact a move to 50% recovery from users would have on the facility. A significant increase is likely to discourage local users, although currently this market is the largest user. Given the age and limited marketability of the facility, it is considered there is little ability to extract significant additional revenue.

Operational/Capital funding

Operating expenses	Charges at least	18%
	General rates (residual)	82%
Capital	Corporate Funding	100%

Soundshell

Who benefits from the activity

- Entire community benefits from city's vibrant image and attraction of visitors.
- Specific benefits to event organisers of facilities and infrastructure.
- Specific benefits to those attending events.
- Specific benefits to regular users.

Period of benefit

- Ongoing benefit of city image, promotion, and diversity.
- Short-term benefit to specific events managers and spectators, but ongoing for all events managers and spectators.

Who creates need for the activity

- Entire community creates need for events and facilities for community involvement and development.
- Individual event promoters create need for infrastructure development and maintenance.

Funding source

It is considered that a significant proportion of the benefits of expenditure on this activity (70%) are received by the actual users of the Soundshell, as its availability provides opportunities for identifiable groups and individuals to hire the facility for a range of activities. It is recognised there is a public benefit (30%) in having the Soundshell available for a range of community uses.

It is noted the impact that a move to 70% recovery from users would have on hireage fees. Currently about 30% is recovered from direct charges. Given the age and limited marketability of the facility. It is considered there is little opportunity to recover significant additional revenues without significant redevelopment.

Operational/Capital funding

Operating costs	Hire Fees at least	30%
	General rates (residual)	70%
Capital	Corporate funding	100%

International Stadium

Who benefits from the activity

- Entire community benefits from city's vibrant image and attraction of visitors.
- Specific benefits to event organisers of facilities and infrastructure.
- Specific benefits to those attending events.

Period of benefit

- Ongoing benefit of city image, promotion, and diversity.
- Short-term benefit to specific events managers and spectators, but ongoing for all events managers and spectators.

Who creates need for the activity

- Entire community creates need for events and facilities for community involvement and development.
- Individual event promoters create need for infrastructure development and maintenance.

Funding source

It is considered 50% of the benefits of expenditure are private in nature. These benefits are to users of the facility. It is also recognised there is 50% public benefit to those who derive indirect benefits from events attracted to the facility.

It is proposed that at least 25% of the costs be recovered by way of users charges, and the balance of 75% by way of general rates mechanisms.

Operational/Capital funding

Operating expenses	Charges	25%
	General rates (residual)	75%
Capital	Corporate funding	100%

Pensioner Housing

Overall aim of the activity

To provide quality pensioner housing

Activity purpose – how and why we provide the service

For over four decades Council has provided housing for older people within a “social housing” philosophy. Currently 146 units are owned and managed by Council. Of these, 24 are double units having one separate bedroom, and there are 126 single units, 105 of which are bed-sitter units, with the remaining 21 having one separate bedroom.

Vacancies are filled from a waiting list based on assessment criteria and date of receipt of application with the majority of applicants having their housing needs met within six to nine months.

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

A safe and caring community

- Council owns and rents 146 pensioner units in various parts of Rotorua.
- This accommodation was built between the 1950s and 1980s with low interest loans from central government.
- The housing has to date been managed within a “social housing” philosophy.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
The management of Council's pensioner housing.	Manage Council's pensioner housing within Council policy and budget and monitor and report annually on the activity.	100% policy compliance. Within budget. Activity report presented by 30.06.05.	100% policy compliance. Within budget. Activity report presented by 30.06.06.	100% policy compliance. Within budget. Activity report presented by 30.06.07.	100% policy compliance. Within budget. Activity report presented by 30 June each year..
Redevelop and retrofit units at the Rawhiti Complex over the coming decade.	Seek funding partnerships and plan and implement the redevelopment in stages within budgets set by Council.	In partnership with Housing NZ undertake the redevelopment of 26 units and report on progress by 30.06.05.	In partnership with Housing NZ and others, plan the progressive upgrading over five years of remaining units at Rawhiti and report on progress by 30.06.06.	Implement plans and report by 30.06.07.	Implement plans for 2008-2010 and report annually by 30 June.

Pensioner Housing 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
30 June:	(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Operations												
Expenses		507	653	730	730	725	749	795	741	796	829	771
Revenue		488	505	542	542	542	542	542	542	542	542	542
Net Cost		19	148	188	188	183	207	253	199	254	287	229
Capital												
Renewals												
Building Upgrades		0	1,303	100	143	103	100	118	0	100	97	
Total Capital		0	1,303	100	143	103	100	118	0	100	97	0

Assets Used in Pensioner Housing Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Buildings	2,932	152	2,780
Land	1,893	0	1,893
Plant & Machinery	76	66	10
	4,901	218	4,683

Where will funding come from

Who benefits from the activity

- Older persons with additional needs who require housing.
- Disabled persons who require housing.

Period of benefit

Benefits to individuals last as long as accommodation is used.

Who creates need for the activity

- Elderly and disabled people with additional needs require the housing.
- The entire community creates the need as community housing offers essential services that may not be offered otherwise.

Funding source

The benefits of the provision of this service are considered to be 95% private (benefits to the tenants) and 5% public. It is considered rental charges should recover all costs of the activity without subsidy from general rates including costs maintenance and a contribution to capital but without having to provide any commercial return on the asset value of the property.

Council policy supports the Central Government philosophy that social housing rental costs should not exceed 25% of fixed income

Operational/Capital funding

Operating expenses	Rental income (over time)	100%
	General rates (residual)	0%
Capital	Rental income (over time)	100%

Public Gardens/General Reserves

Overall aim of the activity

Active people, healthy communities – to enhance community wellbeing through appropriate development and maintenance of recreation and community assets on Council's parks and reserves, and to provide high quality plants and trees for the parks and reserves activity.

Activity purpose – how and why we provide the service

Council provides this service to meet ratepayers' expectations and statutory requirements.

The activity is responsible for management of all parks assets including trees, gardens, turf, structures, outdoor furniture and Council owned buildings. Council undertakes the activity for the most part to meet community expectations in terms of keeping parks and reserves well maintained and providing new and replacement facilities for public use. Council also undertakes this activity for legislative compliance reasons (Local Government Act, Reserves Act, Resource Management Act), in particular the asset management requirements of the Local Government Act. This activity also includes the Council nursery.

The activity is significant in that it deals with development and maintenance of strategic assets i.e. parks and reserves. The activity also deals with the development, maintenance and replacement of assets within those parks and reserves which are provided for the use and enjoyment of the public and for the benefit of the community.

Activities include:

- Legislative compliance in development and management of Parks assets.
- Policy implementation, compliance and review.
- Planning and implementation of parks' capital works and replacement of parks' assets.
- Scheduling and implementation of parks maintenance and capital works contracts.
- The maintenance of high profile parks, gardens and lawns.
- The maintenance of all sports fields, urban and rural reserves, street trees, local purpose reserves, drainage easements and traffic islands
- The maintenance of structures on and bordering reserves including buildings, fences, playgrounds, jetties, boat ramps, furniture.
- Reserves amenity lighting and water supply to reserves.
- Janitorial services for reserves' amenities.

- The management of the Tokorangi forest ensuring continued public access to at least the current level.

Of the 11 full time staff employed in the Parks and Recreation division, four provide asset management and contract supervision services for the various activities with the Parks and Recreation Division. This includes looking after 390 ha of parks, 21 sports field sites, 73 playgrounds, 74 kilometres of walkways and 33 boat ramps.

Nursery

Council undertakes this activity in order to:

- Produce sufficient numbers of high quality plants for Council's parks, gardens and displays (indoor and outdoor).
- Have available appropriate plants for use in environmental improvement projects.
- Have available large, high quality trees for streetscaping.
- Provide high quality plant material to other local authorities which in turn subsidises the cost of plants to Rotorua District Council.
- Provide educational opportunities for horticultural students (able bodied and disabled)

The numbers of plants produced include annuals, perennials, trees, shrubs, and house plants. Experience has shown that sourcing these plants from other suppliers can be a hit and miss process. If Council is to maintain high standards in parks and gardens, it is necessary to control the production process. Sale prices of plants include a return on the capital value of the stock on hand.

This activity employs seven full time staff.

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

A safe and caring community

- Regular inspections and safety audits of parks assets.
- Contribution to crime prevention through application of safe environmental design principles in reserve development and maintenance.
- Provision of parks assets that encourage community use and "ownership" of local reserves.

A prosperous community

- Development and maintenance of selected high quality venues to attract significant sporting events.

- The Most Beautiful City – an attractive visitor destination and place to live and do business.

A community that respects its environment

- Be active in the beautification of parks, reserves and the urban streetscape.
- Provide opportunities for community and school planting programmes to enhance reserves and promote environmental awareness.
- Provide opportunities for environmental appreciation e.g. trees, lake edge walkways etc.
- Management of parks and reserves that sets a good example to the community in terms of environmental care and respect.
- Provides premises for growing both native and exotic plants, so more can be incorporated into the Council's landscape.
- Provides plants that enhance amenity values.
- Provides plants that contribute towards the continued sustainability of the natural environment.

A community with excellent facilities and services

- Provide and maintain a range of open spaces, gardens, parks, sportsfields, playgrounds, walkways and other facilities for recreation and amenity value.
- Provide boat ramps and jetties for access to the District's lakes.
- Maintain assets to the standard required by the community.
- A well run nursery producing quality plants at competitive rates
- Provides plants that enhance council facilities

A “happening” community

- Great spaces and facilities help to make Rotorua an attractive visitor destination.
- Development and maintenance of sporting and recreational venues for local, regional, national and international events.

A healthy community

- Active people, healthy communities – provision of recreation opportunities and facilities to promote community health and wellbeing.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision, maintenance and protection of parks, gardens, trees, landscaped trees, streetscapes and general open spaces that both meet the needs of the public and protect the environment.	Measure public satisfaction with numbers of trees in streets (Perceptions Survey).	60% satisfaction.	60% satisfaction.	60% satisfaction.	60% satisfaction.
	Measure public satisfaction with attractiveness of local parks and reserves. (Perceptions Survey).	60% satisfaction.	65% satisfaction.	65% satisfaction.	Increasing satisfaction.
	Measure public satisfaction with parks, reserves, sportsfields and playgrounds (Communitrak survey).	90% satisfaction	91% satisfaction	92% satisfaction	High satisfaction levels maintained.
	Measure public satisfaction with beautification and landscaping of the District.	95% satisfaction	95% satisfaction	95% satisfaction	High levels maintained.

ACTIVITY GROUPS

Key Result Areas	What We Will Do	How We Will Measure				2007/08 to 2013/14
		2004/05	2005/06	2006/07		
Ensure the safety and security of parks, reserves and facilities.	Undertake a safety audit for all Council's playgrounds to meet approved criteria.	97% compliance by 30.06.05.	97% compliance by 30.06.06.	97% compliance by 30.06.07.		High compliance levels maintained.
Financial sustainability of nursery operation.	Ensure nursery operations are self-funding.	100% self-funding.	100% self-funding.	100% self-funding.		Financial sustainability.
High quality plants provided at a competitive price.	Maintain plant costs at market competitive rates.	Prices maintained at competitive level.	Prices maintained at competitive level.	Nursery benchmark review with both private and other council run nurseries.		Continued competitive prices with benchmark review undertaken at no more than 5 yearly intervals.

Public Gardens/General Reserves 10 Year Activity

For the year ending 30 June:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands: Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	6,942	7,837	8,035	8,151	8,166	8,201	8,284	8,218	8,204	8,191	8,098
Revenue	1,103	1,157	980	912	913	915	2,917	920	920	923	926
Net Cost	5,839	6,680	7,055	7,239	7,253	7,286	5,367	7,298	7,284	7,268	7,172
Capital											
Renewals											
Kuirau Park	442	300	300	300							
Parks & Reserves Capital Development	587	679	436	331	275	368	277	310	318	352	275
Nursery	4	6		5			21			4	
General	18	179	7	11	13	3	10	13	3	10	13
New For Improved Service											
City Entrance Ways		125	125								
Ngongotaha CBD Development		80	640	250							
New Wharf Resource Consent			200	300							
Westbrook Pavilion		500	500								
Parks & Reserves Capital Development	587	524	301	276	275	288	277	310	318	352	275
Total Capital	1,638	2,593	2,609	1,173	563	659	584	633	638	717	563

Assets Used in Public Gardens/General Reserves Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Bridges	77	1	76
Buildings	3,783	151	3,632
Computer Hardware	73	54	19
Computer Software	51	45	6
Database	10	2	8
Footpaths	1	0	1
Furniture & Fittings	4	4	0
Land	70,845	0	70,845
Nursery	2	0	2
Park & Reserves	14,028	683	13,345
Plant & Machinery	38	29	9
	88,912	969	87,943

Where will funding come from

Who benefits from the activity

- The entire community benefits from choice of recreational activities and a healthy active community.
- Particular event organisers also benefit from commercial gains from activities.
- Specific benefits to activity participants and spectators.

Period of benefit

Benefits are ongoing as recreational activities promote a healthy active community.

Who creates need for the activity

Need is created by entire community for recreational activities and choice.

Funding source

It is considered that a significant majority of the benefits derived from expenditure on these services are public in nature (96%). These benefits are the availability of free access to the reserves/amenities and the enhancement of the District's image. The balances of the benefits are received by users of the facilities and amenities who could be identified such as sporting bodies.

It is noted that currently about 4.1% of costs are recovered from the users through direct charges, and there is little opportunity for greater cost recovery. Council wants to encourage greatest possible use of the reserves, and notes the results of recent surveys which indicate that reserve use is very broad and across all economic groups.

Operational/Capital funding

Operating costs	Charges at least	9%
	General rates (residual)	91%
Capital	Corporate funding	100%



Public Library

Overall aim of the activity

To provide education, information, cultural and recreation resources, to all people of the Rotorua District and minimise economic, social and cultural barriers to access. To be a repository for local history including Maori history for future generations.

Activity purpose – how and why we provide the service

Providing a library service meets the community expectation for excellent educational, recreational and cultural experiences with a local flavour. There is no equivalent to the library service provided by commercial operators and it is unlikely that this would eventuate if Council did not undertake the activity.

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

A safe and caring community

- A safe public space for a wide range of indoor activities for families.
- Accessible to all, including disabled access, Mobile library and house-bound service.
- Provides a help desk service for finding information and referral.
- Promotes non-discriminatory, free access to information.
- Access to government information enables people to participate knowledgeably in democracy.

A prosperous community

- Quality Library facilities attract potential new residents and visitors to the region.
- Supporting the information needs of small businesses.
- Benefiting Export Education sector by providing an attractive place for students to study and practice English.

A community that respects its environment

- Provides educational and information resources about our natural environment and its management.
- Preservation and protection of historic books and information about the Rotorua region.

A community with excellent facilities and services

- An accessible and excellent library service.
- Hours of opening reflect commercial trends and public requirements.
- Attractive facilities for study, reading, computer use and family entertainment.
- All ratepayers and residents are entitled to free Library membership.

A healthy community

- Resources for life-long learning contribute to self-esteem and personal development.
- Children and youth learn skills for accessing information about their personal and health needs.

A learning community

- Children and teens develop literacy and learning skills.
- Information resources about Rotorua are created for the benefit of current and future generations. (e.g. Daily Post Index and Rotorua Index)
- A breadth and range of quality information resources is available to the region's pre-schools, schools, tertiary institutes and educational providers.
- Increasing participation in tertiary study and lifelong learning is supported.

A “happening” community

- Showcases local artists and community work.
- Community groups are promoted through Community Contacts Database and free display space.
- Programmes for children and young people and literary events.

A community that values its living Maori culture

- Enhance understanding of Maori history and culture by providing public access to resources and specialist staff.
- A repository of documents and publications that relate to Te Arawa.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Operation and maintenance of an information, cultural, educational and recreational resource for the District.	Provide a public library service that meets the targeted level of community satisfaction.	NRB 90% Fairly good/very good rating or higher.	NRB 90% Fairly good/very good rating or higher.	NRB 90% Fairly good/very good rating or higher.	NRB 90% Fairly good/very good rating or higher.
	Increase issues and then maintain per capita.	11.8 per capita	12 per capita	12 per capita	12 per capita
	Increase library membership	65% of population	65% of population	65% of population	65% of population
	Maintain cost of library service per transaction.	Less than \$2.90 per transaction	Less than \$2.90 per transaction	Less than \$2.90 per transaction	Less than \$2.90 per transaction
	Maintain the level of library visits.	6 times per annum per capita	6 times per annum per capita	6 times per annum per capita	6 times per annum per capita
	Keep the Library open to the public during scheduled opening hours.	Open 100% of opening hours.	Open 100% of opening hours.	Open 100% of opening hours.	Open 100% of opening hours.
	Provide children's programmes.	4 per year	4 per year	4 per year	4 per year
Provide Teen's programmes.	2 per year	2 per year	2 per year	2 per year	

Public Library 10 Year Activity

For the year ending 30 June:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	3,044	3,170	3,077	3,327	3,410	3,270	3,341	3,419	3,297	3,349	3,422
Revenue	320	320	320	300	330	330	330	330	330	330	330
Net Cost	2,724	2,850	2,757	3,027	3,080	2,940	3,011	3,089	2,967	3,019	3,092
Capital											
Renewals											
Renewal Books	400	406	406	510	510	510	510	510	510	510	510
General	243	106	231	236	142	71	236	122	181	236	102
New For Growth											
Library Building Improvements				1,000							
Total Capital	643	512	637	1,746	652	581	746	632	691	746	612

Assets Used in Library Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
	(thousands)	Depreciation	30 June 2003
Computer Hardware	424	331	93
Computer Software	116	59	57
Furniture & Fittings	449	284	165
Library	3,232	610	2,622
Office Equipment	52	33	19
Plant & Machinery	27	21	6
	4,300	1,338	2,962

Where will funding come from

Who benefits from the activity

- The entire community benefits from choice of recreational activities and a healthy caring community.
- The entire community benefits from the educational opportunities the Library offers.
- The entire community benefits from being informed.
- Specific benefits to borrowers of material.

Period of benefit

Ongoing educational benefits from an informed, creative population.

Who creates need for the activity

Need is created by entire community for library facilities and access to information sources.

Funding source

A proportion of the benefits are obtained by the actual users of the library services. Also recognised is the public benefit in having the library available to all in terms of providing a facility to improve education, provide recreation, and as a source of resources for community groups and individuals.

Council wants access to the library for all persons regardless of economic status, and use of the library to be encouraged; however, users of added value services should pay the full cost of those services wherever practicable.

Council proposes that not less than 10% of the costs, including fees for overdue, should be recovered by way of user charges, the balance by way of general rates mechanisms.

Operational/Capital funding

Operating expenses	Fees and charges (residual)	9%
	Interest (bequests)	1%
	General rates (residual)	90%
Capital	Corporate funding	100%

Rotorua Museum of Art & History

Overall aim of the activity

To provide an outstanding museum for the benefit of the Rotorua community and its visitors.

Activity purpose – how and why we provide the service

The Rotorua Museum of Art & History, Te Whare Taonga O Te Arawa is situated in the Bath House, an historic landmark building sited strategically in the Government Gardens. This activity also includes the Blue Baths complex, also located in the Government Gardens, and other heritage features in the District.

The Museum employs 15 full time and eight part time staff and opens to the public every day except Christmas Day, from 9.00am to 8.00pm daily during NZ Daylight Saving Time, and from 9.00am to 5.00pm the rest of the year.

The Museum presents a diverse range of long and short term exhibitions focusing primarily on the unique history and cultures of the region.

Seven important collections are at the heart of the Museum's identity. They are:

- Ethnology (1,000 items est)
- Fine Arts (2,500 items est)
- Natural Environment (500 items est)
- Photography (75,000-100,000 items est)
- Resource Library (2,500 items est)
- Social History (4,000 items est)
- Taonga Maori (1,500 items est)

Contained within the Museum's Collections are an estimated total of between 100,000 - 125,000 items. These collections are developed through gift and purchase.

The Museum's Collections are housed off site in a customised building where they are stored in an optimum environment, thereby protecting the community's cultural heritage for future generations. A number of important functions associated with the successful relocation of the collections need to be continued and new initiatives implemented.

The Museum is in the middle of important developments. Aided by funding from the Rotorua Energy Charitable Trust, a theatre experience detailing the stories of Rotorua was added to the Museum's attractions in 1998. A cafe has also been established at the Museum and major new permanent exhibitions

featuring the 1886 eruption of Mount Tarawera, and the story of B Company of 28 Maori Battalion, have been developed. The North Wing Art Galleries underwent a significant redevelopment in late 2001 enabling the Museum to host important art exhibitions for the first time.

Areas previously unavailable to visitors, such as the infamous Mudbath Basement, have also been developed, highlighting the unique use of the building as a Sanatorium and Health Spa for over 50 years. Other areas, such as the magnificent foyer, have been renovated and major new developments, subject to availability of grant funds, will see the building finished and renovated in time for its centenary in 2008.

The Museum has developed into a flagship facility for Rotorua District Council and the Rotorua community as a whole. The Museum is now regarded as a leader in the museum sector in New Zealand and has become a "must-see" attraction for visitors to the district. The Museum has won five New Zealand Tourism Awards since 2000, being named the country's Best Heritage Attraction three years in a row, culminating in a Distinction Award in 2002. Important new developments are planned for the next five years which will ensure the Museum retains its position as a centre of community pride and as an excellent visitor attraction in its own right.

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

A safe and caring community

- The purpose of the Museum is to interpret the unique culture and heritage of Rotorua, delivering an experience which gives visitors a clearer understanding of where they are in terms of space, time and culture.
- The Museum collects and preserves the material heritage of the Rotorua District for the benefit of future generations.

A community that respects its environment

- The Museum is responsible for the care and protection of the historic Bath House building, in which it is housed.

A prosperous community

- The Museum contributes to the tourism sector in Rotorua by attracting large numbers of visitors.

A community with excellent facilities and services

- The Museum is recognised as one of the premier cultural attractions in New Zealand, winning five NZ Tourism Awards in 2000 (x2), 2001 and again in 2002 (x2).

A community that values its living Maori culture

- The Museum celebrates Maori culture through a wide ranging programme of exhibitions and events.
- The work of local Maori artists is featured.
- The Kaumatua Komiti of the Museum has a central role in the development of the Museum and its relationship with the hapu and whanau of Te Arawa.

A learning community

- The Museum provides curriculum-based learning opportunities for school students through a multi-year contract with the Ministry of Education and has an active programme of adult education.

A “happening” community

- The Museum provides a wide range of changing exhibitions and public programmes, available free of charge to local residents. These include historical and contemporary art exhibitions, public lectures, events and school holiday programmes.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision of an outstanding museum both for Rotorua residents and for visitors to Rotorua.	Operate the museum 365 days a year, open to the public during advertised opening hours..	100% compliance.	100% compliance.	100% compliance.	100% compliance.
	Achieve targeted levels of community satisfaction.	NRB 70% Fairly good/very good rating or higher.	NRB 70% Fairly good/very good rating or higher.	NRB 70% Fairly good/very good rating or higher.	NRB 70% Fairly good/very good rating or higher.
	Achieve targeted levels of visitor patronage.	100,000	105,000	110,000	115,000
	Meet all Ministry of Education contract requirements.	All met 100%	All met 100%	All met 100%	All met 100%
	Achieve targeted levels of admission revenue inclusive of Museum, School and Blue Baths.	\$580,000	\$600,000	\$650,000	Rising to \$700,000 in 2008/09

Rotorua Museum of Art & History 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	2,298	2,547	2,470	2,513	2,743	2,499	2,534	2,564	2,508	2,530	2,538
Revenue	925	1,054	1,004	3,554	3,054	1,154	1,154	1,154	1,154	1,154	1,154
Net Cost	1,373	1,493	1,466	(1,041)	(311)	1,345	1,380	1,410	1,354	1,376	1,384
Capital											
Renewals											
Film Upgrade		200					200				
General	66	53	79	67	58	102	67	123	74	84	154
New For Improved Service											
South East Wing/North East Wing	22	22			2,000						
South East Wing / Te Arawa Gallery	15	15	500	2,500							
Viewing Platform			200								
Total Capital	103	290	779	2,567	2,058	102	267	123	74	84	154

Assets Used in Museum of Art & History Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Art & History Collection	5,788	6	5,782
Buildings	5,613	188	5,425
Computer Hardware	100	73	27
Computer Software	17	17	0
Database	2	1	1
Furniture & Fittings	393	232	161
Office Equipment	93	44	49
Plant & Machinery	1,055	456	599
	13,061	1,017	12,044

Where will funding come from

Who benefits from the activity

- The entire community benefits from choice of arts and cultural activities and a healthy caring community.
- The entire community benefits from the educational opportunities and cultural awareness that the provision of activities and facilities brings.
- Specific benefit to those that attend activities.

Period of benefit

- Ongoing educational benefits from an informed, creative population.
- Short-term benefit to organisers of financial assistance to administer such an activity.

Who creates need for the activity

Need is created by entire community for access to cultural heritage and creative media.

Funding source

A significant proportion of the benefits (80%) derived from expenditure on this activity are considered to be public in nature. These benefits are the availability of access to education and recreation programmes, the preservation of significant “treasures”, and of a historical building. The balance of benefits (20%) is received by individuals and groups who visit the Museum for either educational or recreational purposes.

Operational/Capital funding

Operating expenses	User Charges/	
	Shop Revenue	38%
	General rates (residual)	62%
Capital	Corporate funding	100%
	And Grants where available	



ENVIRONMENTAL GROUP

Contribution to outcomes

Activities within this Group	A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
Animal Control	✓	✓						
Building Control	✓	✓	✓					
Environmental Planning		✓	✓	✓				
Inspection	✓	✓	✓					
Parking Enforcement and Facilities	✓				✓			

Overview of Group

These activities reflect Council's role in natural resources management and regulation. The activities help us to plan for the future and make sure that everyone gets a fair deal, often having to balance competing rights of individuals and groups to do different things in the community.

Significant Negative Effects

No significant negative effects have been identified in relation to this activity group.

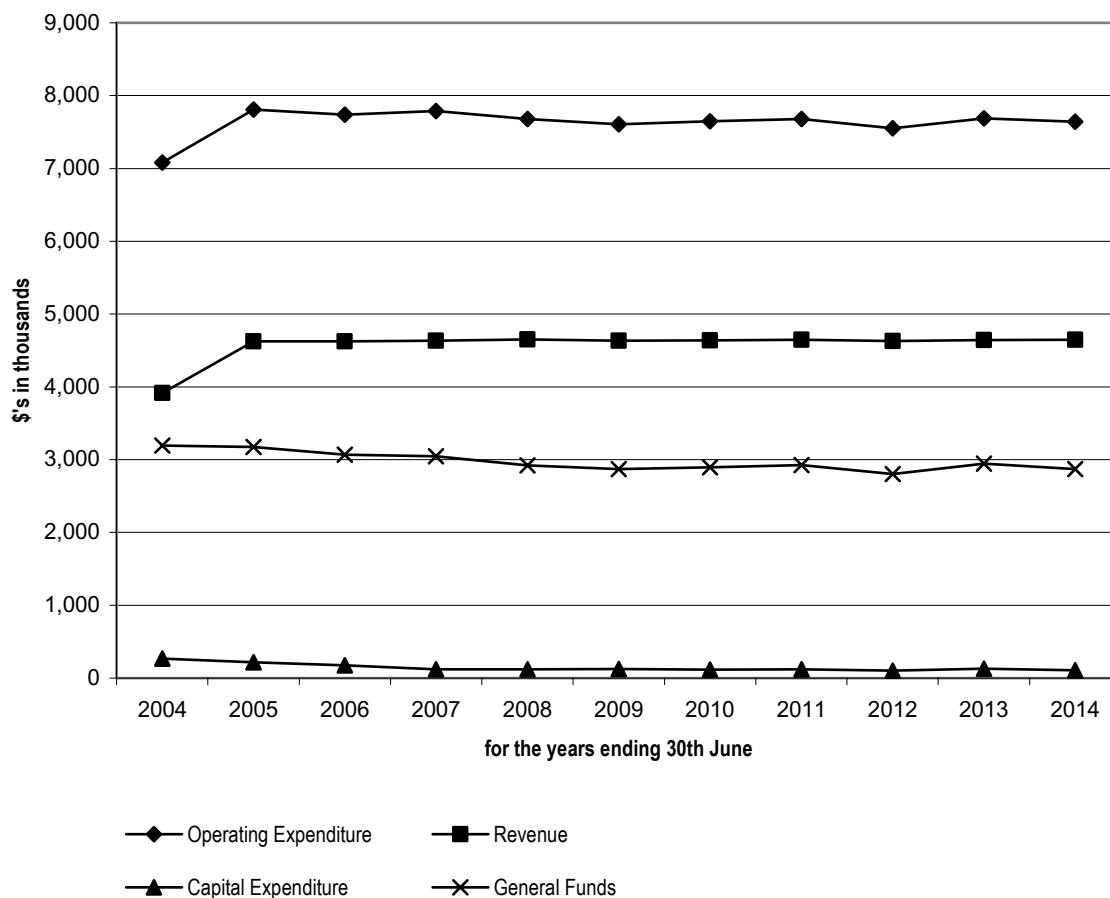
Key Strategic Decisions

- Development of Lake Catchment Action Plans (in association with Environment Bay of Plenty).
- Integration of Regional and District RMA functions and LGA planning and decision making processes.
- Management of impacts should "leaky building" eventuate as an issue in the District
- The increasing use of the district's lakes leading to a need for increased regulatory presence.
- New legislative requirements (e.g. breed specific dog control legislation).
- The Bay of Plenty, South Waikato and Taupo Councils are currently investigating the possibility of sharing building expertise, knowledge and systems. This is in anticipation of the proposed Building Act requiring all Councils to become accredited. A number of options are being considered in lieu of duplicating services and reducing costs, particularly in the case of the smaller councils' building sections.

Summary of Group Net Cost of Service

For the year ending 30 June:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Animal Control	298	313	310	318	322	314	322	320	317	318	320
Building Control	323	342	341	347	351	344	345	348	342	346	348
Environmental Planning	2,178	2,608	2,522	2,529	2,391	2,369	2,376	2,391	2,339	2,355	2,362
Inspection	906	1,034	1,047	1,060	1,066	1,051	1,062	1,067	1,024	1,065	1,066
Parking	(542)	(1,111)	(1,104)	(1,099)	(1,099)	(1,105)	(1,097)	(1,090)	(1,101)	(1,037)	(1,098)
Net Cost Of Service	3,163	3,186	3,116	3,155	3,031	2,973	3,008	3,036	2,921	3,047	2,998

Activity Group Income, Costs and Funding



ACTIVITY GROUPS

Assets Used in Activity Group

Asset Type	Cost/Valuation (thousands)	Accumulated Depreciation	Book Value 30 June 2003
Buildings	1,590	64	1,526
Computer Hardware	256	177	79
Computer Software	77	64	13
Environmental	2	0	2
Furniture & Fittings	194	166	28
Land	1,655	0	1,655
Office Equipment	81	67	14
Parking	934	74	860
Plant & Machinery	172	85	87
Total	4,961	697	4,264

Activity Group Revenue Sources

For the year ending 30 June:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Subsidies and Grants	4	4	4	4	4	4	4	4	4	4
Licence Fees	1,917	1,917	1,929	1,938	1,923	1,927	1,933	1,919	1,929	1,934
Resource Management Contributions	257	257	257	257	257	257	257	257	257	257
Fees and Charges	2,445	2,445	2,445	2,451	2,451	2,451	2,451	2,451	2,451	2,451
Total	4,623	4,623	4,635	4,650	4,635	4,639	4,645	4,631	4,641	4,646

Animal Control

Overall aim of the activity

To ensure the safety of the public by the control of nuisance dogs and stock wandering in public places.

Activity purpose – how and why we provide the service

Council provides this service in order to meet a statutory requirement and to meet community expectations. The activity involves the following:

Control Function

This involves registration of dogs, inspection of kennelling standards, investigation/resolution of nuisances/complaints and impounding of wandering/stray dogs and other animals. Also provided is an educational programme on dog control to be shown on a demand basis to primary and intermediate schools in the Rotorua District.

Pound Keeping Function

Impounded dogs are kept in humane conditions, with those not claimed by their owners after seven days from the date of the impounding of each individual dog, disposed of.

Stray stock are impounded and kept with ample pasture feed until their disposal to owners, or by way of public auction.

Five full time staff work in this activity.

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

A safe and caring community

- By resolution of complaints/nuisances created by uncontrolled wandering and/or barking dogs.
- By removing wandering livestock from public roads.

A community that respects its environment

- By the provision of dog exercise areas where dogs may run free of a leash.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision of an Animal Control service.	Take appropriate action to respond to complaints about dogs within 1½ working days based on a 7 day a week service provision.	90% response rate	92% response rate	92% response rate	92% response rate
Maintenance of an up-to-date register of all known dogs.	Achieve registration of known dogs by 30 June.	95% compliance	95% compliance	95% compliance	95% compliance
Maintain an acceptable level of community satisfaction with dog control services.	Maintain an acceptable level of community satisfaction in NRB Survey.	66% NRB Survey	66% NRB Survey	66% NRB Survey	66% NRB Survey
Provision of a service for the control and impounding of stock found wandering on roads in the District.	Respond to all complaints immediately.	100% compliance	100% compliance	100% compliance	100% compliance

Animal Control 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	655	723	720	728	732	724	732	730	727	728	730
Revenue	357	410	410	410	410	410	410	410	410	410	410
Net Cost	298	313	310	318	322	314	322	320	317	318	320
Capital											
Renewals											
General	2	9	3	6	9	3	6	9	3	6	9
New For Improved Service											
Pound Extension		60									
Total Capital	2	69	3	6	9	3	6	9	3	6	9

Assets Used in Animal Control Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Buildings	90	3	87
Computer Hardware	28	16	12
Computer Software	21	15	6
Environmental	2	0	2
Furniture & Fittings	10	10	0
Plant & Machinery	8	5	3
	159	49	110

Where will funding come from

Who benefits from the activity

- The entire community benefits from safe, reliable infrastructure and resources and consistent Council procedures.
- Council benefits from the existence of a transparent framework to follow .

Period of benefit

Benefits of regulation in general are ongoing even though the specific regulations may change over time.

Who creates need for the activity

- Need is created by entire community for structure, consistency and certainty.
- Need is created by Council for rules to protect its position and manage its risk exposure.

Funding source

The owners of dogs causing nuisances, unregistered dogs, and dangerous dogs which result in complaints being made, cause an exacerbator (negative issues) effect. In addition, the public benefits from the education of dog owners and the provision of a wandering stock control service.

It can be concluded that 15% of the benefits are public good, 10% private good and 75% exacerbator costs.

Control of wandering stock makes up 10% of the costs of this activity. Under legislation the costs for this sub-activity must be recovered by general rates mechanisms.

90% of costs are associated with dog control. It is acknowledged that not all dog owners are exacerbators and it is therefore not fair and equitable to charge all exacerbator costs to them. It is considered, however, fair for the general community to meet all of the cost of wandering stock and 40% of the cost of dog control. The cost allocation is accordingly modified to 56% private and 44% public for this total activity.

Operational/Capital funding

Operating costs		
Wandering stock & Dog control		
	Fees	56%
	General rates (residual)	44%
Capital	Corporate funding	100%

Building Control

Overall aim of the activity

To ensure the safety of people occupying buildings.

Activity purpose – how and why we provide the service

Council provides this service in order to meet a statutory requirement and to enhance community health and safety.

The primary goal of this activity is to ensure the health and safety of persons occupying various categories of buildings by the enforcement of the provisions of Statute and Bylaw.

Council's policy is to operate the activity on a 70% self-funding basis with receipts from consent fees.

Workload is dependent upon public-generated demand.

12 staff are currently involved in this activity.

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

A safe and caring community

- By providing information on building matters.
- By fulfilling its statutory and financial duties.

A community that respects its environment

- By implementation of environmental monitoring programmes which have a particular emphasis on natural features.

A healthy community

- By effectively protecting the safety and health of the occupants of buildings.
- By making sure infrastructure is maintained and enhanced for the health and safety of the community.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Processing all Building Consents.	Process consents within the legislative timeframe as required by the Building Act and to a standard set by the Building Act.	100% compliance	100% compliance	100% compliance	100% compliance
Processing all Project Information Memoranda.	Process PIMs within the timeframes and criteria imposed by the Building Act.	100% compliance	100% compliance	100% compliance	100% compliance
Ensuring the safety of people occupying buildings.	Complete all inspections to enable issue of Code Compliance Certificates within 10 working days of notification.	100% compliance	100% compliance	100% compliance	100% compliance
	Issue Statement of Fitness and Compliance Schedules within 10 working days of notification.	100% compliance	100% compliance	100% compliance	100% compliance
	Site review current Building Warrants of Fitness.	60% of Warrants of Fitness sites reviewed 100%	60% of Warrants of Fitness sites reviewed 100%	60% of Warrants of Fitness sites reviewed 100%	60% of Warrants of Fitness sites reviewed 100%
Respond to general complaints.	Take appropriate action on all complaints within 2 working days of notification.	100% compliance	100% compliance	100% compliance	100% compliance
Provide public information on building matters.	Have a Technical Officer available during office hours.	100% of the time	100% of the time	100% of the time	100% of the time

Building Control 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
30 June:	(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Operations												
Expenses		1,071	1,138	1,137	1,155	1,168	1,146	1,151	1,160	1,140	1,154	1,161
Revenue		748	796	796	808	817	802	806	812	798	808	813
Net Cost		323	342	341	347	351	344	345	348	342	346	348
Capital												
Renewals												
General		23	32	11	23	16	11	23	16	11	7	7
Total Capital		23	32	11	23	16	11	23	16	11	7	7

Assets Used in Building Control Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Computer Hardware	52	36	16
Plant & Machinery	10	8	2
	62	44	18

Where will funding come from

Who benefits from the activity

- The entire community benefits from safe, reliable infrastructure and resources, and consistent Council procedures.
- Council benefits from the existence of a transparent framework to follow.

Period of benefit

Benefits of regulation in general are ongoing even though the specific regulations may change over time.

Who creates need for the activity

- Need is created by entire community for structure, consistency and certainty.
- Need is created by Council for rules to protect its position and manage its risk exposure.

Funding source

It is considered that the benefits of expenditure on these services can be divided as follows: 100% private for consents, and 100% public for the provision of public information.

It is considered that it is reasonable to charge the full cost of consents to those applying for them; however, those who receive consents should not pay for the cost of providing information to the general public. From analysis of services provided, approximately 30% of staff time is involved in the provision of public information; this means it is reasonable to recover 70% of the total costs by way of user charges.

It is considered that the consents part of this activity will be fully funded by fees charged, whereas the information provision aspect will be met in full by general rates mechanisms.

Operational/Capital funding

Operating expenses	Fees (for consents)	70%
	General rates (residual)	30%

Capital	Corporate funding	100%
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Environmental Planning

Overall aim of the activity

To manage changes in land use so that quality of the environment is maintained or improved for current and future generations.

Activity purpose – how and why we provide the service

Council provides this service in order to comply with its statutory responsibility.

Functions of the Planning Division are derived mainly from the Resource Management Act (RMA). Council's policies on the environment are set out in the Rotorua District Plan.

A growing focus will be to monitor changes in the environment and to identify where changes in environmental policy may have merit. Implementation of current policy remains a key function.

Policy activities include:

- Progressive development of the Council's District Plan. Commence next District Plan review cycle in 2005/06.
- Monitoring the state of the environment and reporting of environmental outcomes in the Long Term Council Community Plan.
- Advice to Council on environmental issues.
- Consultation with the public, interest groups and affected parties where changes to policy are contemplated.
- Working with other resource management agencies.
- Responding to central and regional government policy proposals where these affect resource management within the District.

Administration of the District Plan includes activities such as:

- processing land use and subdivision resource consents
- providing information about the District Plan in response to public enquiries
- monitoring compliance with resource consent conditions
- enforcement of provisions of the District Plan and RMA.

Council currently employs 13 permanent staff in its Planning Division.

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

A prosperous community

- A District where planned growth ensures sensitive development within the natural environment and easy access to and from the District as well as within.

A community that respects its environment

- A District that values and protects its uniqueness as the world's premier geothermal wonderland and looks after its lakes, forests, rivers and historic places.

A healthy community

- A District where infrastructure is maintained and enhanced for the health and safety of the community and the environment.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
The District Plan is updated regularly through changes and reviews.	Progress Plan Changes.	Programme reported to Council each Planning and Bylaws Committee meeting.	Programme reported to Council each Planning and Bylaws Committee meeting.	Programme reported to Council each Planning and Bylaws Committee meeting.	Programme reported to Council each Planning and Bylaws Committee meeting.
Monitoring the state of the natural and physical resources of the Rotorua District and the effectiveness of the District Plan.	Prepare the Annual Highlights Report.	Annual Highlights Report by 01.12.04.	Annual Highlights Report by 01.12.05.	Annual Highlights Report by 01.12.06.	Annual Highlights Report by 1 December each year.

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Administration of the District Plan in an effective and efficient manner.	Process non-notified land use consent applications within 20 working days of receipt of adequate information.	90% compliance	90% compliance	90% compliance	90% compliance
	Process non-notified subdivision consent applications within 20 working days of receipt of adequate information.	90% compliance	90% compliance	90% compliance	90% compliance
	Respond to all complaints within three working days of receiving a complaint and where necessary carry out a site visit.	100% compliance	100% compliance	100% compliance	100% compliance
Monitoring compliance with resource consent conditions.	Report to Planning and Bylaws Committee on level of compliance with resource consent conditions.	By 30.09.2003 for 2003/04 year	By 30.09.2004 for 2004/05 year	By 30.09.2005 for 2004/05 year	By 30 September for each year
Monitoring complaints.	Report to Council on any trends evident from complaints.	Six monthly.	Six monthly.	Six monthly.	Six monthly.
Advocate Policy Changes that assist resource management in the District.	Respond to relevant central and regional government policy proposals by lodging submissions in time.	100% compliance	100% compliance	100% compliance	100% compliance

ACTIVITY GROUPS

Environmental Planning 10 Year Activity

For the year ending 30 June:	(thousands)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations												
Expenses		2,428	2,865	2,779	2,786	2,648	2,626	2,633	2,648	2,596	2,612	2,619
Revenue		250	257	257	257	257	257	257	257	257	257	257
Net Cost		2,178	2,608	2,522	2,529	2,391	2,369	2,376	2,391	2,339	2,355	2,362
Capital												
Renewals												
General		32	27	18	40	29	28	40	29	18	50	29
Total Capital		32	27	18	40	29	28	40	29	18	50	29

Assets Used in Environmental Planning Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Computer Hardware	70	48	22
Computer Software	51	45	6
Furniture & Fittings	20	14	6
Office Equipment	16	12	4
	157	119	38

Where will funding come from

Planning Policy

Who benefits from the activity

- The entire community benefits from pleasant, functional urban environment.
- Business benefits from attraction of visitors and effectiveness and accessibility of infrastructure.

Period of benefit

Benefits are ongoing in terms of community promotion and functionality as long as design is maintained effectively.

Who creates need for the activity

- Need is created by entire community for a pleasant functional urban environment.
- Need is created by Council to promote the image and attractiveness of the City to encourage business and community development.

Funding source

It is considered that the benefits of the expenditure on this activity are 100% public in nature. Sustainable management of the resources of the District through protection, development and use of those resources impacts on both current and future generation.

Operational/Capital funding

Operating costs	Charges	1%
	General rates (residual)	99%
Capital	Corporate funding	100%

Planning Implementation

Who benefits from the activity

- The entire community benefits from pleasant, functional urban environment.
- Business benefits from attraction of visitors and effectiveness and accessibility of infrastructure.

Period of benefit

Benefits are ongoing in terms of community promotion and functionality as long as design is maintained effectively.

Who creates need for the activity

- Need is created by entire community for a pleasant functional urban environment.
- Need is created by Council to promote the image and attractiveness of the city to encourage business and community development.

Funding source

Council has identified that 30% of the costs are associated with providing public information and other non chargeable services, and 70% of the costs are associated with consent work which essentially provides a private benefit.

Operational/Capital funding

Operating costs	General rates	100%
	Processing and monitoring of land use and subdivision resource consents	
Public enquiries, appeals, complaints, and enforcement	Fees & charges	18%
	General rates	82%
Capital	Corporate funding	100%

Inspection

Overall aim of the activity

To ensure the health, safety, comfort and wellbeing of the inhabitants and visitors within the District, with reference to wise use and protection of the environment and sustainable resource management.

Activity purpose – how and why we provide the service

Council provides this service to meet its statutory responsibilities and to enhance community health and safety.

This activity employs inspectors in the following activities:

i) Lakewaters Control

To ensure the safe sporting/recreational enjoyment of lake amenities by enforcing the provisions of the Lakewaters Bylaw and maintaining an educational/advisory service. Activities include the installation and maintenance of marker-buoys, signs, and other navigation aids. Council's function of policing the bylaw is supplemented by Honorary Lakes Inspectors. The role also involves the annual licensing of commercial vessels plying for hire and foreshore structures.

ii) Hazardous Substances

To ensure public safety in the handling and storage of hazardous substances by the enforcement of the Hazardous Substances and New Organisms Act and Regulations.

iii) Geothermal

The geothermal inspection function is limited to health and safety issues in an advisory role and includes undertaking testing for the emission of hydrogen sulphide gas.

iv) General

To ensure the enforcement of the Standard Model Bylaw. A diverse range of activities is involved

including licensing signs and hoardings, obstruction of public property, and disposal of abandoned vehicles.

v) District Licensing Agency

The management of the District Liquor Licensing Agency in relation to the administration of the Sale of Liquor Act and Regulations and Council's Liquor Policy.

vi) Environmental Health

The promotion and conservation of public health by the enforcement of the provisions of the Health Act, Resource Management Act and bylaws. Activities include inspection of food premises, licensed premises, hairdressers and camping grounds, investigation of noise and health complaints, and monitoring of water supplies and swimming pools.

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

A safe and caring community

This activity employs inspectors in the following activities:

- Hazardous substances
- Geothermal
- General
- Liquor licensing
- Environmental health
- By ensuring safety of navigation on District waterways.

A community that respects its environment

- By minimising the effect of health, noise, litter and general nuisances.

A healthy community

- By ensuring safe health standards in:
 - food prepared for public consumption
 - reduction of noise nuisance
 - compliance with liquor licence conditions

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Minimising noise nuisance within the district.	EHOs will respond to noise complaints within two (2) hours.	95% compliance	95% compliance	95% compliance	95% compliance
Ensuring compliance with the Health Registration of Premises Regulations 1966.	Register food premises, hairdressing salons, camping grounds and funeral parlours.	95% premises registered	95% premises registered	95% premises registered	95% premises registered
Controlling health nuisances within district.	Respond to health complaints within 1½ working days.	98% compliance	98% compliance	98% compliance	98% compliance
Ensuring compliance of premises/activities with statutory requirements.	Conduct at least one annual inspection of all licensed premises.	100% compliance	100% compliance	100% compliance	100% compliance
	Annual inspections of all premises licensed to hold dangerous goods.	Inspection function ceased with effect from 1.04.04.	N/A	N/A	N/A
	Reinstate missing navigation aids within three weeks of notification.	100% compliance	100% compliance	100% compliance	100% compliance

Inspection 10 Year Activity

For the year ending 30 June:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	1,603	1,693	1,706	1,719	1,725	1,710	1,721	1,726	1,683	1,724	1,725
Revenue	697	659	659	659	659	659	659	659	659	659	659
Net Cost	906	1,034	1,047	1,060	1,066	1,051	1,062	1,067	1,024	1,065	1,066
Capital											
New For Improved Service											
Patrol Vessel	101										
Renewals											
General	24	49	55	10	23	51	5	29	35	20	23
Total Capital	125	49	55	10	23	51	5	29	35	20	23

Assets Used in Inspection Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Computer Hardware	75	53	22
Computer Software	4	3	1
Furniture & Fittings	112	103	9
Office Equipment	62	53	9
Plant & Machinery	145	71	74
	398	283	115

Where will funding come from

Environmental Health - Regulatory

Who benefits from the activity

- The entire community benefits from safe, reliable infrastructure and resources and consistent Council procedures.
- Council benefits from the existence of a transparent framework to follow.

Period of benefit

Benefits of regulation in general are ongoing even though the specific regulations may change over time.

Who creates need for the activity

- Need is created by entire community for structure, consistency and certainty.
- Need is created by Council for rules to protect its position and manage its risk exposure.

Funding source

It is considered that 100% of the benefit derived from expenditure on this sub-activity is public benefit. It is also noted that Council cannot legally charge in relation to noise complaint callouts and other health issues.

Operational/Capital funding

Operating expenses	Fees (licensing/inspection)	1%
	General rates (residual)	99%

Capital	Corporate funding	100%
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Environmental Health - Licensing

Who benefits from the activity

- The entire community benefits from safe, reliable infrastructure and resources and consistent Council procedures.
- Council benefits from the existence of a transparent framework to follow.
- Individuals and user groups are prime beneficiaries.

Period of benefit

Benefits of regulation in general are ongoing even though the specific regulations may change over time.

Who creates need for the activity

- Need is created by entire community for structure, consistency and certainty.
- Need is created by Council for rules to protect its position and manage its risk exposure.

Funding source

It is considered that 84% of the benefit derived from expenditure on this sub-activity is private benefit in that those persons who require licensing and registration and comply with the regulations, are able to continue in their business. Whilst they pay for inspections, private benefits also are received by their clients, although these are not easily identified by Council. It is considered 16% of the benefit is public because the public knows the premises/owners meet registration standards.

It is considered reasonable to charge the full costs of inspections for those clients whose premises required this service.

Operational/Capital funding

Operating costs	Fees	84%
	General rates	16%

Capital	Corporate funding	100%
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Environmental Health - Noise Control

Who benefits from the activity

- The entire community benefits from safe, reliable infrastructure and resources and consistent Council procedures.
- Council benefits from the existence of a transparent framework to follow.

Period of benefit

Benefits of regulation in general are ongoing even though the specific regulations may change over time.

Who creates need for the activity

- Need is created by entire community for structure, consistency and certainty.
- Need is created by Council for rules to protect its position and manage its risk exposure.

Funding source

Public 100%

Operational/Capital funding

Operating costs	General rates	99%
	Revenue	1%

Capital	Corporate funding	100%
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General Inspection - Bylaws And Geothermal

Who benefits from the activity

- The entire community benefits from safe, reliable infrastructure and resources and consistent Council procedures.
- Council benefits from the existence of a transparent framework to follow.

Period of benefit

Benefits of regulation in general are ongoing even though the specific regulations may change over time.

Who creates need for the activity

- Need is created by entire community for structure, consistency and certainty.
- Need is created by Council for rules to protect its position and manage its risk exposure.

Funding source

It is noted that, whilst the bulk of the work is generated by complaints from individuals, the resolution of such complaints frequently results in benefits to the wider community. It is considered unrealistic to contemplate charging a fee for lodging a complaint, therefore user pays is not considered an option. Costs are therefore allocated as 3% private, 97% public.

Operational/Capital funding

Operating costs	Fees	3% (car recovery, signs)
	General rates (residual)	97%
Capital	Corporate funding	100%

General Inspection - Sale Of Liquor

Who benefits from the activity

- The entire community benefits from safe, reliable infrastructure and resources and consistent Council procedures.
- Council benefits from the existence of a transparent framework to follow.

Period of benefit

Benefits of regulation in general are ongoing even though the specific regulations may change over time.

Who creates need for the activity

- Need is created by entire community for structure, consistency and certainty.
- Need is created by Council for rules to protect its position and manage its risk exposure.

Funding source

It is considered that most of the benefits of this activity are received by the individuals being certified or those applying for liquor licences for premises (85%). The benefits derive from being able to operate a business involving the sale of liquor which, without the licences and certificates, would be impossible. The public benefit (15%) is from the knowledge that licensees are complying with the conditions of their licences which are designed to maintain public welfare and ensure that standards are maintained and alcohol is not being provided irresponsibly.

It is believed that the costs associated with the provision of this service should be fully recovered by way of user fees. It is noted, however, that the levels of fees payable for licence applications is fixed by Government regulation and a portion of most fees is paid to the Liquor Licensing Authority. In view of this, it is considered that the allocation be modified to reflect 100% private good if the fee structure allows. The current level of cost recovery is 85%. It is acknowledged that as the law stands, if the costs increase or licence activity decreases, it may not be possible to maintain this level of cost recovery from user charges in the future. It is also acknowledged, however, that the nature of Rotorua's tourist industry has seen huge growth in the number/variety of hospitality enterprises compared to other locations. The associated regulatory requirements are much greater as a consequence.

It can be concluded that if possible this activity be funded 100% by user fees within the fees set by Government regulation. However, Government regulation allows current cost recovery at 85% from fees.

Operational/Capital funding

Operating costs	Fees	48%
	General rates (residual)	52%
Capital	Fees	52%
	Corporate funding	100%

General Inspection - Hazardous Substances

Who benefits from the activity

- The entire community benefits from safe, reliable infrastructure and resources and consistent Council procedures.
- Council benefits from the existence of a transparent framework to follow.

Period of benefit

Benefits of regulation in general are ongoing even though the specific regulations may change over time.

Who creates need for the activity

- Need is created by entire community for structure, consistency and certainty.
- Need is created by Council for rules to protect its position and manage its risk exposure.

Funding source

It is considered that the benefit accrues 100% to the public.

Council's role for controlling hazardous substances is confined to public places, private dwellings and the provision of a 24 hour capability to respond to emergency call-outs by the Fire Service or Police involving hazardous substances.

Operational/Capital funding

Operating costs	General rates (residual)	100%
Capital	Corporate funding	100%

Lake Waters Control

Who benefits from the activity

- The entire community benefits from safe, reliable infrastructure and resources and consistent Council procedures.
- Council benefits from the existence of a transparent framework to follow.

Period of benefit

Benefits of regulation in general are ongoing even though the specific regulations may change over time.

Who creates need for the activity

- Need is created by entire community for structure, consistency and certainty.
- Need is created by Council for rules to protect its position and manage its risk exposure.

Funding source

It is considered that the private/public good for the three components of this activity are as follows:

- Licensing of Jetties and Structures – 95% private - namely those private individual who hold a licence to own and use a foreshore structure – and 5% public - those people, under Council policy, who are entitled to use jetties.
- Commercial Operators Licensing – 100% private, being those individuals who hold commercial vessel licences

- Regulatory – 100% public, as expenditure is largely to control negative effects or actions contrary to the provisions of the Rotorua district Lake Water and Rivers Control Bylaw and is independent of the numbers of persons who benefit.
- Navigational aids – 100% subsidy from Environmental Bay of Plenty

It is noted that currently 18% of the cost of the entire activity is recovered from licence fees.

It is considered reasonable to charge the full costs of licensing inspection to the owners of jetties and structures and to commercial operators. However believed that the regulatory side of the activity, in terms of ensuring navigational safety and the control and direction of activities on the water-ski lanes, five knot access lanes, etc, could not be recovered by user charges.

It is proposed that 100% of the costs of commercial operator licensing can be recovered by way of licence fees and user charges for inspection/licensing of jetties, structure and commercial operations and 100% by general rates mechanisms for the regulatory side of this activity.

Operational/Capital funding

Operating costs		
Licensing of Jetties and Structures		
Licences		75%
General rates (residual)		100%
Commercial Operators		
Licences		100%
Regulatory		
General rates		25%
Installation/Provision of Navigational aids		
EBOP subsidy		100%
Capital	Corporate funding	100%

Parking Enforcement and Facilities

Overall aim of the activity

To provide an effective parking enforcement service within the CBD and peripheral areas to maximise availability of parking.

Activity purpose – how and why we provide the service

This activity is undertaken to ensure availability of parking and to support efficient use of the roading infrastructure.

Enforcement is undertaken during the following hours:

Monday to Friday	9.00am to 5.00pm
Saturday	9.00am to 12.00 noon

This section employs five full-time and one part-time staff, including a Supervisor Parking Enforcement to whom staff are responsible.

The net surplus of this activity goes towards the maintenance, cleaning, security and renewal of the roads, footpaths and surrounding areas where the parking fees are collected.

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

A safe and caring community

- By ensuring an equal opportunity for all motorists to have access to parking available in the CBD.
- By monitoring the requirements for all vehicles to have a current Certificate of Inspection (Warrant of Fitness).

A community with excellent facilities and services

- By making available a carpark building with capacity for 244 vehicles and off-street parking in Haupapa Street carpark for 95 vehicles.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision of an effective parking enforcement service within the CBD and peripheral areas to maximise availability of parking.	Provide a 5½ day week surveillance of CBD and peripheral areas.	100% compliance	100% compliance	100% compliance	100% compliance
	Complete initial administrative action of 100% of infringement notices within two (2) working days of issue.	100% compliance	100% compliance	100% compliance	100% compliance

Parking Enforcement and Facilities 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	1,322	1,390	1,397	1,402	1,408	1,402	1,410	1,417	1,406	1,470	1,409
Capital											
Revenue	1,864	2,501	2,501	2,501	2,507	2,507	2,507	2,507	2,507	2,507	2,507
Net Cost	(542)	(1,111)	(1,104)	(1,099)	(1,099)	(1,105)	(1,097)	(1,090)	(1,101)	(1,037)	(1,098)
Capital											
Renewals											
General	85	39	93	40	44	33	40	39	38	40	39
Total Capital	85	39	93	40	44	33	40	39	38	40	39

Assets Used in Parking Enforcement and Facilities Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Buildings	1,500	61	1,439
Computer Hardware	31	24	7
Computer Software	1	1	0
Furniture & Fittings	52	39	13
Land	1,655	0	1,655
Office Equipment	3	2	1
Parking	934	74	860
Plant & Machinery	9	1	8
	4,185	202	3,983

Where will funding come from

On-Street Parking

Who benefits from the activity

- Entire community benefits from accessibility of City and ease of transportation throughout the city.
- Specific benefit to road users.
- Specific benefit to parking facility users.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

Entire community creates the need for an accessible urban environment where transport links are readily available for both business and public use.

Funding source

It is considered that the benefits of expenditure on this activity are primarily private in nature, being the benefit to those using the car parks, and retailers in the city centre. Benefits are received by the public as a result of improvements in the road safety of vehicles through enforcement of infringements set out in the Transport Act 1962.

To maintain the total parking activity as a stand alone, financially neutral service.

Operational/Capital funding

Operating costs	Meter and permit charges & Infringements fees	100%
Capital	Corporate funding	100%

Off-Street Parking

Who benefits from the activity

- Entire community benefits from accessibility of city and ease of transportation throughout the city,
- Specific benefit to road users.
- Specific benefit to parking facility users.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

Entire community creates the need for an accessible urban environment where transport links are readily available for both business and public use.

Funding source

It is considered that the majority of the benefits (95%) derived from expenditure on this activity are private in nature. The beneficiaries are the users of the service who pay to park off-street. The balance of benefits (5%) is received by the general public as the provision of the facilities result in less congestion on the city streets.

It is noted that currently 50% of the costs are recovered from user charges. It is considered an increase would discourage usage or erode the existing customer base. The allocation is accordingly modified to 50% private and 50% public.

Operational/Capital funding

Operating costs	Charges at least	53%
	General rates (residual, funded from on-street surplus)	47%
Capital	Corporate funding	100%

ECONOMY GROUP

Contribution to outcomes

Activities within this Group	A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
Destination Rotorua Marketing		✓		✓	✓			✓
Economic Development	✓	✓		✓	✓	✓	✓	
Tourism Rotorua Travel and Information	✓	✓			✓			

Overview of Group

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

Significant Negative Effects

No significant negative effects have been identified in relation to this activity group.

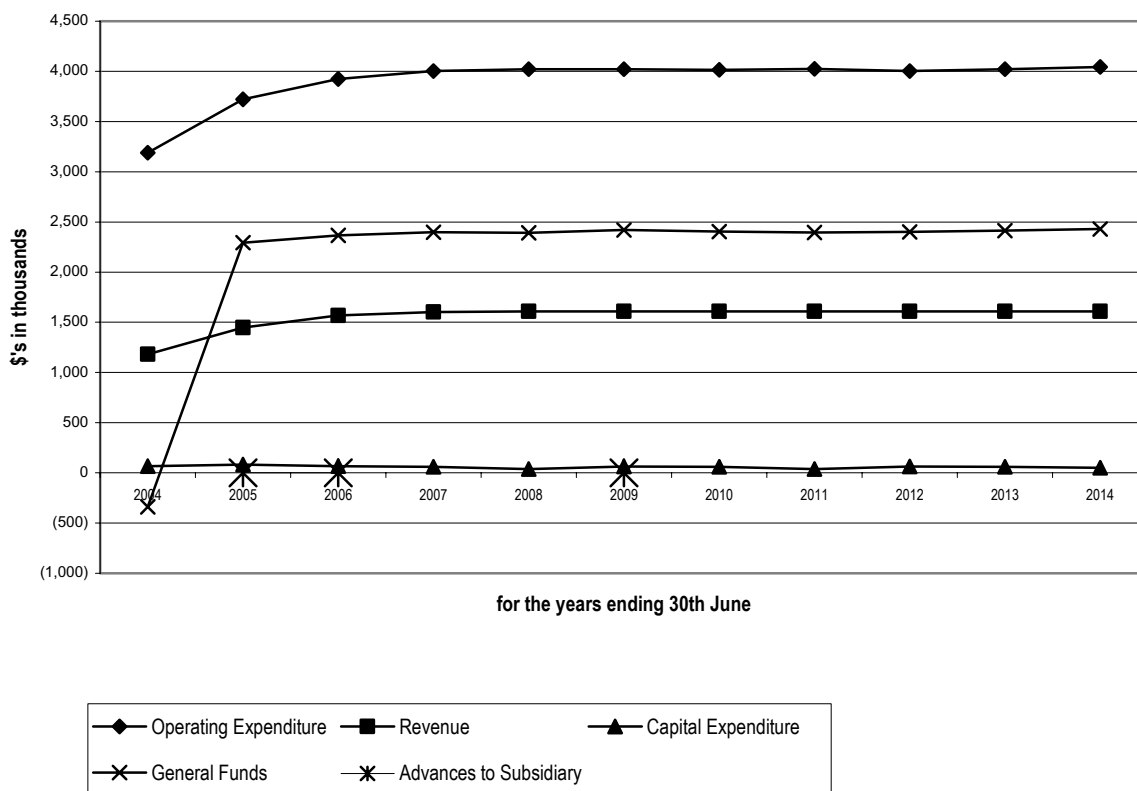
Key Strategic Decisions

- Developing and implementing a Rotorua Growth Strategy
- The development of Destination Rotorua as a brand
- Review of the Rotorua Tourism Strategic Plan
- Review of the LGNZ Act and implications for the RTO, in terms of targeted rating, revenue focussed business ventures and destination management.
- Development of the Australian market with a view to establishing trans-Tasman direct air services into Rotorua.

Summary of Group Net Cost of Service

For the year ending 30 June:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Destination Rotorua Marketing	1,219	1,366	1,457	1,430	1,430	1,429	1,427	1,431	1,426	1,429	1,435
Economic Development	412	540	525	579	580	578	580	581	578	581	581
Tourism Rotorua Travel & Information	376	366	374	390	402	407	398	404	391	402	420
Net Cost Of Service	2,007	2,272	2,356	2,399	2,412	2,414	2,405	2,416	2,395	2,412	2,436

Activity Group Income, Costs and Funding



ACTIVITY GROUPS

Assets Used in Activity Group

Asset Type	Cost/Valuation (thousands)	Accumulated Depreciation	Book Value 30 June 2003
Computer Hardware	252	188	64
Computer Software	44	43	1
Furniture & Fittings	17	6	11
Office Equipment	43	22	21
Plant & Machinery	45	4	41
	401	263	138

Activity Group Revenue Sources

For the year ending 30 June: (thousands)	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
Subsidies and Grants	100	170	170	170	170	170	170	170	170	170
Interest and Dividends	12	12	12	12	12	12	12	12	12	12
Fees and Charges	1,337	1,387	1,422	1,427	1,427	1,427	1,427	1,427	1,427	1,427
Total	1,449	1,569	1,604	1,609	1,609	1,609	1,609	1,609	1,609	1,609

Destination Rotorua - Marketing

Overall aim of the activity

A tourism/visitor sector that is making a maximum contribution to Rotorua's economic, social and environmental wellbeing by continually improving and promoting Rotorua to existing and new markets, making an exciting, vibrant, high quality destination.

Activity purpose – how and why we provide the service

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

An emerging function of this department is supporting the development of new product and infrastructure as well as the management of growing the visitor industry and therefore contributing toward the Rotorua District Council 'Growth Strategy' and prioritised 'Community Outcomes'.

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

A prosperous community

- Co-ordinates the marketing and promotion of the Rotorua District.
- Strives to improve returns/yield and economic growth for Rotorua.
- Positions Rotorua as a year round destination and premier event destination.
- Works with local tourism industry and wider community.
- More visitors and returns lead to more jobs for locals.

A community that respects its environment

- Marketing is focussed on sustainability and industry - growth opportunities.
- Continued development and promotion of the Sustainable Tourism Charter.
- Champion quality management and best practise initiatives such as Qualmark.

A community with excellent facilities and services

- Protects and develops the Rotorua "Manaakitanga – Feel the Spirit" brand identity.

A "happening" community

- Helps add to the excitement and vibrant high quality destination.
- End result is more varied activities and venues for the visitors and locals to enjoy.
- Facilitates/encourages events to develop and expand as a means of expanding visitor arrivals.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Creating awareness of Rotorua as New Zealand's premier visitor destination to international agents, airlines, inbound agents, industry and visitors.	Produce a bi-annual Rotorua tourism product and information update newsletter for the inbound industry.	2 newsletters produced (In Essence)	2 newsletters produced (In Essence)	2 newsletters produced (In Essence)	2 newsletters produced (In Essence)
	Produce the Rotorua Visitors Guide.	150,000 printed.	160,000 printed.	160,000 printed.	160,000 printed.
Maximising Rotorua's domestic and international exposure in all media and communications channels.	Co-ordinate the visits of international media to Rotorua in accordance with Tourism NZ's international media plan.	40 visits co-ordinated	40 visits co-ordinated	40 visits co-ordinated	40 visits co-ordinated

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
	Prepare and distribute industry newsletters for local tourism industry.	4 newsletters prepared and distributed. 10 Tourism bullet reports prepared and distributed.	4 newsletters prepared and distributed. 10 Tourism bullet reports prepared and distributed.	4 newsletters prepared and distributed. 10 Tourism bullet reports prepared and distributed.	4 newsletters prepared and distributed. 10 Tourism bullet reports prepared and distributed.
	Produce the "It's On" event publication and website.	3 per year.	3 per year.	3 per year.	3 per year.
	Co-ordinate public relations/ media activities which will result in equivalent advertising value to Rotorua.	EAV of \$2.0m realised. Audience reach to 1.0m people.	EAV of \$2.0m realised. Audience reach to 1.0m people.	EAV of \$2.0m realised. Audience reach to 1.0m people.	EAV of \$2.0m realised. Audience reach to 1.0m people.
Facilitating and encouraging events to develop and expand in Rotorua as a means of expanding visitor arrivals to Rotorua.	Provide general marketing support and guidance to major event prospects.	10 strategic events assisted. 1 annual Icon event assisted.	10 strategic events assisted. 1 annual Icon event assisted.	10 strategic events assisted. 1 annual Icon event assisted.	10 strategic events assisted. 1 annual Icon event assisted.
Enhancing and promoting Rotorua's market position as a conference and incentive destination.	Produce the Rotorua Trade and Convention Planner.	4,000 printed.	4,000 printed.	4,000 printed.	4,000 printed.
Communication of marketing activities to local industry to communicate/maximise marketing impact.	Conduct industry forums.	2 forums per year.	2 forums per year.	2 forums per year.	2 forums per year.
	Conduct, facilitate and engage discussion from industry representatives through the marketing portfolio groups on a regular basis.	4 meetings per year.	4 meetings per year.	4 meetings per year.	4 meetings per year.

ACTIVITY GROUPS

Destination Rotorua – Marketing 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	1,584	1,826	2,037	2,045	2,050	2,049	2,047	2,051	2,046	2,049	2,055
Revenue	365	460	580	615	620	620	620	620	620	620	620
Net Cost	1,219	1,366	1,457	1,430	1,430	1,429	1,427	1,431	1,426	1,429	1,435
Capital											
Renewals											
General	31	31	13	23	27	10	23	27	10	23	39
Total Capital	31	31	13	23	27	10	23	27	10	23	39

Assets Used in Destination Rotorua Marketing Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Computer Hardware	89	63	26
Computer Software	2	1	1
Furniture & Fittings	9	5	4
Office Equipment	17	6	11
Plant & Machinery	9	3	6
	126	78	48

Where will funding come from

Who benefits from the activity

- Individual businesses will benefit directly from specific initiatives .
- Entire economy benefits from improved economic activity and positive outlook/attitudes.

Period of benefit

Ongoing benefits for entire economy.

Who creates need for the activity

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

Funding source

It is considered that the benefits of expenditure in this activity are split 25% private and 75% public. The private beneficiaries are the individual business owners and their employees. The public benefit is derived from the economic prosperity to the wider community, including employment opportunities.

It is noted that the current recovery of costs is 23% user contributions and 77% general rates. It is considered that the opportunities to increase revenue in this area are limited. It is acknowledged that the enhancement of Rotorua's economic base through tourism has positive flow-on effects for all in the District.

Operational/Capital funding

Operating costs	Fees & Charges	25%
	General rates (residual)	75%

Capital	Corporate funding	100%
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Economic Development

Overall aim of the activity

To enhance the economic wellbeing of Rotorua, through sustaining, attracting and growing business within the Rotorua region.

Activity purpose – how and why we provide the service

The Rotorua Economic Development Unit of Rotorua District Council actively works on all levels alongside individuals, businesses, government and key community organisations to stimulate the process of sustaining, attracting and growing business within the Rotorua region.

We encourage economic activity to create an environment that stimulates sound investments, encourages and embraces economic growth, more employment opportunities, higher incomes and a greater lifestyle quality for residents.

The four main areas of operation for the unit are:

1. Provision of relevant up to date **economic and business development information** in a Rotorua context.
2. **Facilitation of economic development initiatives and activity** in relation to the sustaining, attracting and growing of businesses within the Rotorua region.
3. **Marketing of Rotorua locally, nationally and internationally** as a great place to do business, invest, live, work and play in.
4. To **project manage the development of strategic economic development** initiatives within the region.

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

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

A safe and caring community

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

A prosperous community

- Provision of relevant up to date economic and business development information in a Rotorua context.
- Facilitation of economic development initiatives and activity in relation to the sustaining, attracting and growing of businesses within the Rotorua region.
- Marketing of Rotorua locally, nationally and internationally as a great place to do business, invest, live, work and play in.
- Project manage the development of strategic economic development initiatives within the region.
- Supports and encourages business and community growth.
- Works with key industry sectors to help develop and broaden sustainable business opportunities that will grow the economy.

A community that respects its environment

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

A community with excellent facilities and services

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

A learning community

- Assists with education initiatives for our young people to improve the workforce capability.
- Works with key industry sectors to identify and communicate their needs and want back to the education providers.

A community that values its living Maori culture

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

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision of relevant up to date economic and business development Information in a Rotorua context	Facilitate the development, production and dissemination of relevant information on: <ul style="list-style-type: none"> • Rotorua Economy • National Economy • Global Economy • Economic Sectors • Business Development • Business News • Local support & business networks 	Monthly information reports produced, disseminated to the Rotorua Business Database, Council and other key stakeholders. Posted to Economic Development Unit website.	Monthly information reports produced, disseminated to the Rotorua Business Database, Council and other key stakeholders. Posted to Economic Development Unit website.	Monthly information reports produced, disseminated to the Rotorua Business Database, Council and other key stakeholders. Posted to Economic Development Unit website.	Monthly information reports produced, disseminated to the Rotorua Business Database, Council and other key stakeholders. Posted to Economic Development Unit website.
Facilitation of Economic Development initiatives and activity within the Rotorua region	Facilitate the sustaining and growth of the existing Rotorua business community and the attraction of new business, investment and people through: <ul style="list-style-type: none"> • Responding to inquiries in a timely and professional manner • Interfacing with RDC • Assistance with the RMA • Access to and the development of business support networks, locally, nationally and internationally. • Access to possible funding mechanisms and resources 	To respond to requests for facilitation 80% within 3 working days, 100% within 10 working days.	To respond to requests for facilitation 80% within 3 working days, 100% within 10 working days.	To respond to requests for facilitation 80% within 3 working days, 100% within 10 working days.	To respond to requests for facilitation 80% within 3 working days, 100% within 10 working days.
Marketing of Rotorua locally, nationally and internationally as a great place to do business, invest, live, work and play in	Facilitate in the development, production and dissemination of relevant up to date marketing material based around the promotion of Rotorua as a destination for: <ul style="list-style-type: none"> • Living, working and playing in • Investing in • Doing business in • Sector specific business development. 	Produce at least 4 generic and 2 sector specific marketing campaigns. Ensure relevance and functionality of the websites.	Produce at least 4 generic and 2 sector specific marketing campaigns. Ensure relevance and functionality of the websites.	Produce at least 4 generic and 2 sector specific marketing campaigns. Ensure relevance and functionality of the websites.	Produce at least 4 generic and 2 sector specific marketing campaigns. Ensure relevance and functionality of the websites.
Project Management of Strategic Economic Development Projects that enhance the capability of the region's economy	Project manage implementation of the Rotorua Employment Skills Strategy.	Facilitate year one of the Rotorua Cluster Development Project. Report on the progress of the strategy by 30 June.	Facilitate year two of the Rotorua Cluster Development Project. Report on the progress of the strategy by 30 June.	Facilitate year three of the Rotorua Cluster Development Project. Report on the progress of the strategy by 30 June.	Facilitate the Rotorua Cluster Development Project. Report on the progress of the strategy by 30 June.

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
	Facilitate the development of the capability of the Maori business community within Rotorua	Provide support for the Te Arawa Economic Forum and Te Arawa Economic Development.	Provide support for the Te Arawa Economic Forum and Te Arawa Economic Development.	Provide support for the Te Arawa Economic Forum and Te Arawa Economic Development.	Provide support for the Te Arawa Economic Forum and Te Arawa Economic Development.
	Project manage the development of the Rotorua Economic Development Growth Strategy	Growth Strategy report completed with implementation plan by January 2004.	Facilitate implementation of at least one of the elements identified in the strategy.	Facilitate implementation of at least one of the elements identified in the strategy.	Facilitate implementation of at least one of the elements identified in the strategy.
	To provide support to the Radi Centre initiative	Attend 90% of all board meetings	Attend 90% of all board meetings	Attend 90% of all board meetings	Attend 90% of all board meetings
	Project manage and facilitate the provision of suitable industrial land in the Rotorua District.	Provide support for development of industrial land projects within the Rotorua District	Provide support for development of industrial land projects within the Rotorua District	Provide support for development of industrial land projects within the Rotorua District	Provide support for development of industrial land projects within the Rotorua District

Economic Development 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	418	640	625	679	680	678	680	681	678	681	681
Revenue	6	100	100	100	100	100	100	100	100	100	100
Net Cost	412	540	525	579	580	578	580	581	578	581	581
Capital											
Renewals											
General	5	5	3	5	5	3	5	5	3	5	5
Total Capital	5	5	3	5	5	3	5	5	3	5	5

Assets Used in Economic Development Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Computer Hardware	15	9	6
Office Equipment	5	2	3
	20	11	9

Where will funding come from

Who benefits from the activity

- Individual businesses will benefit directly from specific initiatives.
- Entire economy benefits from improved economic activity, choice, employment opportunities and incomes.

Period of benefit

- Short-term business support initiatives, but ongoing benefits of infrastructure development and flow-on effects.
- Ongoing benefits for entire economy.

Who creates need for the activity

- Entire community displays need for economic development.
- Business displays specific need for support services and infrastructure.

Funding source

It is considered that the benefits of expenditure on this activity are allocated 25% private and 75% public good. Private benefits are derived from the provision of information and assistance to individuals and businesses. However, this frequently leads to public/community good. Who benefits from the activity if acted upon successfully. Further, public good Who benefits from the activity can be measured in terms of employment and social and business confidence levels.

It is noted the current recovery of costs is 2% from users and 98% general rates and that this reflects the reality of recovery opportunities.

Operational/Capital funding

Operating costs	Grants (where available)	18%
	Fees	0%
	General rates (residual)	82%
Capital	Corporate funding	100%

Tourism Rotorua Travel and Information

Overall aim of the activity

Your first contact for information and booking requirements on things you can see and do around Rotorua and the rest of New Zealand.

Activity purpose – how and why we provide the service

The Tourism Rotorua Travel Office operates 364 days a year and employs 14 fulltime and one part-time staff.

The office is active in information provision and also offers a comprehensive domestic travel reservation service available to local residents and visitors. Commercial returns are earned through commissions on sightseeing and travel sales.

Council undertakes this activity to meet community expectations and support other activities.

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

A safe and caring community

- By providing skilled and knowledgeable staff to help people find the information they need.
- Provides an information source for the local community.
- Provides Department of Conservation information.

A community that respects its environment

- By preserving and using a historical building as its headquarters.

A community with excellent facilities and services

- By maintaining the highest level of customer service within a fixed budget.
- Providing quality information and services for locals and visitors.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Maintaining the highest level of customer service within a fixed budget.	Operate a seven day information and ticketing centre within general rates requirement.	Within general rates.	Within general rates.	Within general rates.	Within general rates.
	Carry out a counter customer study over Christmas/New Year period.	94% visitor satisfaction	95% visitor satisfaction	95% visitor satisfaction	95% visitor satisfaction

Tourism Rotorua Travel and Information 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	1,188	1,255	1,263	1,279	1,291	1,296	1,287	1,293	1,280	1,291	1,309
Revenue	812	889	889	889	889	889	889	889	889	889	889
Net Cost	376	366	374	390	402	407	398	404	391	402	420
Capital											
Renewals											
General	30	48	51	32	8	51	32	8	51	32	8
Total Capital	30	48	51	32	8	51	32	8	51	32	8

Assets Used in Tourism Rotorua Travel and Information Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Computer Hardware	148	116	32
Computer Software	42	42	0
Furniture & Fittings	8	1	7
Office Equipment	21	14	7
Plant & Machinery	36	1	35
	255	174	81

Where will funding come from

Who benefits from the activity

- Individual businesses will benefit directly from specific initiatives.
- Entire economy benefits from improved economic activity and positive outlook/attitudes.

Period of benefit

Ongoing benefits for entire economy.

Who creates need for the activity

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

Funding source

It is considered that the benefits of expenditure in this activity are split 68% private and 32% public. The private beneficiaries are visitors to the centre who obtain information and the tourism operators whose services are sold to the tourist. The public benefit is derived from the positive effects on the local economy created by the spending of tourists and visitors. Further, the activity complements Tourism Marketing and the public good of the activity.

Operational/Capital funding

Operating costs	Interests	1%
	Charges	70%
	General rates (residual)	29%
Capital	Corporate funding	100%

INFRASTRUCTURAL GROUP

Contribution to outcomes

Activities within this Group	A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
Airport								
Engineering Support		✓			✓			
Land Drainage	✓	✓						
Landfill	✓	✓	✓	✓	✓			
Passenger Transport Infrastructure	✓							
Refuse Collection	✓	✓	✓					
Roading	✓	✓			✓		✓	✓
Road Safety	✓		✓					
Rural Fire	✓							
State Highway Administration	✓				✓			
Waste Management		✓						
Waste Water	✓	✓		✓	✓			
Water	✓	✓	✓		✓			

Overview of Group

Activities included in this group provide many of the traditional key services associated with councils such as water, sewerage, roads and refuse collection. In this area Council owns and manages many large and complex assets on behalf of the community.

Significant negative effects

Land Drainage

Negative environmental effects generated from this activity include stormwater reticulation impacting on the quality of the lakes.

Key Strategic Decisions

- Rationalisation of Rural Fire in the Rotorua District.
- Maintain and review the District Road Safety Plan, Strategy and Safety Management System.
- Build relationships with Land Transport Safety Authority, neighbouring local authorities and both Regional Councils to ensure consistency and co-ordination occur in road safety regionally.
- Speed limit reviews – Council will be undertaking reviews of all limits in line with legislation.
- NZ Transport Strategy is still being implemented through process changes in project development and

prioritisation across the country, via Transfund and Transit NZ.

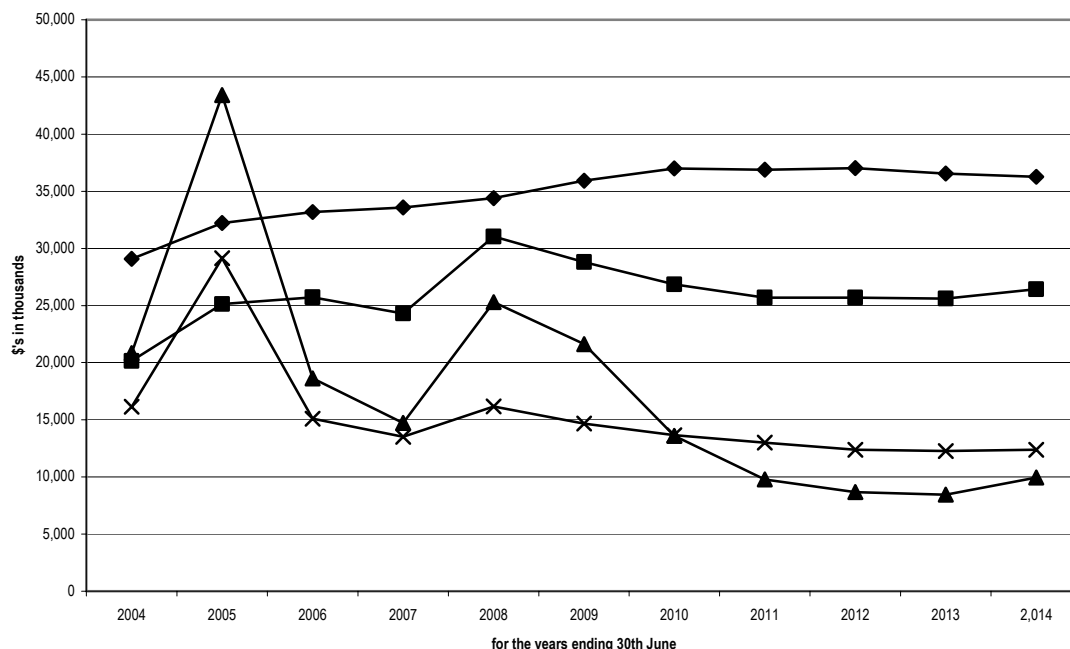
- Tauranga Direct Rd potential, S.H. Project development and promotion.
- The development of the landfill as an energy source.
- Rural lakeside settlements wastewater solutions (Mourea/Okawa Bay in the next two years and then commence work on Hinehopu and Okareka).
- \$4.0 million over 2003/04 and 2004/05 to upgrade the Wastewater Treatment Plant.
- \$9.2 million over 2003/04, 2004/05 and 2005/06 for Mourea/Okawa Bay sewage collection and transfer to the Waste Water Treatment Plant.
- \$6.0 million over 2006/07 to 2008/09 for Okere Falls/Otaramarae sewerage collection.
- \$4.1 million in 2004/05 onwards for Okareka Sewage Treatment.
- \$1.6 million from 2005/06 to 2008/09 for a sewerage scheme at Gisborne Point/Hinehopu.
- \$8.6 million from 2006/07 to 2009/10 for a sewerage scheme at Tarawera.
- \$5.4 million from 2005/06 to 2008/09 for a sewerage scheme at Hamurana.
- Up to \$1 million in 2004/05 onwards for inter-connection of Central and Eastern Networks.
- Approximately \$600,000 in 2006/07 for an additional reservoir for the Central supply.
- Requirement to service areas east of the city in response to development following the Mourea sewerage pipeline.

ACTIVITY GROUPS

Summary of Group Net Cost of Service

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Airport	0	(86)	517	589	512	443	417	379	357	184	75
Engineering Support	0	0	0	0	0	0	0	0	0	0	0
Land Drainage	2,482	2,550	2,638	2,672	2,693	2,701	2,734	2,721	2,698	2,675	2,639
Landfill	(435)	(790)	(839)	(954)	(968)	(894)	(949)	(964)	(964)	(1,100)	(1,138)
Passenger Transport Infrastructure	42	89	95	100	106	95	101	107	96	101	106
Refuse	(14)	(15)	(16)	(19)	(22)	(24)	(23)	(25)	(27)	(28)	(30)
Roading	5,357	6,836	7,139	7,142	6,047	7,056	7,359	7,627	8,138	7,835	7,662
Road Safety	58	67	66	68	69	67	69	69	67	69	69
Rural Fire	105	115	104	104	106	105	105	106	105	105	106
State Highways	(2)	2	1	2	2	1	3	3	2	3	3
Waste Management	1,185	1,246	1,057	1,044	1,044	1,044	1,046	1,042	1,041	1,042	1,041
Waste Water	304	(3,071)	(3,504)	(1,714)	(6,524)	(3,744)	(909)	15	(187)	179	(425)
Water	(131)	148	207	250	293	257	192	108	(7)	(113)	(255)
Net Cost Of Service	8,951	7,091	7,465	9,284	3,358	7,107	10,145	11,188	11,319	10,952	9,853

Activity Group Income, Costs and Funding



◆ Operating Expenditure ■ Revenue ▲ Capital Expenditure × General Funds

Assets Used in Activity Group

Asset Type	Cost/Valuation (thousands)	Accumulated Depreciation	Book Value 30 June 2003
Aerial Maps Collection	286	70	216
Bridges	13,597	230	13,367
Buildings	3,033	113	2,920
City Focus	269	54	215
Computer Hardware	610	493	117
Computer Software	386	340	46
Database	237	71	166
Engineering	136	0	136
Footpaths	17,739	272	17,467
Furniture & Fittings	173	163	10
Land	3,043	0	3,043
Landfill	2,935	336	2,599
Office Equipment	247	186	61
Park & Reserves	28	0	28
Plant & Machinery	611	434	177
Roading	157,242	2,954	154,288
Stormwater Drainage	58,248	1,182	57,066
Street signals, signs, lights, markings	4,931	322	4,609
Vehicles/ Plant Equipment	268	97	171
Waste Mngt rural Bin Sites	643	4	639
Wastewater Reticulation	56,544	2,391	54,153
Wastewater Treatment Plant	33,864	1,204	32,660
Waterworks	45,383	1,253	44,130
Total	400,453	12,169	388,284

Activity Group Revenue Sources

For the year ending 30 June: (thousands)	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
Water Rates	2,333	2,405	2,451	2,521	2,570	2,642	2,693	2,769	2,824	2,903
Less RDC Water Rates	- 125	- 125	- 125	- 125	- 125	- 125	- 125	- 125	- 125	- 125
Sewerage Rates	7,060	7,632	7,641	7,710	7,776	7,846	7,846	7,616	7,616	7,687
Refuse Rate	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351
Rural Water Sewerage Rates	-	1,554	954	2,163	1,790	2,657	2,657	2,657	2,657	2,657
Subsidies and Grants	7,830	5,586	4,800	9,613	7,878	4,427	3,645	3,219	3,368	3,379
Interest and Dividends	297	13	14	14	15	16	19	20	22	22
Development Contributions		500		500		500		500		500
Petrol Tax	660	660	660	660	660	660	660	660	660	660
Licence Fees	467	488	488	588	588	488	488	488	488	491
Fees and Charges	5,253	5,636	6,051	6,031	6,293	6,375	6,449	6,525	6,727	6,877
Financial Recoveries	11	11	11	11	11	11	11	11	11	11
Total	25,137	25,711	24,296	31,037	28,807	26,848	25,694	25,691	25,599	26,413

Airport

Overall aim of the activity

To provide a user friendly, attractive airport hub which meets the regional need for domestic and trans-Tasman airline services and is a safe, commercially viable operation optimising the social and economic benefits to the community shareholder.

Activity purpose – how and why we provide the service

Rotorua District Council owns the land and buildings, runways, taxiways/aprons, carparks and roading, security fencing etc. A licence to operate the airport business is held by Rotorua Regional Airport Ltd (a 100% Council owned company). The company also owns the necessary chattels, plant, equipment,

computers etc in order to operate the business. Council is therefore responsible for planning and maintaining the infrastructural assets and the company responsible for the airport business operations.

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

A prosperous community
A community with excellent facilities and services
A community that respects its environment

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Asset ownership	Establishment of Working Group and transfer of assets from RRAL to Council.	Transfer completed by 01.10.04.			
Asset management	Prepare and maintain an Asset Management Plan.	Updated or renewed at 30.06.05	Updated or renewed at 30.06.06	Updated or renewed at 30.06.07	Updated or renewed each year to 2014
	Annual maintenance undertaken.	In accordance with Asset Management Plan	In accordance with Asset Management Plan	In accordance with Asset Management Plan	In accordance with Asset Management Plan
Capital improvements	The capital expenditure completed in line with programme.	Terminal, aprons, security, carparking, roading			
Airport designation	Necessary designation and changes to District Plan to provide for runway extension.		Completed and approval granted by 30.06.06		
Business relationship with RRAL	Establish and maintain licences and leases with RRAL in order to operate a successful business.	Licences and leases agreed with RRAL by 01.10.04 and reviewed 30.06.05	Licences and leases reviewed 30.06.06	Licences and leases reviewed 30.06.07	Licences and leases reviewed each year to 2014
	Indemnities and insurance.	By 01.10.04 and reviewed 30.06.05	Reviewed 30.06.06	Reviewed 30.06.07	Reviewed each year to 2014
	CCA audit undertaken.	Successfully completed each year	Successfully completed each year	Successfully completed each year	Successfully completed each year

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
	RRAL Draft SOI received by due date.	Before 01.03.05	Before 01.03.06	Before 01.03.07	Before 1 March each year to 2014
	Council responses to Draft SOI.	Before 01.04.05	Before 01.04.06	Before 01.04.07	Before 1 May each year to 2014
	Adopted SOI received by due date.	Before 30.05.05	Before 30.05.06	Before 30.05.07	Before 30 June each year to 2014

Airport 10 Year Activity

For the year ending 30 June: (thousands)	2004 Annual Plan	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
Operations											
Expenses		836	1,519	1,607	1,621	1,619	1,613	1,606	1,596	1,580	1,553
Revenue		922	1,002	1,018	1,109	1,176	1,196	1,227	1,239	1,396	1,478
Net Cost	0	(86)	517	589	512	443	417	379	357	184	75
Capital											
New for Improved Service											
Assets transferred from RRAL		9,298									
Airport		12,365	1,600	250							
Total Capital	0	21,663	1,600	250	0	0	0	0	0	0	0

Assets Used in Airport Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Nil	0	0	0

Note: Airport infrastructure assets to be handed over to Rotorua District Council during 2004/2005 year.

Where will funding come from

Who benefits from the activity

- The entire community within the Rotorua District.
- The wider region of individuals and businesses that use the airport.
- Users of services delivered from the airport, including airlines, general aviation, ground based activities etc.

Period of benefit

Ongoing benefits as long as the infrastructure is maintained, the airport company continues to operate and airlines continue to use the asset.

Who creates need for the activity

The entire community creates the need for access to an efficient airport service that ensures the Rotorua region has a competitive advantage over other regions.

Funding source

It is considered that the benefits of expenditure on this activity are almost entirely private. The benefits gained through the availability of a well maintained airport are

received by both the present users and future users which include easy access, short travel time from airport to city, convenient connection with other locations for visitors to the district, and general aviation users.

The costs of providing the airport assets will be funded from a licence and lease with RRAL who in turn will charge airlines and general aviation landing charges, airline and other users of the terminal rent, users of the carpark a fee, and ground rental to other occupiers of the airport. There are significant opportunities to charge for advertising space at the airport as well.

Operational/Capital funding

Operating costs	RRAL licence and lease	90%
	General rates	10%
Capital	Corporate funding	100%

It should be noted that this activity is proposed to be self-funding over time although in earlier years a deficit will exist which will be funded through the general rate.

Engineering Support

Overall aim of the activity

To provide support both to the Engineering Department and corporate-wide in an efficient and effective manner. To ensure assets transferred to Council (roading, water supply, stormwater and sewerage) are to a standard that is sustainable by Council upon transfer.

Activity purpose – how and why we provide the service

This section provides services to all Departments in Council, within the following two broad areas:

- a)
 - Overview of all Asset Management Plans. This part of our service focuses on ensuring AMPs are up to a robust standard and assist the Asset Managers to improve them.
 - Monitoring of Strategic Policies that may affect Council utility operations. This includes reviewing Regional Plans, advising on effects, and recommending submissions. Also includes representing Council at Regional Council hearings.
- b)
 - Project management and implementation of the Rotorua Engineering Lifelines Project
 - Implementing SNZ HB4360 Risk Management for Local Government, in the role of Council's Risk Management Coordinator.
- c)
 - Undertaking corporate wide high level strategic projects.
 - Managing the update of all Engineering Department Bylaws
- d)
 - Database Manager of the Hansen Database
 - Management of the As-Built update and production process

Council undertakes this activity to provide accurate, efficient and sustainable consent processing, engineering compliance and permitting, and graphical services to internal and external customers.

The Resource Engineering Section provides three main areas of service:

- i) Asset Transfer Control on behalf of the Engineering Department for infrastructure to be vested in Council Engineering Compliance and Street Opening/ Licences to Occupy;
- ii) Consents processing; and
- iii) Graphic Solutions provides design, draughting and image manipulation services to all Council departments.

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

A community that respects its environment

A community with excellent facilities and services

A safe and caring community

A community that respects its environment

- By providing good quality advice to developers.
- By ensuring the transfer of good quality assets from developers to Council.
- By ensuring the construction of good quality, well designed, safe and efficient services.
- By ensuring compliance with safe working, design and construction practices.
- By co-ordinating and encouraging reduction in disruption caused by street works.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Strategic Policy	Policy documents produced to agreed format and content: <ul style="list-style-type: none"> – 2004 : Policy on Risk implemented in accordance with agreed programme. – 2004 : Bylaws updated for utilities. 	100% compliance	100% compliance	100% compliance	100% compliance

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Monitoring relevant policy from local or central government	Significant policy is noted and a submission document is sent. No relevant submissions are missed. – EBOP Water and Land Management Plan. – EBOP Regional Land Transport Strategy	100% compliance	100% compliance	100% compliance	100% compliance
Asset Management Plans	Asset Management Plans are updated or reviewed annually to ensure quality. – Overview Parks and Reserves – Overview Buildings (Museum, Library) – Overview Miscellaneous – Stormwater – Wastewater – Water Supply – Roading	All updated or reviewed at 30.06.05.	All updated or reviewed at 30.06.06.	All updated or reviewed at 30.06.07.	All updated or reviewed each year up to 30.06.14.
Emergency Plans	Engineering Emergency Plans are updated or reviewed by 30 June each year.	30.06.05.	30.06.06.	30.06.07.	Each year at 30 June up to 30.06.14.
To reduce the impact on lifeline services of the Rotorua District from known hazards.	Complete the Lifelines Project Action Plan.	Assist with inputs to the CDEM Group Plan	N/A	N/A	N/A
Processing Land Use, Subdivision, LIM and PIM applications with relation to engineering infrastructure issues and requirements.	Process applications within the legislative timeframes required by the relevant Acts.	100% compliance	100% compliance	100% compliance	100% compliance
Administer the transfer of Infrastructure Assets to Council	Carry out audits to confirm compliance with consent conditions and the Rotorua Civil Engineering Industry Standard.	Minimum 10% audit.	Minimum 10% audit.	Minimum 10% audit.	Minimum 10% audit.
Provision of efficient and effective design and draughting services to the Council.	Produce draughting in accordance with the formal Draughting Office Standard.	Contract Drawings, Peer Reviewed and checked. 100% Compliance.	Contract Drawings, Peer Reviewed and checked. 100% Compliance.	Contract Drawings, Peer Reviewed and checked. 100% Compliance.	Contract Drawings, Peer Reviewed and checked. 100% Compliance.
Provision of effective and efficient administration of street opening works by Council and other utility services.	Provide a response to all applications within 15 working days.	90% appropriate responses within 10 working days and 95% within 15 working days.	Carry out audits to identify compliance with targets.	Carry out audits to identify compliance with targets.	Carry out audits to identify compliance with targets.

Engineering Support 10 Year Activity

For the year ending 30 June: (thousands)	2004 Annual Plan	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
Operations											
Expenses	83	83	43	227	229	380	380	380	380	379	380
Revenue	83	83	43	227	229	380	380	380	380	379	380
Net Cost	0	0	0	0	0	0	0	0	0	0	0
Capital											
Renewals											
General	123	138	165	143	91	112	124	91	82	140	72
Total Capital	123	138	165	143	91	112	124	91	82	140	72

Assets Used in Engineering Support Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Aerial Maps Collection	276	60	216
Computer Hardware	444	350	94
Computer Software	210	177	33
Database	74	14	60
Furniture & Fittings	139	130	9
Office Equipment	181	129	52
Plant & Machinery	44	42	2
	1,368	902	466

Land Drainage

Overall aim of the activity

To protect property from flood damage, the District's lakes, and the District's rivers.

Activity purpose – how and why we provide the service

Council has a responsibility under the Health Act where directed by the Chief Medical Officer of Health to provide drainage works to ensure a healthy community. Council therefore proactively provides this service. There is also a community expectation of provision of stormwater and drainage services that provides for a low level of risk and efficient drainage of surface water.

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

A safe and caring community.

- By ensuring maintenance and development of the stormwater system.
- By minimising the effect of flood damage from high rainfalls.
- By reducing the impact on lifeline services in the Rotorua District from known hazards.

A community that respects its environment

- Stopping pollution at its source by preventing fuel, oil and other pollutants from entering stormwater drains.
- By having a system that is maintained in a way that is sensitive to natural values.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Maintaining existing drainage systems.	Manage the land drainage activity within operating budget.	Within budget.	Within budget.	Within budget.	Within budget.
	Respond to blockages within 24 hours of notification.	95%	95%	95%	95%
Upgrading of the urban drainage system.	Complete upgrading in compliance with Building Act and Council policy requirements.	Pohutukawa Drive	Lynmore/ Ngapuna	Fenton/ Seddon/ Lytton Street area	To be confirmed.
Renewing of the urban drainage system.	Replace components of the drainage system to ensure the design function is maintained.	Ariariterangi St Area	Ranolf St/ Seddon St Area	Whittaker/ Bennett Roads area	To be confirmed.

Land Drainage 10 Year Activity

For the year ending 30 June:	(thousand:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations												
Expenses		2,587	2,655	2,743	2,777	2,798	2,806	2,839	2,826	2,803	2,780	2,744
Revenue		105	105	105	105	105	105	105	105	105	105	105
Net Cost		2,482	2,550	2,638	2,672	2,693	2,701	2,734	2,721	2,698	2,675	2,639
Capital												
Renewals												
Stormwater - Renewals		457	604	329	329	329	329	329	329	329	329	329
New For Improved Service												
Stormwater - Upgrades		309	550	450	450	450	450	450	450	450	450	450
Total Capital		766	1,154	779	779	779	779	779	779	779	779	779

Assets Used in Land Drainage Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Aerial Maps Collection	10	10	0
Computer Software	25	24	1
Database	16	4	12
Furniture & Fittings	12	12	0
Land	469	0	469
Office Equipment	11	11	0
Plant & Machinery	15	15	0
Roading	10	0	10
Stormwater Drainage	57,798	1,175	56,623
	58,366	1,251	57,115

Where will funding come from

Who benefits from the activity

- Entire community benefits from safe and efficient discharge of stormwater.
- Specific benefit to owners of property more prone to effects of stormwater.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where stormwater discharges are adequately dealt with.
- Property owners directly affected by stormwater create a need for infrastructure to maintain adequate protection.

Funding source

It is considered the benefits of this activity to be 50% private and 50% public. The private beneficiaries include property owners/occupiers connected to the storm water system and individual property owners/occupiers not connected but within the catchments, as a result of reduced risk of general flooding due to the storm water system. The public benefits impact on existing and future members of the community. Storm water systems protect property and reduce the risk to public health resulting from storm events.

It is noted that after allowing for developer contributions, currently 100% of the activity is funded by general rates. It is considered that all ratepayers and residents live in a storm water catchment, and all therefore get a benefit from this activity.

Operational/Capital funding

Operating costs	Financial contributions	4%
	General rates	96%
Capital	Corporate funding	100%

Landfill

Overall aim of the activity

Providing a proper disposal of wastes in modern, well engineered, and controlled landfill.

Activity purpose – how and why we provide the service

The Landfill activity is undertaken in order to provide cost effective waste disposal facilities for the community. There is a community expectation that Council provides the service and the Local Government Act allows Council to operate such a facility.

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

A safe and caring community

- By being located away from the urban Rotorua area, and operated and constructed to national standards which results in no discharge to the environment.

A prosperous community

- By being operated on a contract basis.

A community that respects its environment

- By the proper management of the site.
- By taking a precautionary approach to ensure minimum environmental harm.

A community with excellent facilities and services

- By providing clean efficient transfer stations for rural communities.

A healthy community

- By minimising risks to human health and safety from wastes.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision of an environmentally acceptable landfill to meet the needs of the District.	Ensure operation within the conditions of the Management Plan.	100% compliance	100% compliance	100% compliance	100% compliance
	Ensure the landfill management contractor achieves his performance targets for compaction (based on annual average).	1.3 t/m ³	1.3 t/m ³	1.3 t/m ³	1.3 t/m ³
	Ensure compliance with all consent conditions.	100% compliance	100% compliance	100% compliance	100% compliance

Landfill 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June:	(thousand: Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	1,460	910	861	746	732	806	751	736	736	600	562
Revenue	1,895	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Net Cost	(435)	(790)	(839)	(954)	(968)	(894)	(949)	(964)	(964)	(1,100)	(1,138)
Capital											
Renewals											
Landfill Development	565	60	712	60	1,300	1,302	1,300	50	53	50	750
Rural Transfer Station Development	150	100									
Total Capital	715	160	712	60	1,300	1,302	1,300	50	53	50	750

Assets Used in Landfill Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Buildings	242	8	234
Computer Hardware	11	11	0
Computer Software	2	1	1
Land	160	0	160
Landfill	2,935	336	2,599
Office Equipment	1	1	0
Plant & Machinery	29	7	22
Roading	117	22	95
	3,497	386	3,111

Where will funding come from

Who benefits from the activity

- Entire community benefits from safe and efficient disposal of solid waste.
- Direct household benefit from refuse collection and recycling.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where solid waste is adequately dealt with.
- Exacerbators and individual householders.

Funding source

It is considered that the benefits obtained from expenditure on this activity are 85% private and 15% public in nature. The private beneficiaries are those persons producing the waste needing disposal and the customers who use the landfill. The risk to public health is reduced by removing hazardous wastes to the landfill site which provides environmental benefits to the community as a whole.

It is noted that currently 100% of the costs of the activity are recovered by way of user charges. It can be concluded that residents who received the benefits are the general public, and those who did not use the landfill had to make their own arrangements for disposal

Operational/Capital funding

Operating costs	Charges	100%
plus		
Capital	Operating surplus	100%

Passenger Transport Infrastructure

Overall aim of the activity

To provide for an accessible, safe and effective public passenger transport infrastructural service to meet the transport needs of the Rotorua community.

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

A safe and caring community

Activity purpose – how and why we provide the service

This activity provides shelters and facilities for bus services, including maintenance and capital investment, within the Rotorua District.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Manage the contract for the provision of passenger transport services in Rotorua.	Subject to 40% TNZ funding, to maintain existing passenger transport shelters for the Rotorua District.	100% provision as appropriate	100% provision as appropriate	100% provision as appropriate	100% provision as appropriate
	Subject to 40% TNZ funding, to build new passenger transport shelters as required.	6 new shelters completed within budget.	6 new shelters completed within budget.	6 new shelters completed within budget.	6 new shelters completed within budget.

Passenger Transport Infrastructure 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousand)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	400	118	124	129	135	124	130	136	125	130	135
Revenue	358	29	29	29	29	29	29	29	29	29	29
Net Cost	42	89	95	100	106	95	101	107	96	101	106
Capital											
New For Improved Service											
Bus Shelters	52	52	59	59	59	45	59	60	60	60	0
Total Capital	52	52	59	59	59	45	59	60	60	60	0

Assets Used in Passenger Transport Infrastructure Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Buildings	107	9	98
	107	9	98

Where will funding come from

Who benefits from the activity

- Entire community benefits from accessibility of city and ease of transportation throughout the city.
- Specific benefit to road users.
- Specific benefit to parking facility users.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

Entire community creates the need for an accessible urban environment where transport links are readily available for both business and public use

Funding source

It is considered that a significant proportion (90%) of the benefits derived from expenditure on this activity are private. The private beneficiaries are the individuals using the bus service. It is considered that there is some social responsibility is to provide for the disadvantaged and this should be assessed at 10% public good.

It is considered that the contract payment is the subsidy required over and above what is recovered from passenger fares. This residual cost is paid 10% by Council and 90% by Transfund/Environment BOP.

It is considered that as existing fares are set on the principle of ability to pay and providing equal opportunity for access to transport, an increase in the contribution from general ratepayers and a reduction in the contribution from users of the service is required.

Operational/Capital funding

Operating costs	Subsidies	20%
	General rates	78%
	Fees & Charges	2%
Capital	Subsidies	40%
	Corporate funding	100%

Refuse Collection

Overall aim of the activity

To provide a collection of domestic refuse in an efficient and environmentally sound manner.

Activity purpose – how and why we provide the service

Council has a responsibility under the Health Act where directed by the Chief Medical Officer of Health to ensure there is a refuse collection service to guard against adverse environmental impacts that could result from domestic refuse. Council therefore provides the service to ensure public health is not compromised.

There is also a community expectation that Council provide such a service.

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

A safe and caring community

- By promoting a waste hierarchy – reduction, re-use, recycle, recovery and residual disposal.
- By promoting cleaner production to minimise waste through better work practice.
- Operating as a self-funding activity to ensure revenue covers required expenditure over time.

A community that respects its environment

- By managing waste efficiently and effectively to protect environmental quality.
- By increasing awareness of waste reduction services to reduce quantity of end waste.
- By enhancing public participation in management of natural resources.

A healthy community

- By managing waste efficiently and effectively to help maintain the health and safety of the community.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision of a refuse collection service.	Collect refuse from specified area on each day by 4.30pm.	99% compliance	99% compliance	99% compliance	99% compliance
	Ensure any non-delivery of bags is resolved in the urban area.	3 days	3 days	3 days	3 days
	Ensure any non-delivery of bags is resolved in the rural areas.	5 days	5 days	5 days	5 days

Refuse Collection 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June:	(thousand: Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	1,547	1,546	1,545	1,542	1,539	1,537	1,538	1,536	1,534	1,533	1,531
Revenue	1,561	1,561	1,561	1,561	1,561	1,561	1,561	1,561	1,561	1,561	1,561
Net Cost	(14)	(15)	(16)	(19)	(22)	(24)	(23)	(25)	(27)	(28)	(30)

Where will funding come from

Who benefits from the activity

- Entire community benefits from safe and efficient disposal of solid waste.
- Direct household benefit from refuse collection and recycling.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where solid waste is adequately dealt with.
- Exacerbators and individual householders.

Funding source

It is considered the split between private and public benefits is 85% private and 15% public. It is acknowledged there is some benefit to public health from providing the service. The public are generally also the users as the service is provided to all urban and most rural residents, so it can be charged against each property

It is noted that currently the costs of the service are 100% recovered through user charges. In terms of fairness and equity, it can be identified that for residents who make their own arrangements for refuse collection, a 50% refund of the user charge is available by returning the unused bags. Further, those residents and ratepayers who do not live in areas where a collections service is provided, pay 100% of the costs of disposing of their refuse. In the interests of fairness and equity therefore, the previous allocation is modified to 100% private, 0% public for those who receive this service.

It is considered the direct charging mechanisms available to it and elected to recover costs by targeted rate for urban and rural waste collection respectively. This is generally consistent with the user pays principle of the NZ Waste Strategy.

Operational/Capital funding

Operating costs	Charges	13%
	Targeted UAC	87%
	General rates	0%
Capital	Targeted UAC	100%

Roading

Overall aim of the activity

To plan, develop and maintain an integrated, safe, responsive and sustainable land transport network for the movement of vehicles, goods and people through the District.

Activity purpose – how and why we provide the service

Management of the roading network is undertaken as a statutory requirement of the Local Government and Land Transport Management Acts.

There is also community and commercial expectation of a safe and efficient roading network for the transport of people, goods and services.

The roading network also provides a corridor for the installation and management of utility services inclusive of telecommunications, power services, water, sewerage and stormwater.

This activity includes footpath and verge maintenance and construction in both the urban and rural areas, along with the undertaking of non-subsidised roading improvement works, such as extension of seal in the rural area and the provision of kerbing, channelling and footpath construction in urban and rural areas.

The roading activity will not be inconsistent with the Regional Land Transport Strategy in order to achieve an integrated regional transport network across all modes.

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

A safe and caring community

- To enhance a safe CBD environment for all users by ensuring high standards of CBD cleaning and maintenance.
- Advance safety and efficiency improvements on the networks.
- Provide cycleways and passenger transport in conjunction with Environment BOP as alternative transport.
- Liaise with the Police over use of the network.

A community that respects its environment

- Find the best solution to arterial routes under pressure.
- Undertake the activity in compliance with consent conditions.

A community with excellent facilities and services

- By undertaking general maintenance, reseals, shape correction etc in urban and rural areas in accordance with Transfund and Council maintenance standards.
- Progress the enhancement of streetscape in suburban retail/commercial areas.
- Upgrading roads to improve access to Rotorua.
- To provide footpaths to all urban streets, and provision of cycleways in accordance with the Cycleway Strategy and LTMA objectives.
- Ongoing programme of urban and rural street improvements.

A learning community

- Educate and encourage the public to use the network safely.

A “happening” community

- Create a road environment that supports and encourages a greater range of community and street activity.

A “prosperous” community

- A roading network that provides for the safe and efficient movement of goods and people.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Enhancement and expansion of the roading and footpath network.	Complete the rural seal extension programme within Council's policy and budget.	7km	7km	7km	70km
		Mauku 0.5 Dudley 0-2 2.0 Bryce 1.3-4.3 3.0 Alamein 1.4 6.9	Parsons 2.7 Tawhero East 0.2 Ashpit 1.6 Mangamingi 2.0 6.5	Poutakataka Road 3.0 Bryce Rd 4.3-6.3 2.0 Parsons Rd 0-1.7 1.7 6.7	
	Carry out a programme of urban street improvements.	Caledonia St Frank St Neil Rd Block 19	Graham Rd Link Rd Ngongotaha Rd Mokoia Drive Part 1 Block 13	Mokoia Drive Part 2 Service Lane subject to agreement	Service lanes subject to agreement
	Provide footpaths to all urban streets.	Seddon Street	Hilda St Maide Vale St	Parawai Rd	To be confirmed.
	Carry out upgrades of rural communities.	Tarawera Stage 3 Mamaku	Tarawera Stage 4 Mamaku	Tarawera subject to consent Mamaku	To be confirmed.
	Complete Maori roadlines programme and Marae entranceways programme.	Matahaera Road. Marae entranceways within budget.	To be confirmed. Marae entranceways within budget.	To be confirmed. Marae entranceways within budget.	To be confirmed. Marae entranceways within budget.
	Carry out upgrades for urban areas.	Tryon St Stage 2	N/A	N/A	N/A
	Carry out the programme of rural road widening.	Kaharoa Rd.	Dansey Rd.	Rerewhakaaitu Road	To be confirmed.
Maintenance of the roading asset to acceptable standards.	Undertake general maintenance, reseals and shape correction in urban and rural areas in accordance with Transfund and Council maintenance standards.	81.6km of resealing and second coat seals	68.5km of resealing and second coat seals	77.1km of resealing and second coat seals	Average of 80km of resealing and second coat seals per annum
		4.3km of sealed pavement rehabilitation	4.3km of sealed pavement rehabilitation	4.3km of sealed pavement rehabilitation	Average of 4.3km of sealed pavement rehabilitation per annum
	Undertake a specified inspection programme.	100%	100%	100%	100%
	Maintain all bridges to Transfund standards.	100%	100%	100%	100%

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Capital improvement programme for the roading asset.	Minor safety improvements in accordance with Transfund and Council Policy.	Hodgkins St Traffic Control. Lytton/Robertson Intersection. Rerewhakaaitu Rd Sight Distance. Dansey Rd Curve Realignment 6.1km to 6.4km. Fenton/Amohau St Right Turn Bay. Dansey Rd Sight Benching 8.2km to 8.5km, and 9.2km. Dansey Rd Vertical Curve 9.0km. Oturoa Rd Sight Distance. Sunset/Edmund Road Intersection. Within budget.	Within budget.	Within budget.	Within budget.
	Road re-alignment.			Malfroy/Ranolf Roundabout. Ti Street Deviation.	Ti Street Deviation. Lake Road 4 Laning. Ranolf Street 4 Laning. Old Taupo/Malfroy Rd Intersection. Victoria Street Expressway.

ACTIVITY GROUPS

Roading 10 Year Activity

For the year ending 30 June:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	9,625	11,189	11,334	11,509	11,511	11,894	11,921	11,841	11,926	11,772	11,610
Revenue	4,268	4,353	4,195	4,367	5,464	4,838	4,562	4,214	3,788	3,937	3,948
Net Cost	5,357	6,836	7,139	7,142	6,047	7,056	7,359	7,627	8,138	7,835	7,662
Capital											
Renewals											
Minor Safety Projects - Subsidised	250	547	547	250	250	250	250	250	250	250	250
Rehabilitation Renewals- Subsidised	450	790	700	500	700	700	700	700	700	700	700
Road Reseals - Subsidised	2,652	1,781	1,487	1,563	2,064	1,726	2,119	1,528	1,494	1,631	1,631
Urban Street Light Renewals - Subsidised	280	150	150	150	150	150	150	150	150	150	150
General	376	573	343	343	343	343	343	379	309	309	309
New For Growth											
Designation Victoria Expressway	20		100	100						100	100
Advance Land Purchase			400	400							
Transportation Centre (Rail & Road)											500
New For Improved Service											
Urban Undergrounding	120	180	65								
Urban Street Improvements	542	483	423	440	250	100	100	100	100	100	100
Great West Road	230	65									
Tryon Street Area Upgrade	200	200									
Rural Street Improvements	352	352	352	352	352	352	352	352	352	352	352
Rural Seal Extension	1,200	840	840	840	840	840	840	840	840	840	840
Seal Widening	100	300	300	300	300	300	300	300	300	300	300
Minor Safety Improvements	30	31	31	31	31	31	31	30	30	30	30
Land Acquisition	78	48	48	48	48	48	48	48	48	48	48
Road Reconstructions		70		420	3,000	2,000	1,000	800			
Total Capital	6,880	6,410	5,786	5,737	8,328	6,840	6,233	5,477	4,573	4,810	5,310

Assets Used in Roading Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Bridges	13,597	230	13,367
Buildings	166	3	163
City Focus	269	54	215
Footpaths	17,739	272	17,467
Land	495	0	495
Office Equipment	21	21	0
Park & Reserves	28	0	28
Plant & Machinery	45	10	35
Roading	157,047	2,931	154,116
Stormwater Drainage	449	7	442
Street signs, signs, Lights, Markings	4,930	322	4,608
Vehicles/ Plant Equipment	76	51	25
Wastewater Reticulation	380	4	376
Waterworks	15	0	15
	195,257	3,905	191,352

Where will funding come from

Subsidised Rooding

Who benefits from the activity

- Entire community benefits from accessibility of city and ease of transportation throughout the city.
- Specific benefit to road users.
- Specific benefit to parking facility users.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

Entire community creates the need for an accessible urban environment where transport links are readily available for both business and public use.

Funding source

It is considered that the benefits of expenditure on this activity are 50% private in nature. The benefits gained through the availability of a well maintained rooding network are received by both present and future communities. They include increased ease and efficiency of access for vehicles and people throughout the District and increased safety on roadways and footpaths.

The beneficiaries of this activity are various and include the users of the roads, owners of properties adjacent to or connected to the network, commercial operators depending on the network, and visitors to the District.

It is noted that Transfund NZ pays 45% of rooding costs from transport and petrol taxes collected.

It is considered that there are no issues of equity or fairness which warrant a modification to the above allocation.

It can be concluded that the only practical way to increase the private percentage from the current 44% and 49% of operating Capital costs respectively, to the desired increase the level of Transfund component to 50%. However, as Transfund subsidy policy is unlikely to change, it is practical to recover 100% of the residual costs (after Transfund subsidy) from general rates mechanisms.

Operational/Capital funding

Operating costs	Subsidies	44%
	General rates	56%
Capital	Subsidies	49%
	Corporate funding	51%

Works General and Unsubsidised Rooding

Who benefits from the activity

- Entire community benefits from accessibility of city and ease of transportation throughout the city.
- Specific benefit to road users.
- Specific benefit to parking facility users.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

Entire community creates the need for an accessible urban environment where transport links are readily available for both business and public use.

Funding source

It is considered that the benefits of expenditure on this activity are 50% private and 50% public in nature. As for subsidised rooding, the benefits received are experienced by present and future communities. They include increased ease and efficiency of access for vehicles and people throughout the District, increased economic activity in the general community and improved safety.

It is also considered that expenditure on operating existing assets provides both private and public benefits equally, whereas new works tend to provide more of a private benefit.

It is noted that the activity is currently 100% funded by general rates, with new projects being ranked in priority order. It is considered that all areas of the community should have equal access to improvements provided. Further, by providing and maintaining the rooding network, it is meeting a community expectation.

It is noted that the priority ranking of projects is undertaken in accordance with various policies developed in consultation with the communities affected, including the rural seal extension policy, rural kerb and channel policy, rural foot path, and urban kerb and channel street improvement policies.

Operational/Capital funding

Operating costs	Recoverable	0%
	Petrol tax	10%
	General rates (residual)	90%
	Net of subsidies	
Capital	Corporate funding	100%

Road Safety

Overall aim of the activity

To reduce the incidence and severity of crashes in the Rotorua District through advocacy, encouragement, education and provision of road safety resources to the community.

Activity purpose – how and why we provide the service

This activity is in response to community expectations and the need for Council to provide a leadership role. Additionally, the Crown provides funds for road safety initiatives that can be brought to the District with Council in this facilitator role. This activity provides for the delivery, co-ordination and facilitation of road safety programmes and initiatives in the District. Council employs a fulltime Road Safety Co-ordinator to co-ordinate, facilitate and manage local efforts to address identified road safety problems.

20% of a further officer's time is committed to this area in a supervisory capacity. Examples of programmes in operation are Safe With Age, Safe Cycling, Speed and Kidz in Cars.

Council is currently reviewing its cycleway policy in this activity area. This will be completed in 2004/05 to set the framework for future cycling needs and give direction to encourage greater use and provide integration with other transport modes.

Council has a draft District Road Safety Strategy. This outlines the key issues in terms of road safety in the district, who will be involved, and how. This involves community groups, government agencies and regional authorities.

Each year specific land transport safety resources in the District will be agreed between the NZ Police, Land Transport Safety Authority (LTSA) and Council, for delivery at the local level.

These resources are identified in the following outputs:

NZ Police

For all roads in the District, both highway and local roads:

- Speed control
- Drinking or drugged driver control
- Restraint device control
- Visible road safety enforcement

Network-wide road policing:

- Commercial vehicle investigation and road user charges
- Crash attendance and investigation
- Traffic management

General road policing support:

- Police community services
- School road safety education
- Resolutions

LTSA

- Policy advice
- Safety information and promotion
- Driver licensing
- Grants
- Safety auditing
- Vehicle impoundment

Council aims to work with and alongside LTSA and the NZ Police to achieve its aim above.

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

A safe and caring community

A healthy community

A learning community

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Preparation, management and delivery of an annual Road Safety Programme for Rotorua.	Liaise and negotiate annually with LTSA and Police for land transport safety resources.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
Contribution to Regional Road Safety issues.	Attend Regional Road Safety group meetings and deliver regional projects.	100% compliance.	100% compliance.	100% compliance.	100% compliance.

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Facilitation of community Road Safety initiatives and development.	Respond in a timely manner with advice, support or resources to all contacts.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
Ensuring Road Safety programmes meet with District Road Safety Strategy.	Report to Works Committee and Drivewise on a regular meeting basis.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
To equal or better crash rates of other similar districts.	Number of crashes per 100M VKT in LTSA Annual Road Safety Report.	Within 15% or below peer group average 100%.	Within 15% or below peer group average 100%.	Within 15% or below peer group average 100%.	Within 15% or below peer group average 100%.

Road Safety 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousand: Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	118	167	158	128	129	127	129	129	127	129	129
Revenue	60	100	92	60	60	60	60	60	60	60	60
Net Cost	58	67	66	68	69	67	69	69	67	69	69
Capital											
Renewals											
General			3			3			3		
Total Capital	0	0	3	0	0	3	0	0	3	0	0

Assets Used in Road Safety Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Roading	65	1	64
Street sgns, sgns, Lights, Markings	1	0	1
	66	1	65

Where will funding come from

Who benefits from the activity

- Entire community benefits from accessibility of city and ease of transportation throughout the city.
- Specific benefit to road users.
- Specific benefit to parking facility users.

Operational/Capital funding

Operating costs	Revenue (LTSA)	47%
	General rates (residual)	53%
Capital	Corporate funding	100%

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

Entire community creates the need for an accessible urban environment where transport links are readily available for both business and public use.

Rural Fire

Overall aim of the activity

Working in partnership with the rural communities to provide protection for people, property and the environment from the hazards of fire and other emergencies.

- Budgeting and administration of Rural Fire Units for Lake Okareka, Lake Tarawera, West Rotoiti and Castlecopp Response Unit.
- Equipment Maintenance and Operational Budgets.
- Training.
- Statutory requirements i.e. Rural Fire Management Code of Practice.

Activity purpose – how and why we provide the service

Council undertakes this activity in order to meet legislative requirements and community expectations.

Administration of Rural Fire responsibilities includes:

- Issuing of Fire Permits.
- Operative Fire Plan.

The activity contributes towards sustainable development by promoting the following community outcome

A safe and caring community

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision and update of Rotorua District Council Rural Fire Plan.	Fire Plan to be updated and certified by Central North Island Regional Rural Fire Committee for distribution.	Fire Plan to be updated and certified by Central North Island Regional Rural Fire Committee for distribution no later than 31 August 2005.	Fire Plan to be updated and certified by Central North Island Regional Rural Fire Committee for distribution no later than 31 August 2006.	Fire Plan to be updated and certified by Central North Island Regional Rural Fire Committee for distribution no later than 31 August 2007.	Fire Plan to be updated and certified by Central North Island Regional Rural Fire Committee for distribution no later than 31 August each year.
Provision of administration for issue of Fire Permits.	Fire Permits are issued where "appropriate" within 24 hours of request.	100%	100%		
Administration of Rural Fire Units at Lake Okareka, Lake Tarawera and West Rotoiti.	Equipment is supplied/maintained. Subsidies are requested. Training is provided.	3 courses per year.	3 courses per year.		

Rural Fire 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June:	(thousand: Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	111	121	110	110	112	111	111	112	111	111	112
Revenue	6	6	6	6	6	6	6	6	6	6	6
Net Cost	105	115	104	104	106	105	105	106	105	105	106
Capital											
Renewals											
General	25	6	36	21	91	20	21	21	21	21	15
New For Improved Service											
Okareka Fire Truck		15	15								
Total Capital	25	21	51	21	91	20	21	21	21	21	15

Assets Used in Rural Fire Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Plant & Machinery	48	10	38
Vehicles/ Plant Equipment	192	46	146
	240	56	184

Where will funding come from

Who benefits from the activity

- Entire community benefits from safe and efficient provision of drinking water.
- Commercial businesses benefit specifically from the provision of water services.
- Entire community benefits from provision of water services to fire fighting to maintain community safety services.
- Direct household benefit from the provision of water services.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprise create need for water services applicable to their business.
- Fire fighting services create need for water services to carry out their job.
- Property owners.

Funding source

Public benefit 100%

Operational/Capital funding

Operating costs	General rates	96%
	Fees & charges	4%
Capital	Corporate funding	100%

State Highway Administration

Overall aim of the activity

To plan, develop and maintain the District state highway system as the asset manager in a way that contributes to an integrated, safe and responsive network for the District.

This cost centre includes 20% of the District Engineer's time/salary plus one further officer. Much of this function is undertaken by consultants via professional services contracts with the Council. Council receives 1% of the value of all State Highway works and professional services expenditure in return for providing this service.

Activity purpose – how and why we provide the service

The management and administration of the State Highway network within the Rotorua District is undertaken by Council. This is normally the role of Transit NZ. Council has been delegated the role of asset manager for state highways which allows a co-ordinated overview of the district's roading network. While working within the National Transit NZ system, the delegation allows for the integration, development and promotion of Rotorua projects and maintenance needs locally on both highway and local road networks.

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

A safe and caring community

A community with excellent facilities and services

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Undertake and oversee network maintenance on delegated highways within the District.	Meet Transit NZ/Transfund standards criteria and guidelines for SH5, 30, 30A, 33, 38.	100% compliance	100% compliance	100% compliance	100% compliance
Provision of effective and efficient management of the Rotorua District highway network.	Advance and promote safety and efficiency improvements on the network, meet requirements of the TNZ Act, National Land Transport Programme budgets and Council policy subject to TNZ Board approval.	National Land Transport Programme complete.	National Land Transport Programme complete.	National Land Transport Programme complete.	National Land Transport Programme complete.
	Report to Works Committee	100% compliance.	100% compliance.	100% compliance.	100% compliance.
Monitoring and evaluation of all consultants and maintenance contractors engaged on the network via performance monitoring systems.	Meet requirements of Transit, Transfund and Council policy including contractual obligations.	100% compliance.	100% compliance.	100% compliance.	100% compliance.

State Highway Administration 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June:	(thousand: Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	118	100	120	121	221	220	122	122	121	122	122
Revenue	120	98	119	119	219	219	119	119	119	119	119
Net Cost	(2)	2	1	2	2	1	3	3	2	3	3
Capital											
Renewals											
General	5			6			6			6	
Total Capital	5	0	0	6	0	0	6	0	0	6	0

Assets Used in State Highway Administration Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Computer Hardware	22	19	3
	22	19	3

Where will funding come from

Who benefits from the activity

- Entire community benefits from accessibility of city and ease of transportation throughout the city.
- Specific benefit to road users.
- Specific benefit to parking facility users.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

Entire community creates the need for an accessible urban environment where transport links are readily available for both business and public use.

Funding source

The safe and efficient vision above includes advantages for individuals directly, assessed at 40% private benefit. The efficient movement of goods and services, emergency services and resources is essential in modern society, assessed as 60% public benefit.

Operational/Capital funding

Operating costs	Fees & Charges	98%
	General rates	2%
Capital	Corporate funding	100%



Waste Management

Overall aim of the activity

To provide a litter free environment within the District.

Activity purpose – how and why we provide the service

The activity of waste management is provided because of community expectation. The Local Government Act permits Council to run and operate litter control, recycling and waste disposal services.

The activity involves litter control in all public places including walkways and special events, hazardous waste management, control of illegal dumping, promotion and education inclusive of the Keep Rotorua Beautiful Committee and recycling operations.

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

A community that respects its environment

- By the promotion of “Keep Rotorua Beautiful” brand label.
- Protection of the CBD area, lakeside reserves and walkways.
- By promoting cleaner production to minimise waste through better work practice.
- By ensuring a clean environment for people to live in.
- By involving public participation to make a difference.
- By providing recycling services to the whole community.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Management of solid wastes within the District.	Service all urban litter bins daily.	100% compliance	100% compliance	100% compliance	100% compliance
	Service all litter bins within rural areas at least twice weekly and every day from mid-December to mid-February.	100% compliance	100% compliance	100% compliance	100% compliance
	Respond to all litter complaints within two hours of receipt in the Rotorua Basin and four hours outside of this area.	99% compliance	99% compliance	99% compliance	99% compliance
	Meet national waste targets as per the Ministry for the Environment's Waste Strategy.	As applicable per NZ Waste Strategy.	As applicable per NZ Waste Strategy.	As applicable per NZ Waste Strategy.	As applicable per NZ Waste Strategy.
Management of hazardous waste.	Provide storage facilities and dispose of hazardous wastes, with no preventable incident.	100% compliance	100% compliance	100% compliance	100% compliance
Management of inner city and landfill recycling facilities.	Operate inner city and landfill recycling facilities to achieve target volumes.	1,500 tonnes p.a.	1,600 tonnes p.a.	1,700 tonnes p.a.	1,800 tonnes p.a.

Waste Management 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June:	(thousand: Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	1,245	1,306	1,117	1,104	1,104	1,104	1,106	1,102	1,101	1,102	1,101
Revenue	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)
Net Cost	1,185	1,246	1,057	1,044	1,044	1,044	1,046	1,042	1,041	1,042	1,041
Capital											
Rural Transfer Station		140									
Total Capital	0	140	0	0	0	0	0	0	0	0	0

Assets Used in Waste Management Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Buildings	100	7	93
Engineering	136	0	136
Office Equipment	1	1	0
Waste Mngt rural Bin Sites	643	4	639
	880	12	868

Where will funding come from

Who benefits from the activity

- Entire community benefits from safe and efficient disposal of solid waste.
- Direct household benefit from refuse collection and recycling.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where solid waste is adequately dealt with.
- Exacerbators and individual householders.

Funding source

It is considered the benefits of this activity to be 50% private and 50% public. The public beneficiaries include existing and future residents who benefit from living in a community where hazardous wastes are removed from the waste stream, with the associated improvement in the health of the community. Recycling, rural skip services and the policing of illegal dumping are of public benefit to the entire community. Whilst litter is typically deposited by the public, it is primarily generated from packaging originating from the commercial premises. It is considered that it is these owners/operators who in the main benefit from litter clearance.

It is considered that the services are available to all the community and no cost effective mechanisms exist to identify individuals who receive private benefits.

Operational/Capital funding

Operating costs	Recovery	5%
	General rates (residual)	95%
Capital	Corporate funding	100%

ACTIVITY GROUPS

Waste Water

Overall aim of the activity

To provide an environmentally safe and efficient collection, treatment and disposal of water-borne waste and by-products in a sustainable operation to safeguard public health.

To provide accurate, efficient and sustainable monitoring, sampling, testing and scientific services to Council's internal clients.

Activity purpose – how and why we provide the service

The services under the Waste Water Activity area are provided because the community expects Council to make provision for the removal of sewage and liquid trade wastes from communities, to enhance public health and minimise the impact of communities on the environment.

The waste water activity includes the operation and maintenance of over 400 kilometres of gravity sewers and rising mains and also includes 53 pumping stations. The total underground asset has an estimated replacement value in excess of \$85M.

This division is also responsible for the operations and maintenance of the Wastewater Treatment Plant and Forest Disposal system. The operation needs to comply with or surpass the standards of nutrient removal and monitoring required under Council's resource consent to discharge. Treatment plant effluent is discharged via spray irrigation into Whakarewarewa Forest. The estimated replacement value of the treatment and disposal system is in excess of \$50M.

Another important aspect of this cost centre is pollution control. This activity aims to educate, encourage and enforce regulatory compliance of commerce, trade premises and the community's use of and discharge into Council's stormwater and sewerage drainage assets.

The majority of sampling, monitoring, testing and scientific advisory services provided are related to client legislative and consent monitoring requirements, primarily for the Waste Water Treatment Plant.

The laboratory provides services to other areas of Council's operation including Parks and Reserves, the Aquatic Centre, Water Supply and Trade Wastes.

The laboratory also provides a cost recovery service to outside customers and a scientific advisory service to all clients.

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

A safe and caring community

- Minimising the effect of wastewater discharge on the environment and limiting the visual impact of wastewater, aiding Rotorua's clean green image.

A prosperous community

- Developing quality waste infrastructure that meets growth requirements.
- Operating as a self-funding activity to ensure revenue covers required expenditure over time.
- Making efficiency gains to lower costs and enable fair and reasonable costs to users.

A community that respects its environment

A healthy community

- Researching and developing wastewater solutions that are environmentally sensitive, particularly in relation to the lakes.
- Investing in pre-treatment, and promoting cleaner production to minimise business waste.
- Advice, control and charge for the discharge of commercial and industrial liquid trade waste disposal into the wastewater system.
- Providing an analytical and testing service for the wastewater treatment plant, process control and optimisation, and discharge consent work.
- Providing a maintenance and calibration facility for the WWTP on-line analytical instrumentation.
- Monitoring and reporting on the environmental impact of the forest irrigation system. Work includes providing discharge consent reports.
- Monitoring and reporting on the environmental impact of the landfill operation. Work includes providing discharge consent reports.
- Undertaking all necessary testing and reporting of Council's drinking water supplies.
- Providing scientific advice regarding environmental issues and regulatory control, including the discharge of trade wastes, contaminants and stormwater.
- Providing excellent drainage services.
- Providing good quality advice to commercial and industrial property owners and developers.
- Ensuring compliance with safe working, design and construction practices.
- Encouraging the use of cleaner production, compliance with legal and environmental initiatives and the conservation of Council's water services.

A community with excellent facilities and services

- Laboratory services available.
- Providing a quality facility that helps protect public health and minimises the impact on the environment in a manner that residents can be proud of.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Maintenance of the continuous operation of the wastewater reticulation system at present and into the future.	Process applications for new connections within 5 working days and notify applicants.	98% processed within 5 working days	98% processed within 5 working days	98% processed within 5 working days	98% processed within 5 working days
	Implement and manage operations contracts through regular auditing, meetings and correspondence as specified in Council policy and contract documents.	All following deliverables completed within specified timeframe: - Monthly contract meeting and minutes. -Programmed audits recorded.	All following deliverables completed within specified timeframe: - Monthly contract meeting and minutes. -Programmed audits recorded.	All following deliverables completed within specified timeframe: - Monthly contract meeting and minutes. -Programmed audits recorded.	All following deliverables completed within specified timeframe: - Monthly contract meeting and minutes. -Programmed audits recorded.
Undertaking research and investigations on needs and possible solutions for sewage schemes at lakeside settlements, and implement solutions.	Complete the year's programmed investigations, and progress capital works as programmed..	Investigations and capital works completed to programme and budget.	Investigations and capital works completed to programme and budget.	Investigations and capital works completed to programme and budget.	Investigations and capital works completed to programme and budget.
Ensuring the management of the wastewater treatment and pumping system in a cost-effective manner, meeting the requirements of the Resource Consent or approved variations.	That no overflows occur from the WWTP or pump stations except due to power failure or extreme weather conditions.	Zero overflows	Zero overflows	Zero overflows	Zero overflows
Maintenance of the wastewater reticulation system and treatment assets to acceptable standards.	Advance contracts for the works described in the AMP Outputs and Annual Three Year Work Projection. The works and contracts to be managed according to market movements and budgets.	Reticulation Renewal and Capital Works outputs advanced within budget.	Reticulation Renewal and Capital Works outputs advanced within budget.	Reticulation Renewal and Capital Works outputs advanced within budget.	Reticulation Renewal and Capital Works outputs advanced within budget.
Capital improvement programme for the wastewater treatment system in accordance with the conditions of relevant Resource Consents.	Advance through contracts the works described in the AMP.	Capital Works WWTP upgrade outputs advanced within budget.	Capital Works WWTP upgrade outputs advanced within budget.	Capital Works WWTP upgrade outputs advanced within budget.	Capital Works WWTP upgrade outputs advanced within budget.

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Undertake monitoring programmes for water right consents (forest and landfill).	Undertake water quality monitoring as prescribed by the Resource Consent within the stated timeframe.	All monitoring undertaken. Timeframes met 100% where stated.	All monitoring undertaken. Timeframes met 100% where stated.	All monitoring undertaken. Timeframes met 100% where stated.	All monitoring undertaken. Timeframes met 100% where stated.
Maintaining and operating the laboratory to approved standards.	Participate in the IANZ water test inter-laboratory testing programme and perform to a high standard.	Participation programme completed 100%. Rating maintained or exceeded.	Participation programme completed 100%. Rating maintained or exceeded.	Participation programme completed 100%. Rating maintained or exceeded.	Participation programme completed 100%. Rating maintained or exceeded.
	Maintain IANZ registration.	Registration maintained.	Registration maintained.	Registration maintained.	Registration maintained.
Undertaking analysis of samples in the laboratory.	Samples analysed and reported within the time period specified by the clients.	95% compliance.	95% compliance.	95% compliance.	95% compliance.

Waste Water 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	7,496	8,454	8,570	8,517	9,026	9,889	10,987	10,977	11,045	10,911	10,878
Revenue	7,192	11,525	12,074	10,231	15,550	13,633	1,896	10,962	11,232	10,732	11,303
Net Cost	304	(3,071)	(3,504)	(1,714)	(6,524)	(3,744)	(909)	15	(187)	179	(425)
Capital											
Renewals											
Land Treatment											
Renewals	41	253	138	26	26	477	69	30	24	26	26
Pump Station Renewals	359	555	275	360	278	406	314	209	235	110	127
Sewer Renewals	698	807	556	650	627	582	602	604	608	610	612
Treatment Plant											
Renewals	758	1,033	310	334	482	1,221	438	352	230	210	211
General	42	38	19	54	38	19	61	38	19	54	35
New For Growth											
Development											
Reticulation			500		500		500		500		500
Waste Water Treatment											
Plant Upgrade	2,423	416								87	
Pump Station Capital											
Improvements							104				5
New For Lakes Water Quality											
Mourea Wastewater	2,798	7,178	680								
Okere/Otaramarae											
Sewerage				542	4,334	544					
Gisborne Pt (Hinehopu)											
Sewerage	36	19	135	155	1,120	160					
Okareka Sewerage	133	637	3,352	420							
Lake Tarawera				792	867	6,069	867				
Hamurana			370	445	3,115	445					
New For Improved Service											
Reticulation Extension											
(Rotorua Basin Waste Water)	122	137	744	560	663	797	908	589	278	279	280
Total Capital	7,410	11,073	7,079	4,338	12,050	10,720	3,863	1,822	1,894	1,376	1,796

Assets Used in Waste Water Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Buildings	2,068	73	1,995
Computer Hardware	121	104	17
Computer Software	109	105	4
Database	138	52	86
Furniture & Fittings	22	21	1
Land	470	0	470
Office Equipment	32	23	9
Plant & Machinery	349	310	39
Wastewater Reticulation	56,164	2,387	53,777
Wastewater Treatment Plant	33,864	1,204	32,660
	93,337	4,279	89,058

Where will funding come from

Waste Water Urban Basin

Who benefits from the activity

- Entire community benefits from safe and efficient disposal of wastewater.
- Commercial and industrial businesses benefit specifically from the provision of wastewater services.
- Direct household benefit from the provision of wastewater services.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where wastewater is adequately dealt with.
- Commercial and industrial enterprises create need for wastewater services applicable to their business.
- Property owners.

Funding source

This activity allows for the disposal and treatment of trade wastes, sewage and waste water within the District. This provides both social and economic benefits for health and the standard of living within the District. It is considered that the proportion of these benefits which are private in nature is 70% and that which is public in nature is 30%. The private beneficiaries are the owners (domestic, commercial and industrial) of properties which are connected to the system. The public benefits generally through the maintenance of the health, sanitation and environment of the District. The higher level of treatment in Rotorua will improve the quality of the water within the lake providing a better environment for the entire community and visitors to the District.

In respect of historic loans associated with the waste water treatment plant and network, 70% has now been allocated to the activity and 30% to general rates.

It is considered that operating costs should be recovered by direct charging mechanisms by way of a scale of charges according to the number of water closets and urinals.

Operational/Capital funding

Trade waste charges 100%

Operating costs – treatment plant and network loan servicing charges

Fees & charges 4%
Targeted rate based on closets 96%

Capital expenditure

Targeted rate based on closets (over time) 100%

Waste Water Eastern and Lakeside

Who benefits from the activity

- Entire community benefits from safe and efficient disposal of wastewater.
- Commercial and industrial businesses benefit specifically from the provision of wastewater services.
- Direct household benefit from the provision of wastewater services.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where wastewater is adequately dealt with.

- Commercial and industrial enterprise create need for wastewater services applicable to their business.
- Property owners.

Funding source

The establishment of a new waste water system is directly linked to environmental considerations and public health which benefits the whole community. It is considered that any private benefit is also public benefit to the community as a whole in terms of promoting public health and a better environment

The following provisions apply:

- That six sewerage scheme areas be established, to be called:
 - Mourea
 - Okawa Bay
 - Brunswick
 - Rotokawa (excluding Ngati Whakaue land)
 - Okere
 - Otaramarae
 - That the areas between Eastgate and the existing urban boundary be reported on for inclusion in the urban area.
 - That approval be given to immediately commencing design, development and construction of Mourea, Okawa Bay, Brunswick and Rotokawa sewerage scheme areas.
 - That research and investigation be immediately undertaken into suitable sustainable stand alone treatment systems for Okere and Otaramarae.
 - That the costs be allocated for each separate sewerage scheme area, where the indicative costs shall be those indicated in the district engineer's report of 8 June 2004.
 - That officers prepare a full report in relation to the allocation of costs, such report to address capital contribution costs, pan charges, operational costs, and flows.
 - That the general rate contribution for each of the lots in the sewerage scheme areas of Mourea, Okawa Bay, Brunswick and Rotokawa be \$1,500 (GST exclusive) and that this decision be a precedent for other proposed sewerage scheme areas, adjusted appropriately for inflation.
- That indicative capital costs (GST exclusive) for each sewerage scheme area to be included in the 2004-2014 LTCCP, be:

Scheme Area	Lump Sum	UAC
Mourea	\$2,945	\$294
Okawa Bay	\$6,093	\$609
Brunswick	\$5,394	\$539
Rotokawa	\$1,791	\$179

The above does not include:

 - The uniform annual charge for operating costs; or
 - The individual household connection costs.
 - That a rating policy for the separate uniform annual charge for the four sewerage scheme areas be developed for implementation in 2005/2006.
 - That a policy on early repayment be developed.
 - That a development and financial contributions policy for future developments be developed.
 - That discussions be held with Environment BOP:
 - To ensure a practical transition from the use of septic tanks to the connection to community sewerage scheme areas; and
 - To confirm the current Environment BOP contribution policy for lakeside community sewerage schemes.
 - For development of a joint policy of Environment BOP and Rotorua District Council to manage septic tanks that are installed prior to the interim transition period.
 - That rates and charges associated with the four sewerage scheme areas of Mourea, Okawa Bay, Brunswick and Rotokawa be included in the 2005/2006 Annual Plan for levying commencing 1 July 2005.
 - That the operating uniform annual charge will be determined and included in the 2005/2006 Annual Plan.

Operational/Capital funding

Investigations	
General rates	100%
Operating	
Targeted rate based on closets	100%
Capital expenditure	
Lump sum or uniform annual charge	

Water

Overall aim of the activity

To provide, in a cost-effective manner, an adequate supply of water of sufficient quality to satisfy the needs of communities within the District.

Activity purpose – how and why we provide the service

The Water Activity services are provided because the community expects Council to make provision for a safe supply of water to communities for drinking and, where appropriate, fire fighting, to enhance public health and provide for farming and other commercial activities.

Water and Sanitary Services

Assessments

Section 125 of the Local Government Act 2002 requires territorial local authorities to carry out an assessment of water and sanitary services available to residents within the district, by 30 June 2005. Water and sanitary services includes water supply, sewerage, stormwater, public conveniences, cemeteries and crematorium. Council has started work on this project and will be undertaking consultation with various parties at the appropriate stages.

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

A safe and caring community

- High quality and safe drinking water helps the green image and enjoyment of the Rotorua experience.

A community that respects its environment

- By planned development of the water facilities to meet population growth.
- By water conservation to maximise the resource for the future.
- By managing development to protect the quality of natural groundwaters.

A community with excellent facilities and services

- By provision of quality water supplies that meet current and future needs.
- Provides water services at fair and reasonable rates to consumers.

A healthy community

- Protecting public health through quality infrastructure.
- Providing high quality drinking water which residents can be proud of.

Levels of service and targets

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Ensuring that all supplies have sufficient water at the source, and within the system to provide appropriate levels of service to the consumers.	Provide connections within the Urban fence capable of delivering a minimum flow of 30 l/min and having a minimum residual head of 30 metres at the boundary stopcock under normal demand conditions.	95% of connections	95% of connections	95% of connections	95% of connections
	Provide hydrants within the Urban fence meeting the requirements of the NZ Fire Service Code of Practice for Fire Fighting Water Supplies.	95% of hydrants	95% of hydrants	95% of hydrants	95% of hydrants
Ensuring that all supplies comply with the current Drinking Water Standards of NZ.	Permanently chlorinated supplies achieving compliance with the microbiological criteria of DWSNZ 2000.	All permanently chlorinated supplies 100% compliance achieved.	All permanently chlorinated supplies 100% compliance achieved.	All permanently chlorinated supplies 100% compliance achieved.	All permanently chlorinated supplies 100% compliance achieved.

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
	Unchlorinated supplies achieving compliance at the source with the monitoring requirements of DWSNZ 2000.	All unchlorinated supplies 100% compliance achieved.	All unchlorinated supplies 100% compliance achieved.	All unchlorinated supplies 100% compliance achieved.	All unchlorinated supplies 100% compliance achieved.
	To initiate the prescribed response to microbiological contamination events as per the DWSNZ 2000.	100% within a maximum of 4 hours from notification	100% within a maximum of 4 hours from notification	100% within a maximum of 4 hours from notification	100% within a maximum of 4 hours from notification
Maintaining the appropriate level of service to the consumer with a minimum of disruption and inconvenience to the public.	Implement and manage operations contracts through regular auditing, meetings and correspondence as specified in Council policy and contract documents.	All following deliverables completed within specified timeframes - monthly contract meetings and minutes - contractor performance evaluation reports - programmed audits recorded	All following deliverables completed within specified timeframes - monthly contract meetings and minutes - contractor performance evaluation reports - programmed audits recorded	All following deliverables completed within specified timeframes - monthly contract meetings and minutes - contractor performance evaluation reports - programmed audits recorded	All following deliverables completed within specified timeframes - monthly contract meetings and minutes - contractor performance evaluation reports - programmed audits recorded
	Time taken for applications for new water connections to be processed, and the result sent to the applicant.	95% processed within 5 working days	95% processed within 5 working days		

Water 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	4,301	4,743	4,932	5,064	5,238	5,297	5,368	5,382	5,409	5,406	5,415
Revenue	4,432	4,595	4,725	4,814	4,945	5,040	5,176	5,274	5,416	5,519	5,670
Net Cost	(131)	148	207	250	293	257	192	108	(7)	(113)	(255)
Capital											
Renewals											
Urban - Renewal Works	1,005	909	1,030	907	1,017	831	842	855	852	855	859
General	112	349	99	103	115	79	77	77	78	78	78
New For Growth											
Urban - Central Reservoir	95			650							
Urban - Eastern Water			300	1,200	1,200	300					
Urban - Reticulation Upgrade	1,315	765	830	450	250	550	250	510	250	250	250
New For Improved Service											
Urban - Reticulation	269	390	125	25	25	25	25	25	25	25	25
Reporoa-Capital Improvements	2,040	178									
Total Capital	4,836	2,591	2,384	3,335	2,607	1,785	1,194	1,467	1,205	1,208	1,212

Assets Used in Water Activity

Asset Type (thousands)	Cost/Valuation	Accumulated Depreciation	Book Value 30 June 2003
Buildings	350	13	337
Computer Hardware	12	9	3
Computer Software	40	33	7
Database	9	1	8
Land	1,449	0	1,449
Plant & Machinery	81	40	41
Roading	3	0	3
Stormwater Drainage	1	0	1
Waterworks	45,368	1,253	44,115
	47,313	1,349	45,964

Where will funding come from

Urban - Operating

Who benefits from the activity

- Entire community benefits from safe and efficient provision of drinking water.
- Commercial businesses benefit specifically from the provision of water services.
- Entire community benefits from provision of water services to fire fighting to maintain community safety services.
- Direct household benefit from the provision of water services.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprise create need for water services applicable to their business.
- Fire fighting services create need for water services to carry out their job.
- Property owners.

Funding source

It is considered that the benefits obtained from expenditure on this activity are 75% private and 25% public. The beneficiaries are the existing and future users (consumers) of the water supply, and non-users within the water supply area whose property values increase due to the availability of the supply and the improved fire protection capability. It is also considered that there is significant public benefit in terms of improved health, clean environment and fire fighting capabilities.

It is noted that currently the activity is funded by way of 100% user charges made up of 58% uniform domestic charge and 42% metered use. Operating costs have been allocated partly because contributions have been received from users to capital costs. Taking into account matters of fairness and equity and acting in the interests of residents and ratepayers, therefore, it is considered that the previous allocation should be modified to 100% private, 0% public

Operational/Capital funding

Targeted rates/water by meter

Fees & charges	1%
Targeted rates	99%

Rural Residential Capital

Who benefits from the activity

- Entire community benefits from safe and efficient provision of drinking water.
- Commercial businesses benefit specifically from the provision of water services.
- Entire community benefits from provision of water services to fire fighting to maintain community safety services.
- Direct household benefit from the provision of water services.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprises create need for water services applicable to their business.

- Fire fighting services create need for water services to carry out their job.
- Property owners.

Funding source

It is considered that these supplies should be treated the same as urban supplies, therefore benefits obtained from expenditure on this activity are 75% private and 25% public. The private beneficiaries are the existing and future users (consumers) of the water supply, and non-users within the water supply area whose property values increase due to the availability of the supply and the improved fire protection capability. It is also considered that there is a significant public benefit in terms of improved health, clean environment and fire fighting capabilities.

Each property contributes a maximum of \$2,500 towards the costs of any rural water supply scheme and any extension to an existing rural water supply scheme that is deemed necessary, and the balance by way of general rates as a measure of the public good.

Operational/Capital funding

Capital costs	
Capital contributions	\$2,500 per property
General rates (residual)	100%

Rural Residential Operating

Who benefits from the activity

- Entire community benefits from safe and efficient provision of drinking water.
- Commercial businesses benefit specifically from the provision of water services.
- Entire community benefits from provision of water services to fire fighting to maintain community safety services.
- Direct household benefit from the provision of water services.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprise create need for water services applicable to their business.
- Fire fighting services create need for water services to carry out their job.
- Property owners.

Funding source

It is considered that these supplies should be treated the same as urban supplies, therefore benefits obtained from expenditure on this activity are 75% private and 25% public. The private beneficiaries are the existing and future users (consumers) of the water supply, and non-users within the water supply area whose property values increase due to the availability of the supply and the improved fire protection capability. It is also considered that there is a significant public benefit in terms of improved health, clean environment and fire fighting capabilities.

The Rotoiti, Rotoma, Hamurana, Kaharoa and Okareka Supplies are 100% user pays by a combination of fixed quarterly charge is set to recover 75% of the fixed costs of the scheme. The cost per cubic meter rate is set to recover all of the variable costs of the scheme plus 25% of the fixed costs. Mamaku is 100% user pays by a combination of a quarterly minimum charge and metered consumption over and above a set quarterly quantity.

Operational/Capital funding

Operating costs	Targeted rates	100%
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Rural Farming Capital

Who benefits from the activity

- Entire community benefits from safe and efficient provision of drinking water.
- Commercial businesses benefit specifically from the provision of water services.
- Entire community benefits from provision of water services to fire fighting to maintain community safety services.
- Direct household benefit from the provision of water services.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprise create need for water services applicable to their business.
- Fire fighting services create need for water services to carry out their job.
- Property owners.

Funding source

It is considered that the benefits obtained from expenditure on this activity are 90% private and 10% public. The private beneficiaries are the existing and future users (consumers) of the water supply, with water for stock being the predominant use (commercial purposes). The public beneficiaries are considered to be the residents receiving the private water supply benefits.

It is noted that new farming water supply schemes are used primarily to increase farm productivity, and are based on a commercial decision by the farming community to increase productivity and the wealth of the district

Operational/Capital funding

Capital	Targeted rates	100%
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Rural Farming Operating

Who benefits from the activity

- Entire community benefits from safe and efficient provision of drinking water.
- Commercial businesses benefit specifically from the provision of water services.
- Entire community benefits from provision of water services to fire fighting to maintain community safety services.
- Direct household benefit from the provision of water services.

Period of benefit

Ongoing benefits as long as infrastructure is maintained.

Who creates need for the activity

- Entire community creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprise create need for water services applicable to their business.
- Fire fighting services create need for water services to carry out their job.
- Property owners.

Funding source

This activity relates solely to the Reporoa water supply at this stage. It is considered that the benefits obtained from expenditure on this activity are 100% private and 10% public. The private beneficiaries are the existing and future users (consumers) of the water supply with water for stock being the predominant use (commercial purposes). The public beneficiaries are considered to be the residents receiving the private water supply benefits.

It is noted that currently the activity is funded by way of 100% user charges by a combination of fixed quarterly charges and metered consumption over an above a fixed quarterly quantity

Operational/Capital funding

Operating costs	Metered charged by quantity consumed, with a minimum charge
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Contribution to outcomes

	A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
Business Unit Castlecorp	✓	✓			✓			✓

Overview of Group

Castlecorp is a separate business unit within the Rotorua District Council whose purpose is to provide infrastructural services to the residents of the District of Rotorua 365 days per year for:

- water
- wastewater
- refuse
- land drainage
- parks and reserves
- sports fields
- public gardens
- fleet maintenance

Castlecorp is dedicated to continuing to develop innovative ways to deliver services to the community, while improving the timeliness, quality and cost effectiveness of core services. Castlecorp is a significant component of the District Council representing 25% of the RDC workforce and 20% of the annual expenditure.

Its brand represents the organisational values of reliability, honesty and integrity. The strap line 'Keeping Rotorua' can be used in Keeping Rotorua Beautiful, Keeping Rotorua Clean, Keeping Rotorua services, or in the more traditional meaning of the word "keep", being to guard, protect or look after.

The logo features:

- a stylised mirror of a letter "R".
- cogs of a wheel in motion, representing the work ethic.
- fronds of a ponga, representing the environmental aspects of our role.
- turrets of a castle, linking the "keep" and "Castle" theme

Overall aim of the activity

Improving the quality of life for residents and visitors through the provision of quality services and the maintenance of essential infrastructure, through sound business practises based on continuous improvement that meet or exceed the quality and cost effectiveness of the private sector.

Activity purpose – how and why we provide the service

Council undertakes this activity to ensure delivery of services to meet legislative requirements and community expectations.

Castlecorp is a Business Unit within Council and earns its income from regularly reviewed and negotiated contracts and service level agreements for in-house services provided to other departments within Council. These services include:

- Refuse collection
- Litter clearance
- Footpath and verge maintenance
- Stormwater system maintenance
- Water supply reticulation maintenance
- Water supply pump stations and reservoir operation and maintenance
- Water supply leak detection, meter reading, and water sampling
- Wastewater reticulation maintenance including forest irrigation
- Cemeteries
- Sportsfield and reserve maintenance
- Public Garden and horticultural maintenance
- Purchasing and maintenance of small plant and fleet vehicles

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

A safe and caring community

A community that respects its environment

A community with excellent facilities and services

A happening community

Levels of service and targets

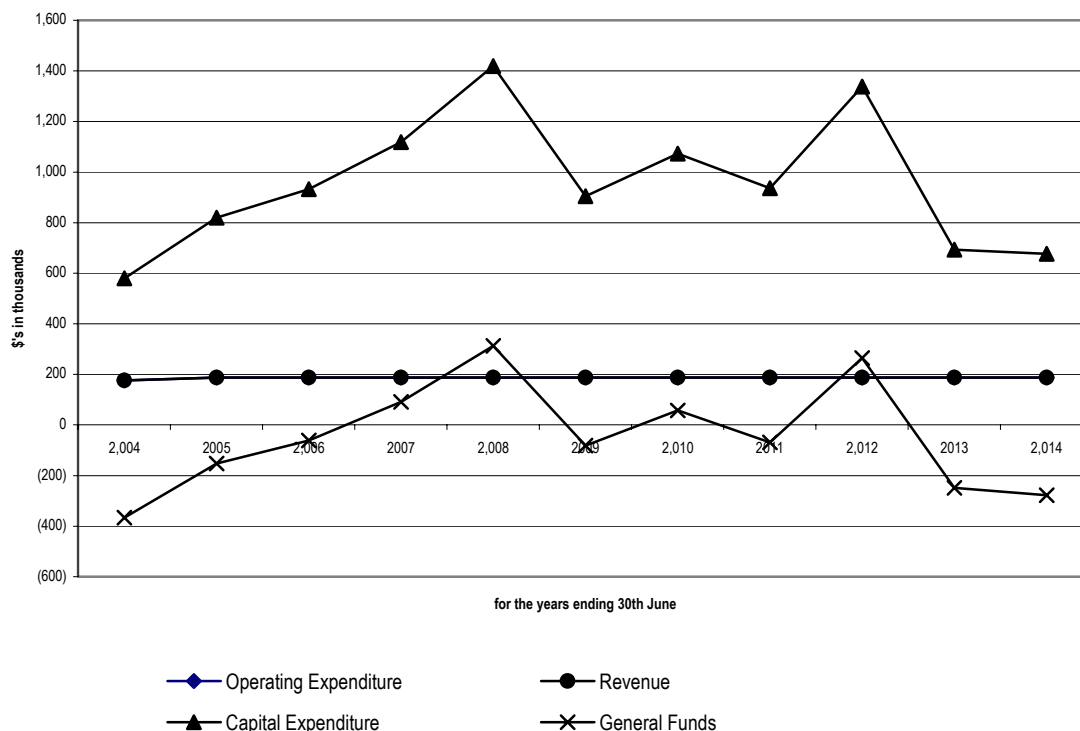
Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Provision of efficient and quality services to RDC in accordance with sound commercial standards and principles.	Meet the standards of service contracted as per contract.	Contract standards 100% met.	Contract standards 100% met.	Contract standards 100% met.	Contract standards 100% met.
		No demerit points incurred by year end.	No demerit points incurred by year end.	No demerit points incurred by year end.	No demerit points incurred by year end.
	Employ and retain consistently high performing staff who enjoy their working environment.	To have less than 10% staff turnover of permanent positions by year end.	To have less than 10% staff turnover of permanent positions by year end.	To have less than 10% staff turnover of permanent positions by year end.	To have less than 10% staff turnover of permanent positions by year end.
	Operate within budget (plus 2% or minus 1% of turnover).	Within budget plus 2% or minus 1% of turnover.	Within budget plus 2% or minus 1% of turnover.	Within budget plus 2% or minus 1% of turnover.	Within budget plus 2% or minus 1% of turnover.
Provision of leadership and involvement of all staff.	Establish unity of purpose and involve all levels of the organisation for the benefit of the community.	Monthly meetings with all staff enabling input at all levels.	Monthly meetings with all staff enabling input at all levels.	Monthly meetings with all staff enabling input at all levels.	Monthly meetings with all staff enabling input at all levels.
Maintenance of an efficient, cost effective and safe staff environment.	Maintain an OSH identification and control plan supported by an education programme.	Programmes completed by year end.	Programmes completed by year end.	Programmes completed by year end.	Programmes completed by year end.
	Ensure the number of work accidents do not increase.	Record less than one accident per week, of which less than half will require time off work.	Record less than one accident per week, of which less than half will require time off work.	Record less than one accident per week, of which less than half will require time off work.	Record less than one accident per week, of which less than half will require time off work.
Consistently provide the community with quality services.	Meet all requirements of and maintain ISO 9001:2000 accreditation.	ISO 9001:2000 accreditation maintained by year end.	ISO 9001:2000 accreditation maintained by year end.	ISO 9001:2000 accreditation maintained by year end.	ISO 9001:2000 accreditation maintained by year end.

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
	Manage the education and training of staff including maintaining a core technical training programme at a minimum cost of 1% of revenue achieved.	Full training programme completed by year end.	Full training programme completed by year end.	Full training programme completed by year end.	Full training programme completed by year end.
Better understanding of current and future customer needs and expectations.	Promote services to the public while better understanding customer needs.	Advertising, promotional and survey programmes completed by year end.	Advertising, promotional and survey programmes completed by year end.	Advertising, promotional and survey programmes completed by year end.	Advertising, promotional and survey programmes completed by year end.
Provision of efficient Water Supply services to RDC in accordance with service contract specifications.	Respond in specified timeframes to asset failures resulting in loss of water to consumer or having potential for damage to persons or property being responded to in specified timeframes.	95% within 1 hour and 100% within 4 hours.	95% within 1 hour and 100% within 4 hours.	95% within 1 hour and 100% within 4 hours.	95% within 1 hour and 100% within 4 hours.
Provision of efficient Wastewater services to RDC in accordance with service contract specifications.	Respond in specified timeframes to asset failures resulting in potential for damage to persons or property being responded to in specified timeframes.	95% within 1 hour and 100% within 4 hours.	95% within 1 hour and 100% within 4 hours.	95% within 1 hour and 100% within 4 hours.	95% within 1 hour and 100% within 4 hours.
Provision of efficient Land Drainage services to RDC in accordance with service contract specifications.	Respond to blockages resulting in potential damage to persons or property.	95% within 24 hours and 100% within 36 hours.	95% within 24 hours and 100% within 36 hours.	95% within 24 hours and 100% within 36 hours.	95% within 24 hours and 100% within 36 hours.
Provision of efficient Refuse Collection services to RDC in accordance with service contract specifications.	Collect refuse from specified areas on each day by 4.30pm.	99% compliance	99% compliance	99% compliance	99% compliance
	Respond to all complaints of non-delivery of refuse bags within the urban area.	3 days	3 days	3 days	3 days
	Respond to all complaints of non-delivery of refuse bags within the rural area.	5 days	5 days	5 days	5 days
Provision of efficient Waste Management services to RDC in accordance with service contract specifications.	Respond to all litter complaints within two hours in the Rotorua Basin and four hours outside of this area.	99% compliance	99% compliance	99% compliance	99% compliance
Provision of vehicles and plant to meet the planned needs of Council.	Review all policies relating to fleet and plant annually.	Completed by 31.03.05.	Completed by 31.03.06.	Completed by 31.03.07.	Completed by 31 March each year.
	Replace fleet at competitive rates.	Completed by year end.	Completed by year end.	Completed by year end.	Completed by year end.
Ensuring efficient purchasing processes are used to satisfy the organisation's needs and requirements.	Establish effective partnerships with suppliers, and evaluate their ability to supply based on experience, performance, quality and cost.	Evaluations completed by year end.	Evaluations completed by year end.	Evaluations completed by year end.	Evaluations completed by year end.

Summary of Group Net Cost of Service

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Expenditure	10,667	10,700	10,699	10,719	10,700	10,718	10,722	10,706	10,712	10,725	10,705
Internal Recoveries	10,491	10,512	10,511	10,531	10,512	10,530	10,534	10,518	10,524	10,537	10,517
External Revenue	176	188	188	188	188	188	188	188	188	188	188
Net Cost Of Service	0	0	0	0	0	0	0	0	0	0	0

Activity Group Income, Costs and Funding



ACTIVITY GROUPS

Assets Used in Activity Group

Asset Type	Cost/Valuation (thousands)	Accumulated Depreciation	Book Value 30 June 2003
Computer Hardware	94	70	24
Furniture & Fittings	2	0	2
Office Equipment	100	85	15
Plant & Machinery	59	21	38
Vehicles/ Plant Equipment	6,308	3,024	3,284
Total	6,563	3,200	3,363

Activity Group Revenue Sources

For the year ending 30 June:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Fees and Charges	189	188	188	188	188	188	188	188	188	188
Total	189	188	188	188	188	188	188	188	188	188

Business Unit Castlecorp 10 Year Activity

For the year ending	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
30 June: (thousands)	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Operations											
Expenses	176	188	188	188	188	188	188	188	188	188	188
Revenue	176	188	188	188	188	188	188	188	188	188	188
Net Cost	0	0	0	0	0	0	0	0	0	0	0
Capital											
Renewals											
Fleet & Plant Purchases	508	899	911	1,049	1,383	884	996	884	1,318	641	641
General	72	36	21	69	36	20	77	52	20	53	36
Total Capital	580	935	932	1,118	1,419	904	1,073	936	1,338	694	677

Assets Used in Business Unit Castlecorp Activity

Asset Type	Cost/Valuation	Accumulated	Book Value
(thousands)		Depreciation	30 June 2003
Computer Hardware	94	70	24
Furniture & Fittings	2	0	2
Office Equipment	100	85	15
Plant & Machinery	59	21	38
Vehicles/ Plant Equipment	6,308	3,024	3,284
	6,563	3,200	3,363

ASSUMPTIONS

Introduction

In preparing the LTCCP budgets a number of assumptions and predictions have been required. These are fundamental to enable interpretation by readers of projected financial statements etc.

The sources of those assumptions are:

- Legislative requirements
- The Council's Revenue and Financing Policy
- Relevant financial reporting standards issued by the Institute of Chartered Accounts of New Zealand
- Approved asset management plans
- Industry best practice and norms
- Current practice or convention

The key assumptions made in preparing the Council's budget for the 2004/05 financial period and forecasts for the Long Term Council Community Plan are as follows.

General Assumptions

- All Budgets are net of GST (except for Pensioner Housing)
- All Budgets are on an accrual basis.
- All figures are in 2004/2005 dollars. No allowance is made for inflation when projecting costs from 2004/05 into the later Budget years.
- The expenditure shown for programmes and projects reflects only those programmes and projects that the Council has approved through the Long Term Council Community Plan progress. Costs are expressed as gross costs before user charges and subsidies.
- Overhead costs are apportioned to operating projects on the basis of the appropriate method that fairly estimates internal labour and plant resources used in the delivery of that project.
- Organisational costs remain constant over the 10-year period except for reallocations between programmes and projects, and expected changes in costs such as electricity.
- No allowance has been made for one-off redundancy and other costs that may arise from any change management or competitive tendering initiatives.
- Levels of cooperation and support within the community, including Te Arawa, will be maintained/enhanced.

- There will be no significant changes to Council's operating environment, examples would include, but not be restricted to: employment environment, major changes or shifts in information technology; natural disasters; effects of terrorist activities; major economic upheavals, health epidemics, and extraordinary litigation or grievance claims.
- Council has in place adequate risk management procedures.
- Where there is a signed rental agreement applying to the year, the agreed ground lease rental is included. For all others an estimate has been made based on current market conditions.
- Representation and governance structures continue in their present form for the ten year period i.e. no change to the number or type of units of local government in the Bay of Plenty.
- No new responsibilities will fall upon local authorities as a result of Central Government promulgated laws or requirements.

Service Level Assumptions

- No allowance is made for standard growth when projecting the operating costs for each activity from 2004/05 into later years. The increased operating costs associated with growth are funded from growth in the ratepayer base. Any exceptions are noted separately.
- Budgets are based on maintaining existing level of service and mode of service delivery unless otherwise indicated.
- Where delivery of service is linked to contract or lease arrangements this will continue on a similar basis unless otherwise allowed for.
- Services currently delivered by Council's business unit (Castlecop) will continue to be delivered in this manner.
- Services will continue to be delivered through the existing Council structure.
- Currently delegated functions will remain at existing levels of service and funding.
- Delivery of service is based on current best practice and methodology, future efficiencies or increased compliance requirements are not provided for unless otherwise indicated.

Liabilities and Investments Assumptions

- Interest is treated as a corporate expense and allocated out to cost centres based on asset holdings as at 30/06/2003.
- Reserves are charged interest on their average balance held/borrowed over the year.
- Dividends are based on projections supplied by Council Organisations and Council-Controlled Organisations in which the Council has an equity investment. It is assumed the Council will maintain its existing investments.
- The Council will continue to earn interest on investments with third parties.
- The cost of borrowing on new debt is 7 percent.
- All liabilities, other than borrowings, are assumed to remain constant for the 10-year period.
- All borrowings are assumed to be for the full term of the loan.
- All borrowings will be in accordance with the parameters detailed in the Treasury Policy.
- There will be no significant unexpected asset loss or failure.
- Asset Management Plans are accurate and up to date.

Funding Assumptions

- The Council has set its projected operating revenue (including rates) at a level sufficient to meet the projected operating expenditure, except where the Council has resolved that it is financially prudent not to do so.
- The total rates split between sectors, and the basis for both general and targeted rates, are all determined by the Revenue and Financing Policy.
- The application and level of user charges are all determined by the Revenue and Financing Policy.
- The Government will continue to pay Transfund subsidy at current levels. The amount is determined by the level of expenditure that attracts Transfund subsidy.
- It is assumed that petrol tax will continue to exist in future years and the level forecast remains constant.
- Anticipated external funding and subsidy/grant levels will be achieved.
- Projected demand and ability to pay in relation to user fees/admissions will be achieved.

Capital

- Renewal/replacement projects are supported by an up to date asset management plan or on the IT computer list or property manager's list. Only minor items such as office furniture are not supported by an asset management plan.
- Allowance has been made for specific capital expansion developments that are required as a result of growth in population.
- Maintenance and additional running costs resulting from any new developments/major capital upgrades are allowed for in both the first year of operation and latter years.
- No allowance has been made for the depreciation implication of infrastructural and other asset revaluations that are carried out on a periodic/cyclic basis.
- Any network asset related work that is a level below the categories in the asset management plans, is maintenance.
- Resource consents will be acquired as required.

Budgeting Margin of Error

In reading the 10 year budgets it is important to understand the level of accuracy of the financial information within the projections.

It is reasonable to expect that our estimates should be more accurate early in the life of our 10 year financial strategy.

Council does enough analysis, design and evaluation to provide estimates for capital projects within + 10% for the year ahead, + 20% for years 2 and 3, and + 30% for years 4 to 10.

This does not imply a 30% contingency or significant "fat". Nor is it deliberately 30% underestimated to make our long term financial projections look affordable. It is an acknowledgement that our estimate is the best available but realistically it could be + 30% from the final costs.

It must also be remembered that although estimates, project by project, or line item by line item, can individually be + 30%, the reality is that some will prove to be + 30% and other - 30% and to some extent the variations will cancel each other out.

ASSET MANAGEMENT PLANS (AMPS)

AMPs are the documentation of the agreement between the Asset Manager and consumers. They include the service to be provided, what works are entailed to provide that service, and the costs.

The service that is to be provided is agreed with the customers, and defined by how much, when, what standards and the quality.

Examples of levels of service include the maintained grass height in parks and the volume and pressure of water to be supplied to residences and commercial premises.

The AMP records how the service level is to be maintained on a day by day basis – often via a Maintenance Contract.

The Maintenance Contract will include performance indicators to ensure that the contractor re-establishes the service within the time frames agreed with the customer, together with penalties for poor performance.

A fundamental data source within the AMP is the list of all the assets to be managed with sufficient detail. Without this list, asset management is not fully possible.

The AMP contains details of the assets to be replaced, when, and at what cost. Replacement is primarily related to the level of service having fallen below the agreed levels, and other options such as ongoing heavy maintenance having been discounted. The likely lives of assets are determined by professionals, experienced in the field, who assess various factors to refine the replacement programme. Refinement is needed to ensure that the amount spent on replacement is neither too great nor too small.

As an over-arching document within the AMP there is often a Strategic Plan which illustrates how the future growth, or decline, of the customer population will be addressed. Population growth is usually addressed by building additional assets or additional capacity within existing assets. The building of these additional works is programmed, costed, and listed within the AMP.

Other details the AMP can include are assessment of risk factors, details of the accuracy of the financial estimates, details of how the service will be maintained during and following an emergency, and how the funding to undertake the maintenance, replacement and capital improvement works will be funded.

STATEMENT OF INFRASTRUCTURE ASSETS

Introduction

This statement provides a brief summary of the major infrastructural assets that are employed to provide sewerage, water, roading and drainage services.

Roading, Footpaths, Lights

The Assets

- 1,000km of local roads
- 400km of footpaths
- 430km of kerb and channel
- 3,194 culverts
- 120 bridges and footbridges

Replacement Value

The estimated replacement value of the collective roading assets is \$200 million.

Maintenance and Replacement

Council spends approximately \$9 million per annum on operating the Roothing Network. [\$4m subsidised: \$5m unsubsidised].

Council spends approximately \$2.7 million per annum on reseals, pavement rehabs, replacing footpaths and kerb and channel.

Council spends approximately \$2.5 million per annum on improvements such as Urban Street improvements and Urban Undergrounding.

Future Major Capital Improvements

\$10-12 million in 2006/07 onwards for Inner City Interlink

Land Drainage Services

The Assets

- Urban: 30km of streams, 50km of open drains, 160km of piped drains
- Rural: 150km of open drains. Minor pipe drains.
- One pump station

Replacement Value

The estimated replacement value of the collective drainage assets is \$60 million.

Maintenance and Replacement

Council spends approximately \$2.6 million per annum on operating the Land Drainage Network.

Council spends approximately \$300,000 per annum on renewals, and approximately \$450,000 per annum on upgrades.

Future Major Capital Improvements

An overall \$15 million project for capital upgrade works - approximately 50% to be spent within 10 year period.

Landfill/Refuse Collection/Waste Management Services

The Assets

- Landfill
- In Town Recycling Centre
- Transfer Stations

Replacement Value

The estimated replacement value of the collective Waste Management assets is \$5.5 million.

Maintenance and Replacement

Council spends approximately \$4.2 million per annum on operating the Landfill and providing the Waste Management and Refuse Collection services.

[approximately one-third each]

Future Major Capital Improvements

\$2.5 million for development of further landfill capacity

Wastewater Services

The Assets

Approximately 15,000 lateral pipes connect drains at the property boundary to a network of 370km of pipes. These pipes and 56 pump stations convey the wastewater to the Treatment Plant.

Replacement Value

The estimated replacement value of the underground assets is \$85 million.
The estimated replacement value of the treatment and disposal system is \$50 million.

Maintenance and Replacement

Council spends approximately \$7.2 million per annum on operating the Wastewater System.
Council spends approximately \$1.2 million per annum in replacing pipes, pump station components, wastewater treatment and disposal components.

Future Major Capital Improvements

\$2.4 million over 2002/03 and 2003/04 to upgrade Wastewater Treatment Plant.
\$3.3 million in 2003/04 for Mourea/Okawa Bay Sewage Treatment.
\$3.0 million maximum in 2004/05 onwards for Okareka Sewage Treatment.

Water Supplies

The Assets

- 11 water supplies covering both urban
- 17 reservoirs
- 18 pump stations
- 600km of pipes

Replacement Value

The estimated replacement value of the collective water supply assets is \$28 million.

Maintenance and Replacement

Council spends approximately \$3.5 million and \$750,000 per annum respectively on operating the Urban and Rural Water Supply.
Council spends approximately \$1 million and \$50,000 per annum respectively on Urban and Rural renewals.
Council spends approximately \$1 million per annum on improvements [mainly reticulation and storage] to the Urban Water Supply.

Future Major Capital Improvements

Up to \$1 million in 2005/06 onwards for inter-connection Central to Eastern

ACTIVITY
GROUPS

Part 5

Financial Statements

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DESTINATION

ROT@RUA

ROTORUA DISTRICT
COUNCIL

PURPOSE OF FINANCIAL STATEMENTS

Statement of Financial Performance

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

Performance by Council Activity

Activities have been grouped into major activities of Council. This statement shows a summary of the revenue/expenditure and net cost of service for each activity.

Net cost of service is the net cost of expenditure less revenue. A positive net cost of service indicates that the expenditure exceeded revenue and is an operational cost to the ratepayer. A negative net cost of service are those activities where revenue exceeded expenditure.

Statement of Movement in Equity

This financial statement contributes to the objectives of general purpose financial reporting by combining information, about net surplus (deficit) with other aspects of Council's financial performance in order to give a degree of measure of comprehensive income.

Statement of Financial Position

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

Statement of Cashflow

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

- repay debt; or
- re-invest to maintain to 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 its financial reports. Therefore, for a proper appreciation of those reports, users need to be aware of:

- a) the measurement system underlying the preparation of the financial reports; and
- b) 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; and
- c) any changes in the measurement system, assumptions or particular accounting policies.

Notes to the Financial Statements

Provide further detail to the summary performance in compliance with accounting standards.

STATEMENT OF FINANCIAL PERFORMANCE

(thousands)	2004 Annual Plan	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
REVENUE											
General Rates	35,584	36,658	37,356	37,914	38,738	39,507	40,364	41,165	42,058	42,892	43,822
Water Rates	2,244	2,333	2,405	2,451	2,521	2,570	2,642	2,693	2,769	2,824	2,903
Sewerage Rates	6,754	7,060	7,632	7,641	7,710	7,776	7,846	7,846	7,616	7,616	7,687
Refuse Rates	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351
Rural Waste Waters	0	0	1,554	954	2,163	1,790	2,657	2,657	2,657	2,657	2,657
Rates before New Tourism Rate	45,933	47,402	50,298	50,311	52,483	52,994	54,860	55,712	56,451	57,340	58,420
Less Rates Paid By Council	(629)	(737)	(740)	(740)	(709)	(710)	(710)	(710)	(711)	(711)	(711)
Total Rates	45,304	46,665	49,558	49,571	51,774	52,284	54,150	55,002	55,740	56,629	57,709
Community Leadership	1,551	1,416	1,119	1,120	886	804	800	876	795	791	868
Social & Cultural	7,218	12,995	8,244	8,969	8,486	5,343	7,345	5,358	5,343	5,346	5,115
Environment	3,916	4,623	4,623	4,635	4,650	4,635	4,639	4,645	4,631	4,641	4,646
Economic	1,183	1,449	1,569	1,604	1,609	1,609	1,609	1,609	1,609	1,609	1,609
Infrastructural	9,791	14,393	12,769	11,900	17,292	15,320	12,354	11,150	11,302	11,155	11,821
Business Unit	176	188	188	188	188	188	188	188	188	188	188
Vested Assets	1,000	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650
Total Other Revenue	24,835	36,714	30,162	30,066	34,761	29,549	28,585	25,476	25,518	25,380	25,897
Total Revenue	70,139	83,379	79,720	79,637	86,535	81,833	82,735	80,478	81,258	82,009	83,606
OPERATING EXPENDITURE											
Community Leadership	4,455	5,110	4,835	4,549	4,684	4,552	4,518	4,660	4,540	4,570	4,650
Social & Cultural	21,011	24,187	24,654	25,597	24,992	25,035	25,185	24,829	24,821	24,976	24,784
Environment	7,079	7,809	7,739	7,790	7,681	7,608	7,647	7,681	7,552	7,688	7,644
Economic	3,190	3,721	3,925	4,003	4,021	4,023	4,014	4,025	4,004	4,021	4,045
Infrastructural	29,091	32,228	33,176	33,581	34,395	35,914	36,994	36,885	37,014	36,555	36,272
Business Unit	176	188	188	188	188	188	188	188	188	188	188
Rates Remissions, Doubtful & Write-offs	1,000	1,000	1,000	800	800	800	800	800	800	800	800
Total Expenditure	66,002	74,243	75,517	76,508	76,761	78,120	79,346	79,068	78,919	78,798	78,383
Less Internal Charges included in Operating Expenses											
Council Rates & Water By Meter	735	862	865	845	834	835	835	835	836	836	836
Total Operating Expenditure	65,267	73,381	74,652	75,663	75,927	77,285	78,511	78,233	78,083	77,962	77,547
Operating Surplus	4,872	9,998	5,068	3,974	10,608	4,548	4,224	2,245	3,175	4,047	6,059
Taxation	0	96	3	3	3	3	4	4	4	4	4
SURPLUS FOR THE YEAR	4,872	9,902	5,065	3,971	10,605	4,545	4,220	2,241	3,171	4,043	6,055

STATEMENT OF MOVEMENT IN EQUITY

(thousands)	2004 Annual Plan	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
Opening Equity	469,798	541,867	551,769	556,834	560,805	571,410	575,955	580,175	582,416	585,587	589,630
Net Surplus for the period	4,872	9,902	5,065	3,971	10,605	4,545	4,220	2,241	3,171	4,043	6,055
CLOSING EQUITY	474,670	551,769	556,834	560,805	571,410	575,955	580,175	582,416	585,587	589,630	595,685

STATEMENT OF FINANCIAL POSITION

(thousands)	2004 Annual Plan	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
CURRENT ASSETS											
Bank and Short Term Investments	9,932	6,950	5,689	5,713	5,733	5,754	5,772	5,802	5,832	5,863	5,647
Stock on Hand	1,106	1,263	1,263	1,263	1,263	1,263	1,263	1,263	1,263	1,263	1,263
Sundry Debtors	7,836	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748	6,748
Prepayments	269	212	212	212	212	212	212	212	212	212	212
Capital Work in Progress	0	6,551	6,551	6,551	6,551	6,551	6,551	6,551	6,551	6,551	6,551
TOTAL CURRENT ASSETS	19,143	21,724	20,463	20,487	20,507	20,528	20,546	20,576	20,606	20,637	20,421
Less CURRENT LIABILITIES											
Sundry Creditors	9,170	9,626	9,626	9,626	9,626	9,626	9,626	9,626	9,626	9,626	9,626
Accrued Expenses	4,372	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548
Current Portion of Term Liabilities	7,501	9,211	10,614	9,007	17,430	32,370	18,743	15,183	15,384	24,246	31,968
TOTAL CURRENT LIABILITIES	21,043	23,385	24,788	23,181	31,604	46,544	32,917	29,357	29,558	38,420	46,142
WORKING CAPITAL	(1,900)	(1,661)	(4,325)	(2,694)	(11,097)	(26,016)	(12,371)	(8,781)	(8,952)	(17,783)	(25,721)
NON-CURRENT ASSETS											
Investments	10,838	896	813	732	660	595	530	465	405	345	285
Properties Intended for Resale	1,173	1,173	1,173	0	0	0	0	0	0	0	0
Fixed Assets	511,684	622,445	638,378	648,139	665,163	676,559	680,414	680,696	678,162	676,618	675,574
TOTAL NON-CURRENT ASSETS	523,695	624,514	640,364	648,871	665,823	677,154	680,944	681,161	678,567	676,963	675,859
Less NON-CURRENT LIABILITIES											
Less Employee Gratuities	45,525	69,542	77,663	83,830	81,774	73,641	86,856	88,422	82,486	68,008	52,911
	1,600	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542
TOTAL NET ASSETS	474,670	551,769	556,834	560,805	571,410	575,955	580,175	582,416	585,587	589,630	595,685
Represented By:											
RATEPAYERS EQUITY											
General Reserve	351,891	391,639	400,899	406,223	419,873	428,602	433,226	433,574	434,322	435,520	439,105
Self-funding Reserves	(7,830)	(25,119)	(28,056)	(29,439)	(32,509)	(36,719)	(37,150)	(35,289)	(32,900)	(30,090)	(27,408)
Council Created Reserves	34	41	41	42	42	43	44	44	46	46	46
Restricted Reserves	399	308	49	78	103	128	154	186	218	253	41
Sinking Fund Reserves	4,598	999	0	0	0	0	0	0	0	0	0
Share Of Airport Reserves	4	8	8	8	8	8	8	8	8	8	8
Asset Revaluation Reserve	125,574	183,893	183,893	183,893	183,893	183,893	183,893	183,893	183,893	183,893	183,893
TOTAL RATEPAYERS EQUITY	474,670	551,769	556,834	560,805	571,410	575,955	580,175	582,416	585,587	589,630	595,685

STATEMENT OF CASHFLOW

(thousands)	2004 Annual Plan	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
Cash flows from Operating Activities:											
Cash was provided from:											
Rates	44,304	47,248	50,515	50,789	52,927	53,497	55,363	56,215	57,253	58,142	59,222
General Revenue	22,979	32,651	26,482	26,422	31,114	25,901	24,938	21,826	21,868	21,731	22,246
Interest on Investments	856	607	491	450	451	451	450	450	450	450	450
Dividends	0	290	9	9	9	10	10	12	12	13	13
	68,139	80,796	77,497	77,670	84,501	79,859	80,761	78,503	79,583	80,336	81,931
Cash was applied to:											
Payments to Employees & Councillors	22,668	24,368	24,538	24,465	24,515	24,535	24,493	24,491	24,467	24,499	24,511
Other Payments	24,612	28,137	27,772	28,425	28,374	29,111	29,914	29,829	29,915	30,056	30,238
Taxation Payments	0	96	3	3	3	3	3	4	4	4	4
Interest on Public Debt	3,563	4,598	5,734	6,239	6,631	7,119	7,396	7,320	7,050	6,653	6,207
Net Goods and Services Tax Paid	0	0	0	0	0	0	0	0	0	0	0
	50,843	57,199	58,047	59,132	59,523	60,768	61,806	61,644	61,436	61,212	60,960
Net Cash Flows From Operating Activities	17,296	23,597	19,450	18,538	24,978	19,091	18,955	16,859	18,147	19,124	20,971
Cash flows from Investing Activities:											
Cash was provided from:											
Proceeds from Sale of Fixed Assets	191	737	2,022	2,230	397	197	219	197	284	148	148
Net Movement in Investments	(730)	(3,072)	700	335	395	335	337	326	27	24	273
Release of Sinking Funds	317	4,124	1,122	0	0	0	0	0	0	0	0
Collections on Advances	3,506	11,596	88	86	77	70	70	70	65	65	65
	3,284	13,385	3,932	2,651	869	602	626	593	376	237	486
Cash was applied to:											
Purchase of Fixed Assets	29,534	65,796	32,778	25,744	32,209	26,495	19,164	15,453	12,783	13,740	14,077
Loan Advances made	15	5	5	5	5	5	5	5	5	5	5
Sinking Fund Contributions	743	538	123	0	0	0	0	0	0	0	0
	30,292	66,339	32,906	25,749	32,214	26,500	19,169	15,458	12,788	13,745	14,082
Net Cash Used In Investing Activities	(27,008)	(52,954)	(28,974)	(23,098)	(31,345)	(25,898)	(18,543)	(14,865)	(12,412)	(13,508)	(13,596)
Cash flows from Financing Activities:											
Cash was provided from:											
Loans Raised	15,557	33,286	18,735	15,174	15,374	24,237	31,958	16,749	9,448	9,768	16,871
Cash was applied to:											
Repayment of Public Debt	9,010	7,501	9,211	10,614	9,007	17,430	32,370	18,743	15,183	15,384	24,246
Net Cash Used In Financing Activities	6,547	25,785	9,524	4,560	6,367	6,807	(412)	(1,994)	(5,735)	(5,616)	(7,375)
Net Increase (Decrease) in Cash	(3,165)	(3,572)	0	0	0	0	0	0	0	0	0
Opening Cash Brought Forward	5,365	8,642	5,070	5,070	5,070	5,070	5,070	5,070	5,070	5,070	5,070
CLOSING CASH CARRIED FORWARD	2,200	5,070	5,070	5,070	5,070	5,070	5,070	5,070	5,070	5,070	5,070

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

(thousands)	2004 Budget	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
Revenue	72217	84464	80775	80737	87698	82972	83910	81668	82510	83260	84865
Expenditure	67149	74466	75707	76763	77091	78425	79688	79423	79335	79213	78806
Operating Surplus	5068	9998	5068	3974	10607	4547	4222	2245	3175	4047	6059
Taxation	88	96	3	3	2	2	2	4	4	4	4
SURPLUS FOR THE YEAR	4,980	9,902	5,065	3,971	10,605	4,545	4,220	2,241	3,171	4,043	6,055

CONSOLIDATED STATEMENT OF EQUITY

(thousands)	2004 Budget	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
Opening Equity	471,287	541,905	551,807	556,872	560,843	571,448	575,993	580,213	582,454	585,625	589,668
Net Surplus for the period	4,980	9,902	5,065	3,971	10,605	4,545	4,220	2,241	3,171	4,043	6,055
CLOSING EQUITY	476,267	551,807	556,872	560,843	571,448	575,993	580,213	582,454	585,625	589,668	595,723

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(thousands)	2004 Budget	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2013 Budget
CURRENT ASSETS											
Bank and Short Term Investments	10,837	7,677	6,115	6,205	6,293	6,370	6,452	6,543	6,641	6,731	6,569
Stock on Hand	1,106	1,263	1,263	1,263	1,263	1,263	1,263	1,263	1,263	1,263	1,263
Sundry Debtors	8,041	7,248	7,248	7,248	7,248	7,248	7,248	7,248	7,248	7,248	7,248
Prepayments	269	212	212	212	212	212	212	212	212	212	212
Properties Intended for Resale	0	6,551	6,551	6,551	6,551	6,551	6,551	6,551	6,551	6,551	6,551
TOTAL CURRENT ASSETS	20,253	22,951	21,389	21,479	21,567	21,644	21,726	21,817	21,915	22,005	21,843
Less CURRENT LIABILITIES											
Sundry Creditors	9,270	9,774	9,768	9,773	9,783	9,780	9,786	9,788	9,798	9,798	9,800
Accrued Expenses	4,372	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548
Current Portion of Term Liabilities	7,501	9,211	10,614	9,007	17,430	32,370	18,743	15,183	15,384	24,246	31,968
TOTAL CURRENT LIABILITIES	21,143	23,533	24,930	23,328	31,761	46,698	33,077	29,519	29,730	38,592	46,316
WORKING CAPITAL	(890)	(582)	(3,541)	(1,849)	(10,194)	(25,054)	(11,351)	(7,702)	(7,815)	(16,587)	(24,473)
NON-CURRENT ASSETS											
Investments	4,349	896	813	732	660	595	530	465	405	345	285
Goodwill	1,345	0	0	0	0	0	0	0	0	0	0
Deferred Taxation	41	36	36	36	36	36	36	36	36	36	36
Properties Intended for Resale	1,173	1,173	1,173	0	0	0	0	0	0	0	0
Fixed Assets	521,653	622,618	638,846	648,546	665,512	676,849	680,646	680,869	678,277	676,674	675,578
TOTAL NON-CURRENT ASSETS	528,561	624,723	640,868	649,314	666,208	677,480	681,212	681,370	678,718	677,055	675,899
Less NON-CURRENT LIABILITIES	49,804	70,792	78,913	85,080	83,024	74,891	88,106	89,672	83,736	69,258	54,161
Less Employee Gratuities	1,600	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542
TOTAL NET ASSETS	476,267	551,807	556,872	560,843	571,448	575,993	580,213	582,454	585,625	589,668	595,723
Represented By:											
RATEPAYERS EQUITY											
General Reserve	353,492	391,685	400,945	406,269	419,919	428,648	433,272	433,620	434,368	435,566	439,151
Self-funding Reserves	(7,830)	(25,119)	(28,056)	(29,439)	(32,509)	(36,719)	(37,150)	(35,289)	(32,900)	(30,090)	(27,408)
Council Created Reserves	34	41	41	42	42	43	44	44	46	46	46
Restricted Reserves	399	308	49	78	103	128	154	186	218	253	41
Sinking Fund Reserves	4,598	999	0	0	0	0	0	0	0	0	0
Asset Revaluation Reserve	125,574	183,893	183,893	183,893	183,893	183,893	183,893	183,893	183,893	183,893	183,893
TOTAL RATEPAYERS EQUITY	476,267	551,807	556,872	560,843	571,448	575,993	580,213	582,454	585,625	589,668	595,723

CONSOLIDATED STATEMENT OF CASHFLOW

(thousands)	2004 Annual Plan	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2013 Budget
Cash flows from Operating Activities:											
Cash was provided from:											
Rates	44,304	47,248	50,515	50,789	52,927	53,497	55,363	56,215	57,253	58,142	59,222
General Revenue	24,158	34,006	27,518	27,507	32,259	27,020	26,092	22,992	23,093	22,953	23,472
Interest on Investments	1,756	627	518	475	478	481	482	485	488	491	495
Dividends	0	0	0	0	0	0	0	0	0	0	0
	70,218	81,881	78,551	78,771	85,664	80,998	81,937	79,692	80,834	81,586	83,189
Cash was applied to:											
Payments to Employees & Councillors	22,764	24,486	24,656	24,583	24,633	24,653	24,611	24,609	24,585	24,617	24,629
Other Payments	25,689	29,074	28,662	29,347	29,361	30,074	30,913	30,842	30,990	31,130	31,327
Taxation Payments	88	96	3	3	3	3	3	4	4	4	4
Interest on Public Debt	3,939	4,683	5,819	6,324	6,716	7,204	7,481	7,405	7,135	6,738	6,292
Net Goods and Services Tax Paid	0	0	0	0	0	0	0	0	0	0	0
	52,480	58,339	59,140	60,257	60,713	61,934	63,008	62,860	62,714	62,489	62,252
Net Cash Flows From Operating Activities	17,738	23,542	19,411	18,514	24,951	19,064	18,929	16,832	18,120	19,097	20,937
Cash flows from Investing Activities:											
Cash was provided from:											
Proceeds from Sale of Fixed Assets	191	767	2,022	2,230	397	197	219	197	284	148	148
Net Movement in Investments	(730)	(3,039)	780	425	490	418	427	414	122	110	361
Release of Sinking Funds	317	4,124	1,122	0	0	0	0	0	0	0	0
Collections on Advances	3,506	1,541	88	86	77	70	70	70	65	65	65
	3,284	3,393	4,012	2,741	964	685	716	681	471	323	574
Cash was applied to:											
Purchase of Fixed Assets	31,184	56,592	33,120	25,744	32,209	26,495	19,164	15,453	12,783	13,740	14,077
Loan Advances made	15	5	5	5	5	5	5	5	5	5	5
Sinking Fund Contributions	743	538	123	0	0	0	0	0	0	0	0
	31,942	57,135	33,248	25,749	32,214	26,500	19,169	15,458	12,788	13,745	14,082
Net Cash Used In Investing Activities	(28,658)	(53,742)	(29,236)	(23,008)	(31,250)	(25,815)	(18,453)	(14,777)	(12,317)	(13,422)	(13,508)
Cash flows from Financing Activities:											
Cash was provided from:											
Loans Raised	15,707	33,286	18,735	15,174	15,374	24,237	31,958	16,749	9,448	9,768	16,871
Cash was applied to:											
Repayment of Public Debt	9,010	7,501	9,211	10,614	9,007	17,430	32,370	18,743	15,183	15,384	24,246
Net Cash Used In Financing Activities	6,697	25,785	9,524	4,560	6,367	6,807	(412)	(1,994)	(5,735)	(5,616)	(7,375)
Net Increase (Decrease) in Cash	(4,223)	(4,415)	(301)	66	68	56	64	61	68	59	54
Opening Cash Brought Forward	7,328	10,212	5,797	5,496	5,562	5,630	5,686	5,750	5,811	5,879	5,938
CLOSING CASH CARRIED FORWARD	3,105	5,797	5,496	5,562	5,630	5,686	5,750	5,811	5,879	5,938	5,992

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Rotorua District Council is a territorial local authority as defined in the Second Schedule of the Local Government Act 2002.

The Rotorua District Council Group consists of Rotorua District Council and Rotorua Regional Airport Ltd (100% owned), a company registered under the Companies Act 1993.

The financial information presented in the Long Term Council Community Plan has been prepared in accordance with section 93 of the Local Government Act 2002 which includes the requirement to comply with generally accepted accounting practice.

Basis of Consolidation

Consolidated Statement of Financial Performance, Statement of Cash Flow, Statement of Movement in Equity and the Statement of Financial Position have been prepared in accordance with General Accepted Accounting Practices – Financial Reporting Standard (FRS-36 and FRS-37).

All significant inter-group transactions arising from trading between the various activities of the council have been eliminated on consolidation.

Unless shown separately the financial statements and notes refer to both the Council and Group accounts.

Goodwill

Goodwill on consolidation is amortised on a straight line basis over 20 years.

The goodwill expensed is included in the Airport expenditure line in the group statement of financial performance.

Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

Rounding

The amounts in the financial statements and notes are rounded to the nearest thousand unless otherwise stated.

Specific Accounting Policies

Basis of Preparation of the Financial Statements

The Long Term Council Community Plan for the Council and its group includes a Statement of Financial Performance, a Statement of Movements in Equity, a Statement of Financial Position, a Statement of Cashflows and the consolidated financial statements of the group comprising of the Rotorua District Council and its subsidiary Rotorua Regional Airport Ltd, encompassing all activities of the Council and group activities.

In order to meet its obligations of public accountability, the Council has included for each significant activity a separate Statement of Cost of Service which shows costs of providing the service less all directly related revenue.

All significant inter-activity transactions arising on trading between various activities of the Council are eliminated from the Statement of Financial Performance to ensure that this statement reflects only those transactions conducted with parties external to the Council.

Overhead/Support Services Allocation

The major types of expenditure classed as support services are civic centre operating, payroll/personnel, information technology and information management, administration costs, treasury, accounting costs, records, asset management overheads, fleet, Land Information services, waterworks overheads, business units, laboratory and graphic solutions. The net costs of support services are charged to significant activities on the appropriation basis of either floor space, staff time, direct use when available, share of estimated rates, volume of transactions used, volume of records used,

level of activity areas supported, and percentage of service utilised.

Goods and Services Tax

The financial statements are prepared on a Goods and Services Tax (GST) exclusive basis, except for accounts receivable and accounts payable, which are stated as GST inclusive. The balance outstanding at balance date is shown as an accounts receivable or accounts payable as the case may be.

Budgets

The budgeted figures are those approved by the Council and are subject to a period of consultation with the public as part of the Long Term Council Community Plan process. The budgeted figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Funding Requirements Pooled Across Multiple Activities

Council has established through its Funding Policy an appropriate level of user-pays for each activity. These user-pay charges are collected by way of separate rates, fees and charges.

After deducting the user pays charges, the remaining funding requirements for all activities are pooled. This total cost is then recovered by way of general rates charged to all ratepayers. In this way all ratepayers contribute towards the costs of the activities that provide a general public benefit.

Revenue Recognition

Rates revenue is recognised as income when levied. Grants are recognised as income when eligibility has been established by the grantor agency and the work has been performed and/or conditions met. Vested assets are recognised when control over the asset is obtained. Parking fines are recognised on a cash basis when payment is received.

Donated Services Recognition

The Council benefits from the voluntary services of many Rotorua citizens in the delivery of its activities and services. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Rating

The Rotorua District Council has a policy of rating its own properties. The effect of this policy is eliminated from the Statement of Financial Performance and the Statement of Cashflows.

Internal Property Rental

Internal property rents are charged to each significant activity where appropriate. This charge is based on floor area occupied, to cover the actual costs of each building.

Interest Allocation

Council allocates the net cost of interest, being interest expense less interest income, to its various activities:

- a) Interest is credited to or allocated to self-funding activities based on the average annual balance of the self-funding account according to whether the balances are in funds or overdrawn respectively.
- b) The balance of interest is allocated to other significant activities on the basis of the book value of fixed assets employed in the activity.

Taxation

The Council uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

Income tax expense (if any) is charged in the Statement of Financial Performance in respect of the current year's surplus after allowing for permanent differences.

Accounts Receivable

Accounts Receivable are shown at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off against the provision for doubtful debts accounts in the period in which it is determined that the debts are uncollectible.

Receivables in respect of parking fines are not recognised in the statement of financial position due to the uncertainty of collection.

Inventories

Stocks for own use and Stocks for resale are valued at the lower of net realisable value or cost on a first in first out (FIFO) basis.

Properties Intended for Resale

Properties intended for resale as at 30 June 2003 are recorded at the lower of cost and net realisable value.

Statement of Cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day to day cash management.

Operating activities include cash received from all income sources of the group and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise activities that change the equity and debt capital structure of the Council and group.

Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the statement of cash flows given that they flow through the Council's main bank account, and are included as part of operating activity.

Leases

Finance Leases:

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the lease item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period the Council is expected to benefit from their use.

Operating Leases:

Council has equipment on operating leases, where the lessors effectively retain substantially all risks and benefits of ownership of the leased item. The operating lease payments are charged as expenses in the periods in which they are incurred.

Investments

Bank investments are stated at cost.

Investments in shares are stated at the lower of cost or estimated realisable value.

Interest Income is recognised in the Statement of Financial Performance on an accrual basis. Dividend income is recognised when the dividend is declared.

The Council has had 100% ownership of the Rotorua Regional Airport Ltd since 31 July 2002.

Fixed Assets

Valuation:

Land and Buildings are recorded at fair value as at 1 July 2002. Quotable Value New Zealand Ltd has certified that these valuations are appropriate for financial reporting purposes.

Asset additions since 1 July 2002 are valued at historic cost. The fair value of Land and Buildings is reviewed at three yearly intervals.

Infrastructural Assets (roading network, bridges, drains, water and sewerage reticulation systems) have been valued by Council's Engineers at replacement cost. An estimate for accumulated depreciation has then been deducted to give a depreciated replacement value as at 1 July 2002. Road reserves have been valued on an average of the District's land value adjusted for restrictions on the land and its existing use. The basis of these in-house valuations have been certified as correct by an independent registered valuer. All capital expenditure on these assets since 1 July 2002 has been capitalised at historic cost. The value of all of Council's infrastructural assets will be revised at three yearly intervals.

The Library collection was valued at estimated historic cost as at 1 July 2002 as estimated by Council's Library staff. The basis of these in-house valuations have been certified as correct by an independent registered valuer. All library purchases since 1 July 2002 have been capitalised at historical cost. The value of the Library Collection is revised at three yearly intervals.

The collections of the Rotorua Museum of Art & History are valued at current market value as at 30 June 1992 by Gow, Landsford Fine Art Valuers and Peter Webb Galleries Limited, Estate & Fine Art Auctioneers & Valuers. Any additions since then have been capitalised at historic cost.

Vested infrastructural assets have been valued based on the actual quantities of infrastructural components vested at the current "in the ground" cost of providing identical services. All other revenue is recognised when it is due and receivable.

Airport land, buildings and runway have been valued as at the date of purchase (31 July 2002) by registered valuers Cleghorn Gillespie Jensen & Associates at fair value in accordance with FRS-36. All assets since have been capitalised at historic cost.

All other fixed assets are valued at cost except where historic cost records were not available, in which case Council has estimated the cost.

Depreciation is provided on all fixed assets with certain exceptions. The exceptions are:

Land is not depreciated.

Roading, wastewater reticulation, stormwater systems and water reticulation assets are depreciated as noted below. A number of the components of the roading network such as excavation, sub base materials and compaction are not depreciated as these assets have an infinite life. Signs and markings are not depreciated as these assets are maintained to the same level.

The useful lives of the Rotorua Museum of Art & History collections and the Library reference collection are considered to be extremely long. Therefore, due to its insignificance, no depreciation has been brought to charge.

All other assets are depreciated on a straight line basis at rates that will write off their cost or valuation over their expected useful economic lives.

Vehicles are depreciated on the basis of diminishing value and at a rate of 20% calculated to allocate the motor vehicles cost over their estimated useful lives.

The expected lives of major classes of assets are:

General	Years
Bathroom building	40
Buildings (other)	50
Plant and Equipment	10
Office Equipment	5
Furniture and Fittings	10 to 20
Computer Systems	3 to 5
Library Books (excl Reference)	2 to 15
Parking	10 to 50
Landfill Improvements	5 to 50
Wastewater Reticulation	
Manholes	70 to 100
Treatment Plant	10 to 100
Pump Stations	10 to 50
Pipes	70

Water Reticulation	Years
Pipes	45 to 90
Motors/Pumps	20 to 25
Reservoirs and other	
Water-Retaining Structures	60 to 80
Meters	15 to 100
Parks	
Street and Outdoor Furniture	1 to 20
Street Signals	15
Fencing and Related Structures	40
Playgrounds	25
Jetties and Related Structures	15 to 30
Irrigation Pipes and Sprinklers	6 to 50
Park roads, paths	10 to 100
Kerbs	100
Bridges	50 to 100
Top surface (seal)	8 to 20
Pavement (basecourse)	25 to 80
Drainage	100
Shoulders/Feathers	25 to 80
Culverts	100
Footpaths (concrete)	100
Footpaths (bitumen)	10 to 40
Stormwater systems	
Pipes	70 to 100
Manholes, Cesspits	70 to 100
Service connections and outlets	70 to 100
Airport	
Runways, Taxiways and Aprons	50
Runway Reseal	12.5

Employee Entitlements

A provision is made in respect of the Council's liability for annual leave, long service leave, and retirement gratuities.

Wages and salaries, annual leave and other entitlements that are expected to be settled within twelve months of reporting date are measured at nominal values on actual entitlement basis at current rate of pay.

Entitlements that are payable beyond twelve months, such as long service leave, resigning and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows. A discount rate of 5.5% (2001/2002 6.5%), and an inflation factor of 2.5% (2001/2002 2.6%) were used. The discount rate is based on the weighted average of Government interest rates for

stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Financial Instruments

All financial instrument arrangements except guarantees have been included in the Statement of Financial Position using the concepts of accrual accounting. They have been included at their fair value. These instruments include bank accounts, accounts receivable and payable, cash investments, equity investments and long term debt. Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

Landfill Post-Closure Costs

The Council, as operator of the Rotorua Landfill, has a legal obligation to apply for resource consents when the landfill, or landfill stages, reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits or if they are incurred to enable future economic benefits to be obtained. The capitalised landfill asset is depreciated over the life of the landfill based on capacity used.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

Ratepayers' Equity

Ratepayers' Equity is the community's interest in the Council as measured by the value of the total assets less liabilities. Ratepayers' Equity is disaggregated and classified into a number of reserves to enable a clearer identification of the specific uses Council makes of its accumulated surpluses.

Reserves

Council Created Reserves:

Council Created Reserves are that part of the accumulated surpluses established by Council resolution. Council may alter Council Created Reserves without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

Restricted Reserves:

Restricted Reserves are those reserves subject to specific conditions accepted as binding by the Council, and which may not be revised by Council without reference to the courts or a third party. Transfers from Restricted Reserves may be made only for certain specified purposes or if certain specified conditions are met.

Sinking Fund Reserves:

Prior to 1 July 1998, when the Local Government Act was amended, funds were required to be set aside each year to meet future repayments of loans or commitments. These funds, described as sinking funds, were administered by an independent body of Sinking Fund Commissioners appointed by the Council. These funds are included in the Statement of Financial Position, and any associated interest income is included in the Statement of Financial Performance.

Self-funding Reserves:

Certain activities are undertaken by Council on the basis that the activities generate enough revenue over time to cover the cost of their operation. The net surplus or deficit held on behalf of these activities have been included in the Statement of Financial Position as Self-funding Reserves.

Asset Revaluation Reserves

Revaluations are credited or debited to an asset revaluation reserve for that class of asset. When this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Financial Performance.

Nature of Prospective Information

The information provided in this Long Term Council Community Plan is of a prospective nature. This means that it is based on the forecasting of future events and it is expected that actual results may vary from the estimates. In making these forecasts, Council has made a number of significant assumptions. These assumptions are set out in detail within the "Long Term Financial Strategy LTFS) Outline". The Council will revise this LTFS in March 2004.

This Long Term Council Community Plan has primarily been derived from Council's Long Term Financial Strategy. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Changes in Accounting Policies

All Accounting Policies have been applied on a basis consistent with prior years.

NOTES TO FINANCIAL STATEMENTS

(a) Self Funding Reserve

Self Funding Reserves are reserves established at Council's will for activities undertaken by Council on the basis that the activities will generate enough revenue over time to cover the cost of their operation. The reserve balance represents accumulated balances to date of such activities.

(thousands)	Closing Balance 2004	Closing Balance 2005	Closing Balance 2006	Closing Balance 2007	Closing Balance 2008	Closing Balance 2009	Closing Balance 2010	Closing Balance 2011	Closing Balance 2012	Closing Balance 2013	Closing Balance 2014
Pensioner Housing	231	(1,054)	(1,162)	(1,311)	(1,448)	(1,574)	(1,764)	(1,814)	(1,988)	(2,190)	(2,270)
Airport	0	(14,197)	(15,828)	(16,163)	(16,166)	(16,101)	(16,011)	(15,883)	(15,734)	(15,411)	(14,980)
Wastewater	(2,565)	(3,263)	(2,867)	(2,376)	(2,048)	(3,030)	(3,063)	(2,386)	(1,512)	(562)	533
Landfill	(546)	375	679	1,680	1,465	1,234	990	2,021	3,110	4,267	4,772
Water	(2,477)	(3,728)	(4,910)	(7,079)	(8,558)	(9,192)	(9,165)	(9,317)	(9,109)	(8,787)	(8,334)
Refuse Collection	150	165	181	200	222	246	269	294	321	349	379
Eastern Trunk Line	(553)	(3,156)	(2,473)	(2,565)	(3,616)	(3,788)	(3,692)	(3,589)	(3,479)	(3,361)	(3,235)
Rural Waste Water	(25)	(261)	(1,676)	(1,825)	(2,360)	(4,514)	(4,714)	(4,615)	(4,509)	(4,395)	(4,272)
Total Self Funding Reserves	(5,785)	(25,119)	(28,056)	(29,439)	(32,509)	(36,719)	(37,150)	(35,289)	(32,900)	(30,090)	(27,408)

(b) Council Created Reserve

Council Created Reserves are established by Council Resolution for the purposes stated below. Transfers to and from these reserves is at the discretion of Council.

(thousands)	Closing Balance 2004	Closing Balance 2005	Closing Balance 2006	Closing Balance 2007	Closing Balance 2008	Closing Balance 2009	Closing Balance 2010	Closing Balance 2011	Closing Balance 2012	Closing Balance 2013	Closing Balance 2014
Reporoa Domain	13	13	12	13	13	13	14	14	15	15	15
Waikite Domain	28	28	29	29	29	30	30	30	31	31	31
Total Council Created Reserves	41	41	41	42	42	43	44	44	46	46	46

(c) Restricted Reserve

Restricted Reserves are subject of specific conditions set either by legislation, Trust or Bequests and the purpose may not be changed without reference to the Courts of a third party.

(thousands)	Closing Balance 2004	Closing Balance 2005	Closing Balance 2006	Closing Balance 2007	Closing Balance 2008	Closing Balance 2009	Closing Balance 2010	Closing Balance 2011	Closing Balance 2012	Closing Balance 2013	Closing Balance 2014
Reserves Development	89	8	31	55	80	108	137	169	201	236	24
Library Bequest	300	300	0	0	0	0	0	0	0	0	0
Property Development	424	0	18	23	23	20	17	17	17	17	17
Total Restricted Reserves	813	308	49	78	103	128	154	186	218	253	41

Restrictions

Reserve Development: Section 108 of the Resource Management Act 1991 requires funds to be set aside for the Development of Reserves.

Library Bequest: Section 31 of the Local Legislation Act 1937 states the fund is an endowment for the maintenance and benefit of a public library in the Borough of Rotorua.

Property Development: Sections 561,562,572 of the Local Government Act 1974 requires various sales of properties to be credited to a Housing and Property Account. Funds are used for Property Development.

Part 6

Funding

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DESTINATION

ROT@RUA

ROTORUA DISTRICT
COUNCIL

REVENUE AND FINANCING POLICY

Introduction

The Local Government Act 2002 (LGA2002) requires the adoption of policies which outline how operating and capital expenditure for each activity will be funded. They are aimed at providing predictability and certainty about sources (the types of revenue) and levels of funding.

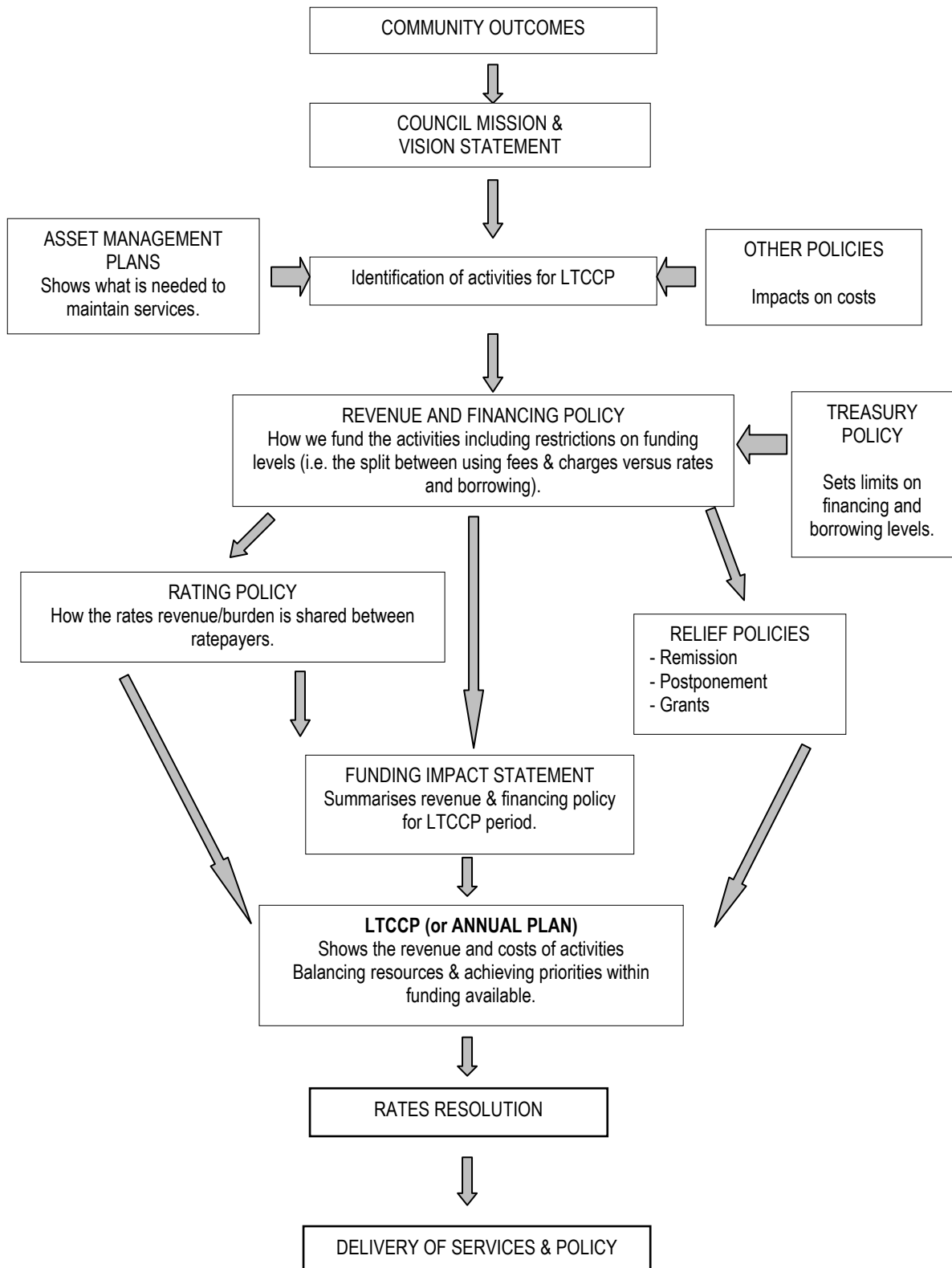
The Act requires the Council to manage its finances prudently and in a manner which promotes the current and future interests of the community. The Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses and that its long-term development programme is financially sustainable.

In deciding the most appropriate funding source for each activity, Council must show that it has considered, for each activity to be funded, the following matters (Section 101 (3) (a) LGA 2002):

- The community outcomes to which the activity primarily contributes; and
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- The period in or over which those benefits are expected to occur; and
- The extent to which the actions or inaction of particular individuals or a group contribute to that need to undertake the activity; and
- The costs and benefits, including consequences for transparency and accountability of funding the activity distinctly from other activities; and
- The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural wellbeing of the community.

This policy supersedes the Council's Funding Policy first adopted in July 2000 as required by Local Government Amendment Act (No3) 1996. Changes agreed during the 2003/2004 funding review and the related budget round have been incorporated into this current policy.

The following chart shows how the Revenue and Financing Policy links to the overall policies of Council



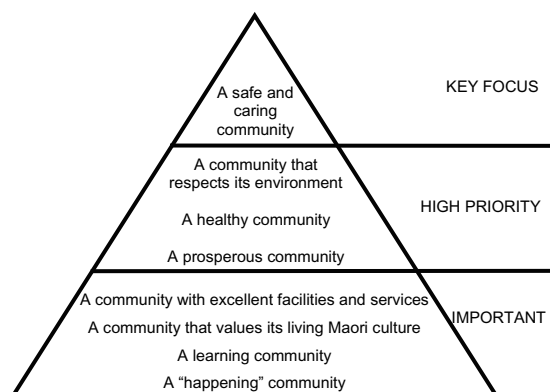
FUNDING

To choose the appropriate funding source for each activity Council decides:

1. What should be funded.
2. Who should pay after taking into account who benefits or causes the activity and the timing of such benefit or cause.
3. How much (if any) adjustment needs to be made to any fee or charge or allocation thereof for fairness, equity, wellbeing or ability to pay reasons.
4. The most appropriate funding or charging mechanism to collect the revenue; and
5. Reviews and summarises the overall result in the funding impact statement.

What activities should we fund?

In its LTCCP Council has identified eight community outcomes



Council undertakes a range of activities to achieve the community outcomes in each annual budget round. Every activity is reviewed for its effectiveness in achieving Council's and the community's outcomes. The activities are included in part 4 of this LTCCP with the link back into the above outcomes.

A summary of the activities is included on the final page of this policy.

Who should pay?

Who benefits

Council needs to consider who benefits from each group of activities.

Economic theory places all goods and services on a continuum. The position of particular goods or service depends on the degree to which it possesses the following two characteristics:

Rivalry in consumption – goods are rival in consumption if one person's consumption of the goods or service prevents others from doing so, e.g. chocolate bars are goods with a large degree of rivalry in consumption; if Bill eats them, Jane cannot.

Excludability - a goods or service are excludable if a person can be prevented from consuming the goods or service, e.g. if Bill doesn't buy a movie ticket then the usher can exclude him by preventing him from entering the theatre.

At one end of the continuum there are the so-called 'public goods'. These are goods which are both non-rival and non-excludable, i.e. everyone can consume them and no-one can be prevented from consuming them if they wish. A good example of public goods is national defence, where the whole community is protected from an invasion by the armed forces whether it wishes to be or not, and this protection cannot be removed from anyone in New Zealand.

At the other end of the continuum are 'private goods' which are both rival in consumption and excludable. Most of our daily consumables are private goods.

Very few goods and services are entirely public goods or private goods. Most goods and services are 'mixed goods' and fall somewhere between the two ends of the continuum.

The characteristics of goods or a service determine what type of funding tool might be used to fund a particular service. Local authorities may already have made judgements about what they consider are public goods when deciding whether or not to undertake a particular activity.

The summary at the final page of this policy shows which activities Council considers:

- Benefit the community as a whole
- Benefit part of the community
- Benefit individuals

FUNDING

Balancing funding requirements of today and those of tomorrow

The LGA 2002 requirement to consider periods in or over which benefits are expected to occur relates to allocating costs of capital expenditure fairly between the ratepayers of today and tomorrow to ensure intergenerational equity. The mechanism to achieve this is borrowing, so that servicing and repayment costs are spread over the period of enjoyment of the asset. Council is also required to manage its affairs prudently. The Treasury Policy, which deals with borrowing and investment, is designed to ensure Council is prudent in its financial decision-making.

Some activities of Council relate to a portion of the District rather than to the District as a whole. These are “ring-fenced” for the purpose of managing costs and revenue. Borrowings relating to these activities come within the “ring fence” and are dealt with on an intergenerational basis.

Other borrowings, being those that fund district-wide activities and the general purposes of Council, are only entered into where it is prudent to do so. The cost of servicing is allocated across these activities in proportion to the capital involved in each activity.

Council’s view of the intergenerational equity concept is that it does not necessarily promote a high level of borrowing for assets that provide benefits over time, and thus over generations. Rather, it provides a component in the total funding strategy that will allow it to fund and rate on a consistent basis over time, with each generation paying its fair share. The best measure of intergenerational equity is that everybody funds their fair share of depreciation.

Further, generations do not begin and end simultaneously. Generations change their composition on a rolling basis. Each generation inherits benefits from the past and passes benefits on to the future.

Accordingly, Council’s approach has been to combine a prudent approach to borrowing with a consistent level of rating so that rates are levied on a consistent basis over time with each generation making its contribution.

Six activities are “ring-fenced” and identified as separately funded activities. They are pensioner housing, refuse collection, landfill, water supply schemes, urban waste water, and rural waste water. Apart from the above six activities, the debt used to fund Council’s business is not related to any specific assets. It is managed at a prudent level and finance charges allocated to activities on the basis of the level of net expenditure.

Who causes the costs?

Costs arising from negative effects relate to the costs of expenditure incurred to control negative effects that have been caused by the actions or inaction of any persons or categories of persons. These costs are sometimes referred to as “exacerbator pays” or “polluter pays”, depending on the nature of the costs. They typically include costs that have been caused by a person or category of persons, such as trade waste costs arising from the lack of control of animals.

Council has, in its funding policy, sought to recover these costs to the maximum level possible, from the persons and categories of people who cause the costs. The mechanisms used are direct fees and charges.

The fairness and equity adjustment funding charges

The fees, charges and funding mechanisms used are based on a sustainable approach reflecting social, economic, environmental and cultural wellbeing of both the current and future Rotorua community.

In setting fees, charges, and rates, Council recognises the need to consider factors of fairness and equity including wellbeing and ability to pay.

An adjustment for wellbeing and ability to pay is the reason why some activities identifiable to individuals are only partially funded from direct user charges.

The rating policy details how Council has considered wellbeing and ability to pay in setting the rates allocation between categories of ratepayer.

The most appropriate charging mechanism

How much detail?

On a day to day basis, Council completes many tasks from planting gardens, to administering bylaws, to running a waste water sewerage system.

Council, in setting its funding policy, needs to address what level of detail it should report and whether it should separately fund each of these tasks.

Transparency and accountability are most evident when an activity is totally funded by a specific mechanism. This allows ratepayers, or payers of user charges as the case may be, to see exactly how much money is being

raised for and spent on the activity, and to assess more readily whether or not the cost to them of the activity represents good value.

Funding every activity on such a distinct basis would be extremely complex administratively. For some activities, the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative costs, and lack of significance, would lead to increased Council costs that are not really justified.

Accordingly, Council has taken a practical approach and grouped tasks into activities that align with how the tasks are managed and the services provided by Council.

The result, Council believes, is that the LTCCP adequately meets the requirements of transparency and accountability with minimal impact on administrative costs.

Funding of operating expenditure (Section 103(1)(a))

Council has determined the most appropriate way of funding operating expenses for each activity. This was based on an assessment of the nature of the benefits provided for the activity, who benefits, and for what period.

Funding source proportions were then attributed as being public, private, exacerbator, or other, as follows:

Public (via general rates)

An activity should be collectively funded if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, and the costs of the activity cannot easily be attributed to an individual or group of individuals.

For example:

Democracy. Everyone benefits. No individual can be responsible for the costs. Therefore it is entirely publicly funded.

Private (direct fees or charges if practical, or targeted rate)

An activity should be funded on a user-pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or group of individuals. For the purposes of this policy, targeted rates are deemed to be a private funding source.

For example:

Community housing. Only individuals that live in the housing benefit directly. Those individuals can be held responsible for the costs. Therefore it is entirely privately funded.

Exacerbator (direct fees & charges if practical)

An activity should be funded by an exacerbator if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, but the costs of the activity can be attributed to an individual or group of individuals.

For example:

Parking enforcement. Everyone faces the cost of unavailability of public parking if someone parks over time. The person that parked over time can be held directly responsible for that cost. Therefore the public costs can be privately borne completely by that person.

Other (subsidies & grants)

An activity can be funded from other sources if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, but the costs of the activity can be met by other means.

For example:

Roading. Everyone benefits. No individual can be responsible for the costs. However, Council is eligible for central government grants from organisations such as Transfund. Therefore it is entirely publicly funded, but a proportion of the costs is recouped from 'other' sources.

The analysis for each activity within the eight outcomes is set out in section 3 of the LTCCP. These are a guideline only as there may be justification for variation from these proportions on a case by case basis.

The process for funding operating costs of these activities is as follows:

- Any operating grants or subsidies for a particular activity are applied in reduction of the gross cost
- Where it is practical to recover the designated portion of the net operating cost of an activity from a private user or exacerbator, fees and charges are set at levels designed to achieve this, provided there are no legislative constraints on doing this
- Where a fee or charge is not practical, targeted rates may be set in accordance with Council's rating policies
- Any net income from investments may then be applied and any residual requirement will be funded through general rates and/or uniform annual general charges – these latter rates and charges will be set on a differential basis in accordance with Council's rating policy, providing a district wide approach.

Funding of capital expenditure (section 103 1(b))

Council takes a consolidated corporate approach to the management of its financial position. Through its Long Term Council Community Plan, it balances the level of capital expenditure required to meet strategic goals and maintain current service levels with what is sustainable within the prudential guidelines it has set. These parameters are contained in the Treasury Policy.

The concept of considering the funding of Council's activities on a district-wide basis was developed in 1992 and founded on the premise that the district is one community. This was supported by:

- Synergistic relationship between city and rural communities, and lakeshore settlements.
- Large parts of district affected by lakes or their catchments and geothermal activities.
- Much of the expenditure that is local by nature being also available to all the district e.g. rural seal extension.
- Council has been even-handed with local expenditure across the district over time.

Asset management plans are maintained for all infrastructural services and these provide information about asset condition and asset renewals required to maintain desired service levels.

Routine ongoing plant and equipment purchases are funded from depreciation charges and operating revenue.

Capital renewals are funded from subsidies and grants (when available), depreciation, asset sales and, if necessary, from operating revenue or borrowing.

New capital developments are funded from subsidies and grants (when available), user contributions, reserves, asset sales and, where necessary, from borrowing.

Borrowing is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and also to enable the costs of major developments to be borne by those who ultimately benefit from the expenditure. Borrowing, as noted above, is managed within the framework of the Treasury Policy and together with the asset management plans, helps ensure prudent stewardship and effective use of Council resources for now and the future.

Connecting the revenue and financial policy to other policies

1. The Funding Impact Statement provides details on the funding mechanisms to be used for each year covered by the Ten Year Plan (LTCCP). The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.
2. The schedule on the next page shows activities and the application of the renewal and financing policy.
3. Part 4 of the LTCCP shows the detailed activity analysis.
4. The Rating Policy (next section) shows the detailed framework for how the rates revenue (our major source of revenue) is allocated amongst ratepayers on a robust, fair and equitable basis.

Revenue and Financing Policy - Summary of Funding Sources

Activity Group By Activity	Community Outcome Contributes To (see key below)	Who benefits				Total
		Whole of the community	Part of the community	Individuals	Interest & Subsidies	
		Funding Mechanism				
		General Rates	Targeted Rates	Fees & Charges	Other Sources	
Community Leadership						
Democracy	All	100				100
Policy & Strategic Direction	All	90		4	6	100
Kaupapa	All	100				100
Social And Cultural						
Aquatic Facilities - Centre	1,3,5,7,8	56		44		100
Aquatic Facilities - Waikite Pools	1,3,5,7,8,	25		75		100
Cemeteries/Crematorium	1,3,5	55		45		100
Central Business District	1,5,8	99		1		100
Civil Defence Emergency Management	1	92			8	100
Community Assistance	1,3,5,8	96		4		100
Community Halls	1,5	94		6		100
Community Policy & Resources	1,4	100				100
Event Venues Convention Centre	1,2,4,5,6	75		25		100
Event Venues Sportsdrome	1,2,4,5,6	82		18		100
Event Venues Soundshell	1,2,4,5,6	70		30		100
Event Venues International Stadium	1,2,4,5,6	75		25		100
Pensioner Housing over time	1	0		100		100
Public Gardens/General Reserves	1,2,4,5,8	91		9		100
Public Library	All	90		9	1	100
Rotorua Museum of Art & History	1,2,4,7	62		38		100
Environmental						
Animal Control & Wandering Stock	1,2	44		56		100
Building Control	1,2,3	30		70		100
Environmental Planning Policy	2,3,4	99		1		100
Environmental Planning Implementation	2,3,4	82		18		100
Inspection Health & Regulatory	1,2,3	99		1		100
Inspection Health Licensing	1,2,3	16		84		100
Inspection Bylaws & Geothermal	1,2,3	97		3		100
Inspection Sale of Liquor	1,2,3	52		48		100
Inspection Hazardous Substances	1,2,3	100		0		100
Inspection Lake Waters	1,2,3	25		75		100
Parking On-Street	1,5			100		100
Parking Off-Street	1,5	47		53		100
Economic						
Destination Rotorua Marketing	4,5,8	75		25		100
Economic Development	1,2,4,5,6,7	82			18	100
Tourism Rotorua Travel & Information	1,2,5	29		70	1	100
Infrastructural						
Engineering Support	2,5	98		2		100
Land Drainage	1,2	96			4	100
Landfill over time	1,2,3,4,5			100		100
Passenger Transport Infrastructure	1	78		2	20	100
Refuse	1,2,3		87	13		100
Roading Subsidised - Operations	1,2,5,7,8	56			44	100
Roading Subsidised - Capital	1,2,5,7,8	51			49	100
Roading Works General & Unsubsidised	1,2,5,7,8	90			10	100
Road Safety	1,3	53			47	100
Rural Fire	1	96		4		100
State Highways Administration	1,5	2		98		100
Waste Management	2	95		5		100

Activity Group By Activity	Community Outcome Contributes To (see key below)	Who benefits				Total
		Whole of the community	Part of the community	Individuals	Interest & Subsidies	
		Funding Mechanism				
		General Rates	Targeted Rates	Fees & Charges	Other Sources	
Waste Water Urban Basin (over time)	1,2,4,5	0	96	4		100
Waste Water Rural Investigations	1,2,4,5	100				100
Waste Water Eastern Operating Scheme	1,2,4,5		100			100
Waste Water Rural Operating Scheme	1,2,4,5		100			100
Waste Water Eastern Capital	1,2,4,5	15	38		47	100
Waste Water Rural Capital	1,2,4,5	15	35		50	100
Water Operations (over time)	1,2,3,5		99	1		100
Water Capital - Rural Residential	1,2,3,5			\$2,500 per Property		
Water Capital - Rural Farming	1,2,3,5		100			100

Key

1 A safe & caring community	4 A prosperous community	7 A learning community
2 A community that respects its environment	5 A community with excellent facilities & services	8 A "happening" community
3 A healthy community	6 A community that values it's living Maori culture	

RATING POLICY

Introduction

The Local Government (Rating) Act 2002 became effective on 1 July 2003. It introduced very significant changes to rating law and practice.

Last year Council signalled it would carry out a review of rating policy for 2004/2005 and beyond.

Council has now progressed that review and taken it through a formal public consultation process. Whilst the review identified a rating policy for 2004/2005 and beyond, Council has signalled that the review is ongoing over the next two years as it seeks to address emerging issues that have been identified in the Long Term Council Community Plan. Council is also very much aware of the need to continually seek the most fair and equitable rating policy it can define within its very diverse demographics.

Some general rates differentials have, over time, moved out of line in relation to others and Council has had no option but to address these. This necessarily means increases for some rating groups and reductions for others.

The review has been conducted in accordance with Section 101 of the Local Government Act 2002 which reads as follows:

101. Financial management—

- (1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
- (2) A local authority must make adequate and effective provision in its long-term council community plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term council community plan and annual plan.
- (3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—
 - (a) in relation to each activity to be funded,—
 - (i) the community outcomes to which the activity primarily contributes; and
 - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - (iii) the period in or over which those benefits are expected to occur; and

- (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

Rating Review

Council has carried out a review of its rating policy and taken its draft to consultation.

This document records a new policy that has been adopted in June 2004, to become effective on 1 July 2004.

The review was commenced in mid 2003 and particularly addressed the main issues raised by stakeholders since the last major review, four years ago. The main representations to Council over recent years have been:

- a) To provide relief for business properties in the Central Business District;
The review achieves this.
- b) To exclude residential and small holding properties, up to 5 ha, from the farming category and include them within the residential category;
The review achieves this.
- c) To bring rates on small holdings into line. Some of these have been rated too low as compared to farming and residential properties. (This relates especially to rural residential and small holdings which are currently rated lower than farming);
The review achieves this.
- d) To consider some relief for farming properties;
The review achieved some relief.
- e) To consider whether it is appropriate to reclassify multi-unit residential properties as residential rather than business and reduce the rate;
The review reclassified these but this category needs to be considered further when Council has the ability to charge Uniform Annual General

Charges on each separately used or inhabited part of a rating unit (each residential unit), hopefully in 2005/2006.

- f) To consider whether vacant residential land should continue to enjoy a differential that is 80% of that for developed land;
The review reduced this advantage to bring vacant land closer to developed land.
- g) To consider whether rural residential and business land should continue to enjoy a differential that is 60% of the rate paid by their urban counterparts.
The review reduced this advantage to bring urban and rural properties more into line with each other and with farming.

- Modification: Weighting of cost allocations to improve fairness of allocation and recognise wellbeing factors.
- Considering a series of models to test the results and graphing these for consideration.
- Seeking feedback prior to formal consultation, considering this, and taking it into account in preparing the draft policy for formal consultation.
- Adopting a modified policy following consultation.

Land use categories and differential rating groups

Council's differential rating system is based on land use categories. In order to rate for different categories or differential rating groups, or to target a rate, Council must first categorise its rating information database (RID) into the land use categories that are required to enable this to happen.

Council has this year reviewed its database and apportioned it into 52 land use categories. These categories have been selected to both allow for immediate needs and to provide flexibility for future rating decisions. Some of these categories may be needed in future, some may not. Some may be needed for targeted rates. However, it is more efficient to identify them now and retain the records than to have to revisit at a later date.

As against this, it is desirable that the number of differential rating groups be minimised for the purpose of assessing rates. Thus, Council has rationalised the land use categories into ten groups for differential rating purposes, having regard to where the basis for allocation of activity costs is deemed to be similar.

Accordingly, it was appropriate for Council to identify three definitions:

- **Land use categories:**
These are 52 categories of land identified by use, location and, in cases of vacant land, by zoning.
- **Differential rating groups:**
These are 10 differential rating groups for the purpose of assessing rates.
Council naturally wants to minimise and simplify the number of separate rating differentials, so land use categories are condensed into 10 differential rating groups.

Review process

The review followed a process that complied with section 101 of the Local Government Act 2002. The process can be summarised thus:

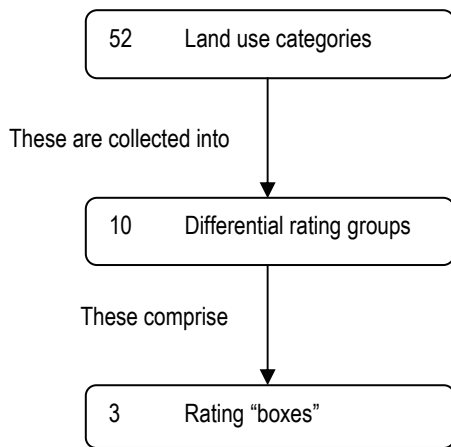
- Identification of activities and costs
- Identification of issues by consultation with a range of stakeholders.
- Identification of distribution of benefits to people and groups of people
- Identification of where costs can be recovered by direct fees and charges, including targeted rates.
- Identification of costs to be funded by general rates taxing mechanisms
- Identification of appropriate rating mechanisms
- Identification of potential rating differential categories – increasing these from 8 to 52
- Grouping of potential rating differentials into 10 rating groups
- Allocation of costs to these 10 rating groups by consideration of the most appropriate factor for doing so, from amongst:
 - Number of rating units
 - UAGC
 - Capital value
 - Land value

Using number of rating units and capital value as the preferred drivers for allocating costs.

Rating boxes:

The 10 differential rating groups can be further summarised into 3 rating boxes these being Residential, Farming, and Business.

This process can be graphically demonstrated thus:



Under the process adopted, to comply with Section 101 of the Local Government Act, the rating boxes are now a consequence of the rating review process rather than the drivers for setting the differentials.

Demographic Considerations

Rotorua District comprises very diverse demographics that preclude using an undifferentiated general rating system.

Some of the diversities are:

- *Business property use:*
Apart from retail and professional, this can reasonably be assembled into three main categories and their service industries: farming, forestry, and tourism.
- *Residential property use:*
This ranges from urban residential at high value lakeside to low value rural. For example, rural residential land values range from \$6,000 to \$660,000.
- *Income levels:*
Analysis of industry and socio-economic structures within the community discloses wide variation of income levels.
- *Residents and non-residents:*
Apart from residents, there are many non-residents, especially owning lakeside residential properties.
- *Diversity of small holdings:*
A range of small holdings covering a wide range of land uses and values, depending partly on location.
- *Diversity of farming:*
Diverse agricultural uses, including forestry.
- *Diverse commercial and industrial properties:*
These include low valued rural business and high valued small business at lakes. CBD properties seemingly have high land values relative to other business properties.

These diversities add complexity to defining a differential rating system. This was recognised by Council early in the process when its officers requested feedback on what rating categories should be included and how they should be grouped. At the time Council also identified issues that should be taken into account in designing a new rating policy.

Small holdings

Council has especially considered the issue of small holdings, many but not all of which can be considered lifestyle blocks. In particular:

- What type of small holding constitutes a "lifestyle" block.
- What land area should constitute a residential-type lifestyle block.
- What land area should constitute a small holding that is more appropriately categorised as farming.

For the purposes of this policy, based on the information that is available, and feedback received, Council has categorised small holdings up to five hectares as residential, and above five hectares as farming. Council recognises there is a case for further analysis of small holdings under five hectares. One proposal has been that the cut-off between classifying as residential or rural should be two hectares. Whilst anecdotal information is available, constructive evidence on this issue is more difficult to obtain.

Current feedback has shown that the community has diverse views on the differentials that should be applied to rural residential and small holding properties. The fact that cannot be overlooked is that rates on these properties have been lower than the rate in the dollar of land value of farms, and this was considered unacceptable. Further, these properties were being heavily subsidised by the business sector, and it was believed this needed to be addressed in the new policy.

Residential properties

Rural residential properties have for four years been rated at a differential 40% below urban properties, being Rotorua City and Ngongotaha Town.

There is a widely held view that this group should not be rated below its Rotorua City and Ngongotaha Town counterparts, especially when some parts are very close to the urban area.

As against this, the group points out reasons why it should pay a lower rate than its urban counterparts. Factors raised in support of a lower differential include:

- To compensate for the higher average land value.
- To allow for Council and non-Council services being less readily available in these areas.
- To recognise that residents in these areas have some costs that urban residents do not have – such as greater distances to travel, and in some cases providing their own services for water, sewage, and refuse.

Some costs and factors do, however, work in reverse.

Rural residential is a very diverse category ranging from very cheap to very expensive properties. This increases the difficulty of assessing a fair and equitable rate. Land values range from \$6,000 to \$660,000. The diverse range of values arises because this group contains both lakeside properties and rural properties. The average land value is \$100,000 as compared to an average urban land value of \$45,000. The median land value is \$53,000 as compared to a median urban land value of \$37,000.

After taking all factors into account, Council proposed in its draft LTCCP to increase the differential relativity from 60% to 80% as compared to residential general urban. After consultation, it set the differential at 70%.

Vacant residential properties in both the urban and rural areas have been rated at 80% of the differential used for developed counterparts. Council proposed in its draft LTCCP that this margin be reduced to a 10% difference in each case (i.e. vacant residential properties to be rated at 90% of the differential used for developed counterparts). After consultation, Council reduced the difference to 10% for urban residential properties and 7.14% for rural properties.

Business rural

This group is unusually diverse. It comprises a relatively small number of businesses near lakefronts, with land values that are very high in relation to the nature and size of the business, including seasonal nature. The

balance of the properties are on land that is valued more in line with “inland” farming and residential land. Council has an interest in preserving services in rural areas and this requires an acceptable rating policy. Council is considering how best to address this issue. One option is to divide this group into separate rating categories; another is to introduce a remission policy. Council is proposing to utilise a remission policy in 2004/2005 whilst continuing to consider a longer term solution. In the meantime, Council has decided to retain this group at 60% of the business-urban outside the CBD.

Summary of main considerations

Following pre-consultation feedback from residents and continuing research by Council, the main changes introduced were:

- Grouping residential small holdings (lifestyle blocks) with other residential properties.
- Examination of the differential relationships between all residential and small holding properties and redefining these.
- Grouping small holding farming blocks with farming.
- Moderating business rural towards its previous level.

Council's diverse demographics present the following picture based on 2003/2004 information

	Residential	Farming	Business	Total
Number of rateable properties assessments	23,408	1,941	1,946	27,295
%	86%	7%	7%	100%
Land value	1,276,954,000	932,382,000	353,690,000	2,563,026,000
%	50%	36%	14%	100%
Capital value	3,028,670,000	1,219,542,000	1,205,625,000	5,453,837,000
%	56%	22%	22%	100%

Basis for Allocation of Costs

Council sought a prime determinant for the allocation of the costs of an activity to a ratepayer group. The analysis of benefits clearly demonstrated that in most cases people rather than land cause the activity and/or the costs. Therefore it is reasonable to recognise this factor in allocating costs.

Council accordingly considered drivers that would be appropriate for allocating costs. Those considered were:

- Number of properties: this allocates costs on an even basis to each property.
- UAGCs: this has a similar impact.

- c) Capital value: this is considered the preferred indicator for recognizing the proportion of people in households, farms, and businesses.
- d) Land value: this does not recognise the presence of people. It was accepted land value was less appropriate for allocating costs.

Council selected and used two of these factors to allocate costs, these being:

- a) Number of properties: This was used for four activities.
- b) Capital value: This was used for the remainder of Council's activities.

Council would prefer to use the number of UAGCs rather than the number of properties if it could charge them to each separately used or inhabited part of a

property (SUIP). It cannot do so at present because it does not have the information in its rating information database to enable this. It proposes to examine whether it can establish this for next or the following year. This will then allow Council to charge UAGCs in respect of each tenant or lessee or user (such as several retailers in a commercial complex or several residential units in a multi-unit residential block) rather than just to rating units (separate titles).

This impact will not increase total rates. It will increase the number of UAGCs, thus reduce the amount of each UAGC, and allow for both more equitable allocation of costs and more equitable assessment of rates.

As noted, Council used the number of properties and capital value for allocating costs. The impact of these is shown in the following chart:

Impact of Drivers for Allocation of Costs

		Statistics			Proportions		
		No of properties	Capital value	Land value	No of Properties	Capital value	Land value
1	Residential General Urban	17,441	2,400,690,311	797,759,966	64%	40%	31%
2	Residential General Rural	3,747	864,648,274	383,870,404	14%	14%	15%
3	Residential Vacant Urban	772	44,142,410	40,894,360	3%	1%	2%
4	Residential Vacant Rural	658	39,261,326	37,796,616	2%	1%	1%
5	Residential Two unit Urban	624	101,672,000	33,007,000	2%	2%	1%
6	Residential Multi-unit	166	43,603,000	15,507,000	1%	1%	1%
7	Farming General	1,941	1,345,670,200	927,579,980	7%	23%	36%
8	Business Inside CBD	345	302,468,000	122,664,000	1%	5%	5%
9	Business Outside CBD	1,442	718,762,625	208,508,092	5%	12%	8%
10	Business Rural	159	105,333,450	21,832,800	1%	2%	1%
Total		27,295	5,966,251,596	2,589,420,218	100%	100%	100%

Apart from these factors, it is appropriate to use modifying factors in certain circumstances. In some cases, the use of capital value to allocate costs gave a result which was clearly inequitable. In such cases, a modifying factor was used to increase the allocation to one or more of the ratepayer groups.

Moderation for wellbeing

The Local Government Act requires a local authority to take into account Council's perception of the wellbeing needs of the community.

For many years, Council has adopted a process of "ring-fencing" the general rate requirements from each of three sectors [Residential, Farming and Business]. This has generally been accepted as equitable by the community.

Therefore, after allowing for "migration" between ratepayer groups in terms of the new categories, it was deemed appropriate to make a further adjustment to the cost allocation between ratepayer groups.

Council responded to requests to transfer some land use categories from one differential group to another within the "box" system.

Categories that have been transferred are:

- Multi-unit residential from business to residential
- Small holdings (lifestyle blocks) under 5 hectares from farming to residential

The results still did not give an acceptable solution having regard to wellbeing factors including ability to pay. Accordingly, Council made a wellbeing adjustment that, in essence, shifted the burden of rates from residential to business.



This gave an overall result that Council considered to be approaching acceptability having regard to factors of fairness and equity including wellbeing and ability to pay.

Council has signalled its intention to continue the review of rating policy over the next two years. This will include, along with other issues:

- a) Whether to levy rates on each separately used or inhabited part of a rating unit (SUIP);
- b) The level of UAGC;
- c) Definition of differential categories and groups, including rural business categories and CBD categories;
- d) Whether capital value would be a more appropriate rating base;
- e) Relief policies, including remission of rates on land used for certain purposes, remission of rates for rating units held in a single subdivision block, remission of rates for residential rating units which have special rateable values, and remission of rates in extraordinary circumstances.

Council has decided, pursuant to the Local Government (Rating) Act 2002, that rates will consist of:

- A uniform annual general charge (UAGC);
- A differential general rate;
- Targeted rates for water supplies;
- Targeted rates for sewage disposal;
- Targeted rates for refuse collection.

Council will resolve annually the specific figures for each rate.

The Rating Policy follows:

Purpose

The purpose is:

- To establish the basis for funding part of the revenue forecast as being required to perform the duties of Council; and
- To promote the social, economic, environmental and cultural wellbeing of the District's communities, in the present and for the future.

These policies were prepared pursuant to the Local Government Act 2002 for consultation using the special consultative procedure, which has now taken place.

Uniform Annual General Charge

Council has set a uniform annual general charge on every rating unit in the District for the general purpose of Council.

The UAGC is set at a level that approximates 70% of the maximum allowed under Section 21 of the Local Government (Rating) Act 2002 excluding metered water from the calculation.

Differential General Rates

Council has set general rates on a differential basis:

- a) Council has set a general rate in the dollar on land value set differentially according to ten different rating groups to fund that part of the general revenues of Council that are not funded by the uniform annual general charge.
- b) The objective of including differentials in the general rate is to achieve a fair distribution of the general rate between categories of land having regard to matters of social, economic, environmental, and cultural wellbeing.
- c) The relationship between the general rate differentials applicable for each rating category for 2004/2005 has been set as follows (with residential general urban stated as base 1.00 or 100%).
- d) The ten rating categories are:

	Relative differentials for the general rate for 2004/05
Residential rating group	
1 Residential - General - Urban	100%
2 Residential - General - Rural	70%
3 Residential - Vacant - Urban	90%
4 Residential - Vacant - Rural	65%
5 Residential - Two Unit - Urban	110%
6 Residential - Multi Unit	425%
Farming rating group	
7 Farming - General	65%
Business rating group	
8 Business - Inside CBD	375%
9 Business - Urban Outside CBD	430%
10 Business - Rural	260%

Interpretation for the purposes of setting general rates on a differential basis

A: Differential groups

The differential groups are as follows:

Residential General Urban

Every property in the urban sector

- a) Used for residential purposes, which is no more than five hectares in area, and on which is situated one residential unit (not being land zoned rural); or
- b) Zoned rural which is not more than five hectares in area, and on which is situated one residential unit.

Residential General Rural

Every property in the rural sector used for residential purposes which is no more than five hectares in area.

Residential Vacant Urban

Every property in the urban sector:

- a) Which is vacant land zoned residential and is no more than five hectares in area; or
- b) Which is vacant land zoned rural and is no more than five hectares in area.

Residential Vacant Rural

Every property in the rural sector which is vacant land zoned rural and is no more than five hectares in area.

Residential two-unit urban

Every property in the urban sector which is:

- a) Used for residential purposes and is no more than five hectares in area, and on which is situated two residential units (not being land zoned rural); or
- b) Zoned rural, and is not more than five hectares in area, and on which is situated two residential units.

Residential Multi-unit Urban

Every property in the urban sector which is:

- a) Used principally for residential purposes and which is no more than five hectares in area, and on which is situated more than two residential units (not being land zoned rural); or
- b) Zoned rural, and is not more than five hectares in area, and on which is situated more than two residential units.

Farming

Every property in the urban sector and rural sector which is zoned rural, is more than five hectares in area and used for any farming purpose but which is not used principally or exclusively for any commercial or industrial purpose.

Business Inside CBD

Every property in the urban sector that is within the Central Business District (CBD)

- a) Used exclusively or principally for any commercial or industrial purpose; or
- b) Vacant land which is not zoned residential or rural; or
- c) Not otherwise categorised in these definitions.

Business Urban Outside CBD

Some property in the urban sector that is outside the Central Business District (CBD)

- a) Used exclusively or principally for any commercial or industrial purpose; or
- b) Vacant land which is not zoned residential or rural; or
- c) Not otherwise categorised in these definitions.

Business Rural

Every property in the rural sector that is:

- a) Used exclusively or principally for any commercial or industrial purpose; or
- b) Vacant land that is not zoned residential or rural; or
- c) Not otherwise categorised in these definitions.

B: Definitions

The term:

“Urban Sector” means the part of the district which falls within the term “Urban Division” as set out in clause 5 of the Rotorua District Constitution Order 1979 in the New Zealand Gazette 1979, No. 21, dated 22 March at page 684.

“Rural Sector” means the part of the District which is not the Urban Sector.

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

“Business purpose” means any purpose of commerce, trade, or industry; but does not include any farming or forestry purpose.

“Residential purposes” means occupied or intended to be occupied exclusively or principally for the residence of not more than two households.

“Farming purpose” means any land used exclusively or principally for agricultural, horticultural or pastoral or forestry purposes or the keeping of bees or poultry or other livestock.

“Central Business District” and “CBD” means the area bound by Lake Road, Tutanekai Street, Whakaue Street, Hinemaru Street, Hinemoa Street, Hatupatu Drive, Eruera Street, across Amohau Street and State Highway 30A to Te Ngae Road, Ti Street, Fenton Street, Victoria Street, Ranolf Street, Arawa Street, and Rangiuru Street, as shown on the map below (a larger copy is available at the Council Administration Building).

References to zones are references to zones defined in the operative Rotorua District Plan except where the land concerned relates to land covered by Proposed Variation No12; then reference to zones shall relate to zones as set out in Proposed Variation No12.



FUNDING

Targeted rates for water supply

Council has set targeted rates for all rating units, or separately used or inhabited parts of a rating unit, to which water is provided, or which are serviceable rating units.

For these purposes:

- A **"rating unit connected"** is one to which water is supplied from a Council water supply service.
- A **"serviceable rating unit"** is one to which water is not provided, but the whole, or some part of which is within 100 metres of a Council water supply service and is within a water supply area.

Council has set the following targeted rates:

Urban water supply:

(Plans number 10173 sheet 2, 10175 and WS 1053. Refer Targeted Rates Areas of Service.)

A differential targeted rate:

- A fixed amount per connection on each separately used or inhabited part of a rating unit connected (whether or not metered);
- A fixed amount (being 50% of the above amount) on each serviceable rating unit.

A targeted rate on each metered rating unit or separately used or inhabited part of a rating unit of a fixed amount per cubic metre supplied in excess of 58 cubic metres per quarter.

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

Mamaku water supply

(Plan number WS 4020. Refer Targeted Rates Areas of Service.)

A targeted rate of a fixed amount per connection on each rating unit connected.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

Note: These targeted rates are invoiced quarterly by separate invoice.

Rotoiti water supply

(Plan number WS 6013. Refer Targeted Rates Areas of Service.)

A differential targeted rate of:

- A fixed amount per connection on each rating unit connected.
- A fixed amount (being 50% of the above amount) on each serviceable rating unit.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

Note: Targeted rates for rating units connected and for metered supply are invoiced quarterly by separate invoice.

Rotoma water supply

(Plan number WS 6514. Refer Targeted Rates Areas of Service.)

A differential targeted rate:

- A fixed amount per connection on each rating unit connected.
- A fixed amount (being 50% of the above amount) on each serviceable rating unit.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

Note: Targeted rates for rating units connected and for metered supply are invoiced quarterly by separate invoice.

Kaharoa water supply

(Plan number WS 3529 sheet 2. Refer Targeted Rates Areas of Service.)

A targeted rate of a fixed amount per connection on each rating unit connected.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

Note: These Targeted rates are invoiced quarterly by separate invoice.

Reporoa water supply

(Plan number 10174. Refer Targeted Rates Areas of Service.)

For these purposes:

"**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.

A differential targeted rate:

- A fixed amount per connection on each Domestic/Non-Farming rating unit connected.
- A fixed amount per connection on each Farming/Dairy-Factory rating unit connected.

A differential targeted rate:

- A fixed amount on each Domestic/Non-Farming rating unit connected per cubic metre supplied in excess of 83 cubic metres per quarter.
- A lower fixed amount on each Farming/Dairy-Factory rating unit connected per cubic metre supplied in excess of 206 cubic metres per quarter

Note: These targeted rates are invoiced quarterly by separate invoice.

Hamurana water supply:

(Plan number WS 3024. Refer Targeted Rates Areas of Service.)

A differential targeted rate:

- A fixed amount per connection on each rating unit connected.
- A fixed amount (being 50% of the above amount) on each serviceable rating unit.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

A targeted rate on each rating unit for which no lump sum has been made towards the construction of the supply of a rate in the dollar of land value.

Note: Targeted rates for rating units connected and for metered supply are invoiced quarterly by separate invoice.

Okareka water supply

(Plan number WS 5024. Refer Targeted Rates Areas of Service.)

A differential targeted rate:

- A fixed amount per connection on each rating unit connected
- A fixed amount (being 50% of the above amount) on each serviceable rating unit.

A targeted rate set on each metered rating unit of a fixed charge per cubic metre supplied to the rating unit.

A targeted rate on each rating unit for which no lump sum has been made towards the construction of the supply of a fixed amount.

Note: Targeted rates for rating units connected and for metered supply are invoiced quarterly by separate invoice.

Leakage

In respect of all metered water supply, where a 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

(Plan number WS 10192. Refer Targeted Rates Areas of Service.)

Council has set targeted rates on a differential basis for all rating units from which sewage is collected, or which are serviceable rating units.

For these purposes:

- The "**uniform sum**" means the amount payable when a rating unit has or is deemed, by Schedule 3 Note 4 of the Rating Act, to have a single water closet or urinal. (Schedule 3 Note 4 relates to rating units used primarily as a residence for 1 household)
- "**connected**" means a rating unit from which sewage is collected, either directly or by a private drain to a public sewerage system.
- A "**serviceable rating unit**" is one from which sewage is not collected, either directly or by a private drain to a public sewerage system, but the whole, or some part, of which is within 30 metres of Council's sewerage system and could be effectively connected to the sewerage system.
- "**Toilet**" means: a) a water closet; and b) each 1.5 metres or part thereof of urinal; and c) from 1 to 4 wall mounted urinettes

- “**Category 1**” means the rating units with 1 to 4 toilets (water closets and urinals)
- “**Category 2**” means the rating units with 5 to 10 toilets (water closets and urinals)
- “**Category 3**” means the rating units with 11 or more toilets (water closets and urinals)
- “**Availability**” means those properties which are serviceable rating units.

Council has set the following targeted rate on a differential basis for sewage disposal in the urban area:

A differential targeted rate calculated as a fixed amount per toilet connected to the sewerage system on each rating unit as follows:

- Category 1 100% of the uniform sum
- Category 2 85% of the uniform sum
- Category 3 80% of the uniform sum
- Availability 50% of the uniform sum [per rating unit]

Targeted Rates for Refuse Collection

(Plan number. Refer Targeted Rates Areas of Service.)

Council has set targeted rates for refuse collection from separately used or inhabited parts of a rating unit within the respective service areas on a differential basis for refuse collection in urban and rural areas respectively, where the service is provided.

FUNDING IMPACT STATEMENT

The Funding Impact Statement is required to include the information set out in clause 10 of Part 1 of Schedule 10 of the Local Government Act 2002 and sections 13 to 19 of the Local Government Rating Act.

Revenue and Financing Mechanisms

Council has decided to use the following revenue and financing mechanisms to cover the estimated expenses for each financial year covered by the plan. In relation to each year covered by the plan, there is an indication of the level or amount of funds to be produced by each mechanism.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Revenue Mechanisms										
General Rates	28,960	29,511	29,952	30,603	31,211	31,888	32,520	33,226	33,885	34,619
Uniform Annual General Charge	7,698	7,845	7,962	8,135	8,296	8,476	8,645	8,832	9,007	9,203
Less council rates	(737)	(740)	(740)	(709)	(710)	(710)	(710)	(711)	(711)	(711)
Refuse Rate	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351
Sewerage Rates	7,060	7,632	7,641	7,710	7,776	7,846	7,846	7,616	7,616	7,687
Water Rates	2,333	2,405	2,451	2,521	2,570	2,642	2,693	2,769	2,824	2,903
Less RDC Water Rates	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Rural Water Sewerage Rates	-	1,554	954	2,163	1,790	2,657	2,657	2,657	2,657	2,657
Total from Rating Mechanisms	46,540	49,433	49,446	51,649	52,159	54,025	54,877	55,615	56,504	57,584
Development Contributions	0	500	0	500	0	500	0	500	0	500
Fees and Charges	12,311	12,741	13,359	13,086	13,403	15,499	13,618	13,535	13,737	13,619
Water by Meter	2,347	2,407	2,450	2,511	2,556	2,619	2,665	2,730	2,730	2,846
Financial Recoveries	256	294	346	382	382	382	382	382	382	382
Interest and Dividends	897	500	459	460	461	460	462	462	463	463
Licence Fees	1,886	1,720	1,629	1,738	1,648	1,477	1,483	1,469	1,479	1,487
Petrol Tax	660	660	660	660	660	660	660	660	660	660
Resource Management Contributions	557	557	557	557	557	557	557	557	557	557
Subsidies and Grants	16,275	9,258	9,081	13,342	8,357	4,906	4,124	3,698	3,847	3,858
Vested Assets	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650
Other Revenue Sources	36,839	30,287	30,191	34,886	29,674	28,710	25,601	25,643	25,505	26,022
Total Revenue Funding Mechanisms	83,379	79,720	79,637	86,535	81,833	82,735	80,478	81,258	82,009	83,606
Financing Mechanisms										
Debt (Net Funding)	25,785	9,524	4,560	6,367	6,806	(412)	(1,994)	(5,735)	(5,616)	(7,375)
Sale of assets	737	2,022	2,230	397	197	219	197	284	148	148
Sinking funds	3,585	999	0	0	0	0	0	0	0	0
Net Council Created and Restricted Reserves	670	257	(29)	(26)	(25)	(27)	(33)	(33)	(36)	211
Collection of Advances	4,465	82	80	72	65	65	65	60	60	60
Transfer equity	5,626	0	0	0	0	0	0	0	0	0
Rates Funding from previous year	543	0	0	0	0	0	0	0	0	0
Total Funding From Financing Mechanisms	41,411	12,884	6,841	6,810	7,043	(155)	(1,765)	(5,424)	(5,444)	(6,956)
Total Revenue and Financing Mechanisms	124,790	92,604	86,478	93,345	88,876	82,580	78,713	75,834	76,565	76,650

Rates set for 2004/2005

Council has set the following rates, pursuant to the Local Government (Rating) Act 2002, for the 2004/2005 rating year:

- A uniform annual general charge;
- A differential general rate;
- Targeted rates for water supplies;
- Targeted rates for sewage disposal;
- Targeted rates for refuse collection;

Uniform Annual General Charge

Council has set a uniform annual general charge for each rating unit.

The amount to be collected is \$7,845,000.

The uniform annual general charge has been set at a fixed amount per rating unit approximately 70% of the maximum allowed, excluding metered water from the calculation.

2004/2005	\$385.00
2003/2004 was	\$373.00

General Rates

Council has set a general rate on land value on a differential basis.

The amount to be collected is \$29,511,000.

The general rate will be collected from ten differential rating categories (three differential rating groups).

The definitions for these categories are in the Rating Policy.

		Rate per \$ of land value
Residential rating group		
1	Residential - General - Urban	0.00961
2	Residential - General - Rural	0.00673
3	Residential - Vacant - Urban	0.00865
4	Residential - Vacant - Rural	0.00625
5	Residential - Two Unit - Urban	0.01057
6	Residential - Multi Unit	0.04084
Farming rating group		
7	Farming - General	0.00625
Business rating group		
8	Business - Inside CBD	0.03604
9	Business - Urban Outside CBD	0.04132
10	Business - Rural	0.02499

Targeted Rates for Water Supply

Council has set targeted rates for water supply to properties within the respective service areas (refer to plans in the section titled Targeted Rate Areas of Service) on a differential basis.

For these purposes:

A **"rating unit connected"** is one to which water is supplied from a Council water supply service.

A **"serviceable rating unit"** is one to which water is not connected, but the whole, or some part of which is within 100 meters of a Council water supply area.

The Targeted Rates for water supply are as follows, (GST inclusive):

Urban (Plan numbers 10173 sheet 2, 10175 and WS 1053)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$1,684,000			
A differential targeted rate of:			
<ul style="list-style-type: none"> A fixed amount on each separately used or inhabited part of a rating unit connected (whether or not metered) 	<ul style="list-style-type: none"> Annual for rating units connected Quarterly for metered supply 	\$138.00	\$134.00
<ul style="list-style-type: none"> A fixed amount on each serviceable rating unit (at 50% of the fixed charge for a rating unit connected). 	Annual	\$69.00	\$67.00
A targeted rate on each metered separately used or inhabited part of a rating unit of a fixed amount per cubic metre supplied in excess of 58,000 litres.	Per cubic metre, quarterly	\$0.60	\$0.58

Mamaku (Plan number WS 4020)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$43,000			
A targeted rate of a fixed amount per connection on each rating unit connected.	Quarterly	\$26.50	\$26.50
A targeted rate on each metered rating unit of a fixed charge per cubic metre supplied to the rating unit.	Per cubic metre, quarterly	\$0.35	\$0.35
Rotoiti (Plan number WS 6013)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$41,000			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected.	Quarterly	\$21.00	\$21.00
	Annual	\$42.00	\$42.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit.			
A targeted rate on each metered rating unit of a fixed amount per cubic meter supplied to the rating unit.	Per cubic metre, quarterly	\$0.29	\$0.29
Rotoma (Plan number WS 6514)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$39,000			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected.	Quarterly	\$58.00	\$58.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit	Annual	\$116.00	\$116.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.	Per cubic metre, quarterly	\$0.72	\$0.81
Kaharoa (Plan number WS 3529 sheet 2)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$140,000			
A targeted rate of a fixed amount per connection on each rating unit connected.	Quarterly	\$72.00	\$70.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.	Per cubic metre, quarterly	\$0.24	\$0.22
Reporoa (Plan number 10174)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$338,000			
A differential targeted rate:			
• A fixed amount per connection on each Domestic/Non-Farming rating unit connected	Quarterly	\$26.00	\$26.00
• A fixed amount per connection on each Farming/Dairy-Factory rating unit connected.	Quarterly	\$35.00	\$35.00
A differential targeted rate:			
• A fixed amount on each metered Domestic/Non-Farming rating unit per cubic metre supplied in excess of the 83 cubic metres per quarter.	Per cubic metre, quarterly	\$0.31	\$0.31
• A lower fixed amount on each metered Farming/Dairy-Factory rating unit per cubic metre supplied in excess of 206 cubic metres per quarter.	Per cubic metre, quarterly	\$0.17	\$0.17

Hamurana (Plan number WS 3024)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$36,000			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected	Quarterly	\$19.00	\$19.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit.	Annually	\$38.00	\$38.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied.	Per cubic metre, quarterly	\$0.21	\$0.23
A targeted rate on each rating unit for which no lump sum has been made towards the construction of the supply of a rate in the dollar in land value.	Rate per dollar of land value, annually	0.00106	0.00116
Okareka (Plan number WS 5024)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$26,000			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected	Quarterly	\$17.00	\$17.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit.	Annually	\$34.00	\$34.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied.	Per cubic metre, quarterly	\$0.22	\$0.27
A targeted rate on each rating unit for which no lump sum has been made towards the construction of the supply of a fixed amount.	Annual	\$135.70	\$145.60

Targeted Rates for Sewage Disposal

Council has set the following targeted rate on a differential basis for sewage disposal in the urban area:
A differential targeted rate calculated as a fixed amount per toilet connected to the sewerage system on each rating unit as follows (GST inclusive):

Urban (Plan number 10192)	Proportion of the uniform sum	2004/2005	2003/2004
The amount to be collected is \$7,060,000			
Category 1			
- means the rating units with 1 to 4 toilets (water closets or urinals)	100% of the uniform sum	\$266.00	\$260.00
Category 2			
- means the rating units with 5 to 10 toilets (water closets or urinals)	85% of the uniform sum	\$226.10	\$221.00
Category 3			
- means the rating units with 11 or more toilets (water closets or urinals)	80% of the uniform sum	\$212.80	\$208.00
Availability	50% of the uniform sum	\$133.00	\$130.00
- means the rating units which are serviceable rating units.			

Targeted Rates for Refuse Collection

(Plan number. Refer Targeted Rates Areas of Service.)

Council has set targeted rates for refuse collection from separately used or inhabited parts of a rating unit within the respective service areas on a differential basis for refuse collection in urban and rural areas respectively, where the service is provided, as follows (GST inclusive):

Refuse Collection (Plan numbers 10196-001 [urban] and 10196-002 [rural])	Charging Unit	2004/2005	2003/2004
The amount to be collected is \$1,351,000			
Urban (weekly collection)	Annual	\$56.60	\$56.60
Urban (CBD twice-weekly collection)	Annual	\$113.20	\$113.20
Rural (weekly collection)	Annual	\$59.10	\$59.10

Due dates for payment of rates

All rates (including targeted rates for water supply charged annually, but excluding targeted rates for water supply charged quarterly) will be payable in four instalments by the due dates, as follows:

Instalment	Due Date
Instalment Number 1	25 August 2004
Instalment Number 2	25 November 2004
Instalment Number 3	25 February 2005
Instalment Number 4	25 May 2005

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

Discount for Prompt Payment

A discount, at a rate set annually, is allowed to any ratepayer who pays the total rates, charges, and levies as specified on the rates assessment, (excluding targeted rates for water supply charged quarterly), by the final payment date for the first instalment. The discount for 2004/2005 is 2%.

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. The penalty will be 10% of the unpaid instalment.
- **Arrears of rates (including past instalments):**
A further penalty will be added to any unpaid rates (including penalties) at the beginning of the next financial year. The penalty will be 10% of the unpaid amount.

Penalties on unpaid water invoices

- **Current overdue invoices for water supply charged quarterly:**
A penalty will be added to any part of an invoice that remains unpaid after the due date for payment of the invoice. The penalty will be 10% of the unpaid invoice.
- **Arrears of water rates (including past instalments):**
A further penalty will be added to unpaid water invoices (including penalties) at the beginning of the next financial year. The penalty will be 10% of the unpaid amount.
A further penalty will be added on water invoices still owing 6 months after the above further penalty was added. The penalty will be 10% of the unpaid amount.

INDICATIVE RATES FOR REPRESENTATIVE PROPERTIES

This schedule provides a representative selection of examples of rates movements by differential rating group. The comparison shown is between the actual 2003/2004 rates and 2004/2005 rates using the new differential rating groups.

Note that the Increase/Decrease in rates comprises two factors:

- An increase or decrease arising from the proposed new policy
- The rates increase for 2004/2005 of 3.20% of which general rates is 3.02%.

Note also that the schedule does not include:

- Targeted rates for metered water supply
- Regional Council rates.

Land value	Uniform Annual General Charge	General Rate	Water Charge[s]	Sewerage Charge[s]	Refuse Charge[s]	Total Proposed rates	Total RDC Rates 2003-4	Increase / (Decrease) in rates	% Increase (Decrease) in rates
Group 1 Residential - general - urban									
308,000	385	2,962	138	266	57	3,807	3,383	424	12.54%
248,000	385	2,385	138	266	57	3,230	2,884	346	12.00%
200,000	385	1,923	138	266	57	2,769	2,486	283	11.40%
150,000	385	1,442	138	266	57	2,288	2,070	218	10.53%
100,000	385	962	138	266	57	1,807	1,655	153	9.22%
75,000	385	721	138	266	57	1,567	1,447	120	8.29%
60,000	385	577	138	266	57	1,423	1,322	100	7.59%
50,000	385	481	138	266	57	1,326	1,239	87	7.05%
40,000	385	385	138	266	57	1,230	1,156	74	6.42%
30,000	385	288	138	266	57	1,134	1,073	61	5.70%
20,000	385	192	138	266	57	1,038	990	48	4.86%
Group 2 Residential - general - rural									
520,000	385	3,500	-	-	59	3,945	3,027	918	30.31%
390,000	385	2,625	-	-	59	3,069	2,378	691	29.06%
300,000	385	2,019	-	-	59	2,464	1,929	534	27.70%
250,000	385	1,683	-	-	59	2,127	1,680	447	26.64%
200,000	385	1,346	-	-	59	1,790	1,430	360	25.19%
150,000	385	1,010	-	-	59	1,454	1,181	273	23.14%
100,000	385	673	-	-	59	1,117	931	186	19.99%
66,000	385	444	-	-	-	829	779	50	6.47%
50,000	385	337	-	-	59	781	682	99	14.53%
Group 3 Residential - vacant - urban									
360,000	385	3,116	-	-	-	3,501	2,767	734	26.52%
293,000	385	2,536	69	133	-	3,123	2,518	604	24.00%
200,000	385	1,731	69	133	-	2,318	1,900	418	22.00%
155,000	385	1,342	69	133	-	1,928	1,601	328	20.47%
100,000	385	865	69	133	-	1,452	1,235	217	17.61%
75,000	385	649	69	133	-	1,236	1,069	167	15.66%
50,000	385	433	69	133	-	1,020	903	117	12.99%
25,000	385	216	69	133	-	803	736	67	9.11%
10,000	385	87	69	133	-	674	637	37	5.82%
Group 4 Residential - vacant - rural									
300,000	385	1,875	-	-	-	2,260	1,570	690	43.96%
250,000	385	1,563	-	-	-	1,948	1,371	577	42.11%
205,000	385	1,281	-	-	-	1,666	1,191	475	39.92%
150,000	385	938	-	-	-	1,323	972	351	36.14%
105,000	385	656	-	-	-	1,041	792	249	31.49%
75,000	385	469	-	-	-	854	672	182	27.00%
51,000	385	319	-	-	-	704	576	127	22.08%
25,000	385	156	-	-	-	541	473	69	14.49%
10,000	385	63	-	-	-	447	413	35	8.38%
Group 5 Residential - two unit									
275,000	385	2,909	276	532	113	4,215	3,788	427	11.29%
220,000	385	2,327	276	532	113	3,633	3,285	348	10.61%
175,000	385	1,851	276	532	113	3,157	2,874	284	9.87%
150,000	385	1,587	276	532	113	2,893	2,645	248	9.36%

Land value	Uniform Annual General Charge	General Rate	Water Charge[s]	Sewerage Charge[s]	Refuse Charge[s]	Total Proposed rates	Total RDC Rates 2003-4	Increase / (Decrease) in rates	% Increase (Decrease) in rates
120,000	385	1,269	276	532	113	2,576	2,371	205	8.63%
100,000	385	1,058	276	532	113	2,364	2,188	176	8.03%
75,000	385	793	-	532	113	1,824	1,692	132	7.79%
50,000	385	529	276	532	113	1,835	1,731	104	6.00%
40,000	385	423	276	532	113	1,729	1,640	90	5.46%
30,000	385	317	276	532	113	1,624	1,548	75	4.85%
Group 6	Residential - multi-unit								
300,000	385	12,261	-	1,131	283	14,060	14,052	8	0.05%
260,000	385	10,626	-	1,131	283	12,425	12,413	12	0.09%
184,000	385	7,520	552	1,064	226	9,748	9,714	34	0.35%
150,000	385	6,131	-	2,035	509	9,060	9,017	43	0.48%
100,000	385	4,087	-	2,341	623	7,435	7,381	55	0.74%
76,000	385	3,106	-	1,064	226	4,782	4,753	28	0.60%
50,000	385	2,044	552	1,064	226	4,271	4,224	47	1.11%
21,000	385	858	414	798	170	2,625	2,585	40	1.54%
Group 7	Farming - general								
7,800,000	385	48,756	-	-	-	49,141	48,343	798	1.65%
4,363,000	385	27,272	43	-	177	27,878	27,425	453	1.65%
3,050,000	385	19,065	-	-	-	19,450	19,131	319	1.67%
2,100,000	385	13,127	-	-	-	13,512	13,288	224	1.68%
2,000,000	385	12,501	-	-	177	13,064	12,850	213	1.66%
1,500,000	385	9,376	-	-	-	9,761	9,598	163	1.70%
1,000,000	385	6,251	-	-	-	6,636	6,523	113	1.73%
750,000	385	4,688	-	-	-	5,073	4,986	88	1.76%
750,000	385	4,688	-	-	-	5,073	4,986	88	1.76%
500,000	385	3,125	-	-	-	3,510	3,448	62	1.81%
250,000	385	1,563	-	-	-	1,948	1,911	37	1.95%
100,000	385	625	-	-	-	1,010	988	22	2.23%
Group 8	Business - Inside CBD								
2,000,000	385	72,124	-	1,064	113	73,686	83,466	-9,780	-11.72%
1,000,000	385	36,062	-	7,661	113	44,221	48,944	-4,723	-9.65%
750,000	385	27,047	-	1,809	679	29,919	33,548	-3,628	-10.82%
500,000	385	18,031	-	798	113	19,327	21,751	-2,424	-11.14%
400,000	385	14,425	-	532	113	15,455	17,394	-1,939	-11.15%
300,000	385	10,819	-	1,583	113	12,899	14,324	-1,425	-9.95%
200,000	385	7,212	-	266	340	8,203	9,167	-964	-10.51%
150,000	385	5,409	-	1,131	453	7,378	8,076	-699	-8.65%
100,000	385	3,606	-	532	57	4,580	5,047	-467	-9.25%
75,000	128	2,705	-	266	113	3,212	3,570	-358	-10.03%
Group 9	Business - urban outside CBD								
260,000	385	10,751	-	4,682	57	15,874	15,658	217	1.38%
250,000	385	10,338	-	532	57	11,311	11,192	119	1.07%
215,000	-	8,890	-	-	-	8,890	8,809	82	0.93%
215,000	385	8,890	69	133	-	9,477	9,379	99	1.05%
170,000	385	7,030	-	4,682	57	12,153	11,971	182	1.52%
140,000	385	5,789	-	1,583	57	7,813	7,712	101	1.31%
135,000	385	5,582	828	2,261	396	9,453	9,314	138	1.49%
105,000	385	4,342	-	798	57	5,581	5,511	70	1.27%
85,000	385	3,515	-	4,043	57	8,000	7,864	136	1.72%
66,000	385	2,729	-	532	57	3,703	3,654	49	1.34%
58,000	385	2,398	-	798	57	3,638	3,586	52	1.45%
56,000	385	2,316	-	532	57	3,289	3,244	45	1.40%
55,000	385	2,274	-	532	113	3,304	3,260	45	1.38%
53,000	-	2,192	-	-	-	2,192	2,171	20	0.93%
34,000	385	1,406	-	1,357	-	3,148	3,092	56	1.80%
15,000	-	620	-	-	-	620	615	6	0.93%
260,000	385	10,751	-	4,682	57	15,874	15,658	217	1.38%
250,000	385	10,338	-	532	57	11,311	11,192	119	1.07%
Group 10	Business - rural								
2,500,000	385	62,507	-	-	1,182	64,074	63,005	1,069	1.70%
1,000,000	385	25,003	-	-	-	25,388	24,953	435	1.74%
900,000	385	22,503	-	-	177	23,065	22,672	393	1.73%
755,000	385	18,877	-	7,874	709	27,845	27,336	509	1.86%
600,000	385	15,002	-	-	-	15,387	4,063	11,324	278.70%
500,000	385	12,501	-	-	118	13,005	12,781	223	1.75%
330,000	385	8,251	-	-	118	8,754	8,603	152	1.76%
250,000	385	6,251	-	-	-	6,636	6,518	118	1.81%
240,000	385	6,001	-	-	118	6,504	1,967	4,537	230.62%
200,000	385	5,001	-	-	59	5,445	5,348	97	1.81%
100,000	-	2,500	-	-	-	2,500	2,458	42	1.72%
50,000	385	1,250	-	-	118	1,753	1,720	33	1.93%
25,000	385	625	-	-	-	1,010	988	23	2.28%
8,000	385	200	-	-	-	585	570	15	2.70%

TARGETED RATE AREAS OF SERVICE

Water Supplies

Central Urban

Water is drawn from the Karamu-Takinga Springs and pumped via two pump stations (Matipo and Utuhina) to storage reservoirs. A further three booster stations (Pukehangi, Thomas Crescent and Tihiotonga) are used to service the supply area. The supply serves a population of 38,422 with an estimated 15,712 connections covering an area of 2,600 hectares. An average of 23,310m³ was used daily in 2003, with estimated peak day consumption of 36,300m³, which is supplied through 303km of pipe work. The supply is lightly chlorinated. Total reservoir capacity is 32,015m³.



Rotorua District Council Plan Number 10173 Sheet 2

Description of Area

An urban area encompassing the Ngongotaha, Rotorua City and Eastern Suburbs as shown on RDC Drawing No: 10173 Sheet 2. Refer also to District Plan Maps 7 – 43, 104, 105, 107, 108.

History

A water supply for the Rotorua Township was first established in 1887. Since then, a number of improvements and extensions have been made as the City has developed. A public supply was first established for Ngongotaha in 1924, and for the Eastern Suburbs in 1963.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Water Supply Area. The following stated minimum levels of service for flow and pressure are not achievable for every single connection at all times. Council's aim is that at least

95% of connections will meet these levels under normal demand.

Quantity

Flow	Domestic Connections – minimum 30 litres/ minute Commercial/Extraordinary – dependent on size of connection
Pressure Range	Minimum 30 metres pressure head Maximum 90 metres pressure head
Note:	Flow/Pressure figures are at point of supply.
Fire-fighting Water	95% of fire hydrants are to meet the NZ Fire Service Code of Practice for Firefighting Water Supplies.
Water Quality	2004 Public Health Grading - Central Zone Ba. - Eastern Zone Bd. - Ngongotaha Zone Ed.

Supply Funding

Costs and revenues for the Rotorua Urban Water Supply are combined with those of the Rotokawa Water Supply and Ngongotaha Rural Water Supply in one stand-alone self-funding account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Rotorua Urban Water Supply: (All including GST)

New Connections	\$90.00 admin fee – in addition to physical works cost by Contractor.
Disconnections	\$73.00 (temporary) \$253.12 (permanent)
Restoration	\$73.00
Residential Consumers:	
Fixed Annual Charge	\$138.00 – a fixed amount to unmetered connections.
Commercial/Industrial/Non-Residential:	
Metered Charge	\$0.60 per 1,000 litres as measured by meter with a minimum charge payable equivalent to a volume of 58,000 litres per quarter.
Serviceable Rating Unit:	
Annual Charge	\$69.00 – payable by each separately used or inhabited part of a rating unit which is unconnected but within the Water Supply area and within 100 metres of a Public Water main.

FUNDING

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation

Local Government Act 2002; Local Government (Rating) Act 2002, Health Act 1956, Water Supply Protection Regulations 1961, Rotorua District General Bylaw 1980, Schedule, Part 17.

RDC Files

87 09 020, 87 09 010, 87 09 011, 87 09 060, 87 06 010, 87 06 020,
87 06 030, 87 03 010, 87 03 020, 87 03 030, 87 03 040.

Council Minutes

Works Committee Rec. E 95/08/19 Resolved 26 September 1995
Works Committee Rec. E 89/04/16 Resolved 20 April 1989
Works Committee Rec. E 92/03/10 Resolved 7 April 1992

Eastern Area

A predominantly urban supply serving a population of 9,316 with 3,696 domestic and 317 industrial or commercial connections covering an area of 1,900 hectares. Water is drawn from springs in Whakarewarewa Forest and pumped to a high level storage reservoir in Tarawera Road, then gravitated to the main reservoir just above Highfield Place in Tarawera Road. The area served by the supply extends from the Puarenga Stream, north east along the lakeshore, to the airport, and south up to about the 335m contour level. An average of 3,963m³ was used daily in 2003, with a estimated peak day consumption of 7,660m³ which is supplied through 85km of pipework. Total reservoir capacity 7,270m³.

Ngongotaha

Originally a predominantly urban supply for the Ngongotaha Township but now with minor extensions, services some of the adjoining farmlands. The supply services a population of 4,348 with 1,876 domestic and 293 industrial/commercial connections covering an area of 1300 hectares. Water is drawn from the Taniwha Springs and pumped to reservoirs in Central Road and Henderson Road. An average of 2,330m³ was used daily in 2003 with a peak consumption of 4,309m³, which is supplied through 50km of pipework. Total reservoir capacity is 6,130m³.

Ngongotaha Rural



Rotorua District Council Plan Number 10175

Description of Area

A predominantly farming/lifestyle area surrounding the Ngongotaha township as shown on RDC Plan No: 10175 - 001. Refer also to District Plan Maps 6, 7, 8, 9, 10, 11, 12, 13, 104, 105.

History

This area was originally supplied with water by ad-hoc extensions to the previously – known Ngongotaha Water Supply. Consumers in the area were advised of the proposed formation of this area and proposed levels of service by letter in May 2000.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Water Supply Area.

Quantity

Flow	Minimum 1,500 litres per day
Pressure Range	Minimum 10 metres pressure head Maximum 90 metres pressure head
Note:	Flow/Pressure figures are at point of supply.
Fire-fighting Water	Although a number of fire hydrants are installed, there is no guarantee that these will meet the NZ Fire Service Code of Practice for Fire fighting Water Supplies.
Water Quality	2003 Public Health Grading – Ed Does not meet Drinking Water Standards of NZ as supply is not permanently chlorinated.

Supply Funding

Costs and revenues for the Ngongotaha Rural Water Supply are combined with those of the Rotorua Urban Water Supply and Rotokawa Water Supply in one stand-alone self-funding account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Ngongotaha Rural Water Supply: (All including GST)

New Connections	\$90.00 admin fee – in addition to physical works cost by Contractor.
Disconnections	\$73.00 (temporary) \$253.12 (permanent)
Restoration	\$73.00
Residential Consumers:	
Fixed Annual Charge	\$138.00 – a fixed amount to unmetered connections.
Commercial/Industrial/Non-Residential:	
Metered Charge	\$0.60 per 1,000 litres as measured by meter with a minimum charge payable equivalent to a volume of 58,000 litres per quarter.
Serviceable Rating Unit:	\$69.00 – payable by each separately used or inhabited part of a rating unit which is unconnected but within the Water Supply area and within 100 metres of a Public Water main.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

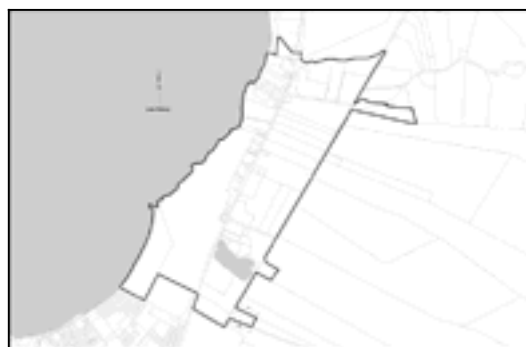
Legislation

Local Government Act 2002; Local Government (Rating) Act 2002, Health Act 1956, Water Supply Protection Regulations 1961, Rotorua District General Bylaw 1980, Schedule, Part 17.

RDC Files

87 09 060, 87 06 030, 87 03 030
Council Minutes
Works Committee Rec. E 95/08/19 Resolved 26 Sept. 1995
Works Committee Rec. E 89/04/16 Resolved 20 April 1989

Rotokawa



Rotorua District Council Plan Number WS 1053

Description of Area

A predominantly domestic/lifestyle area to the East of Lake Rotorua as shown on RDC Plan No: WS 1053. Included in this area are the Airport and the Eastgate Business Park. Water is supplied from the Eastern Zone of the Rotorua Urban Water supply. Refer also District Plan Maps 22, 44, 45, 46, 105.

History

This area was originally an extension of the previous Eastern Water Supply which occurred in 1963. All consumers in the area were advised of the proposed formation of this area and proposed levels of service by letter in May 2000.

Levels of Service

The following levels of service are those, which Council will endeavour to maintain within the Water Supply Area.

Quantity

Flow	There is no minimum flow standard – although consumers will normally receive some flow continuously during peak demand periods.
Pressure Range	Minimum 5 metres pressure head Maximum 90 metres pressure head
Note:	Flow/Pressure figures are at point of supply.
Fire-fighting Water	Although a number of fire hydrants are installed, there is no guarantee that these will meet the NZ Fire Service Code of Practice for Fire fighting Water Supplies.
Water Quality	2003 Public Health Grading – Ed Does not meet Drinking Water Standards of NZ as supply is not permanently chlorinated.

Supply Funding

Costs and revenues for the Rotokawa Water Supply are combined with those of the Rotorua Urban Water Supply and Ngongotaha Rural Water supply in one stand-alone self-funding account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Rotokawa Water Supply: (All including GST)

New Connections	\$90.00 admin fee – in addition to physical works cost by Contractor.
Disconnections	\$73.00 (temporary) \$253.12 (permanent)
Restoration	\$73.00
All Consumers:	
Metered Charge	\$0.60 per 1,000 litres as measured by meter with a minimum charge payable equivalent to a volume of 58,000 litres per quarter.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation

Local Government Act 2002; Local Government (Rating) Act 2002, Health Act 1956, Water Supply Protection Regulations 1961, Rotorua District General Bylaw 1980, Schedule, Part 17.

RDC Files

87 03 072, 87 09 010, 87 09 011, 87 06 020, 87 03 020

Council Minutes

Works Committee Rec. E 95/08/19 Resolved 26 Sept. 1995

Works Committee Rec. E 89/04/16 Resolved 20 April 1989

Mamaku

A predominantly residential supply serving 258 properties. Water is drawn from a deep bore, pumped to a storage reservoir in Mamaku Domain and fed into reticulation via a hydro-pneumatic booster station because of the flat terrain. An average of 225m³ was used daily in 2003, with a peak consumption of 329m³, which is supplied through 13km of pipework. The supply is lightly chlorinated. Total reservoir capacity is 225m³.



Rotorua District Council Plan Number WS 4020

Description of Area

A predominantly residential area covering the Mamaku Village as shown on RDC Plan No: WS4020. Refer also to District Plan maps 76, 77, 104.

History

First commissioned in 1987, and subsequently extended in 1997.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Water Supply Area.

Quantity

Flow	Domestic connections 20 litres per minute Commercial/Extraordinary – dependent on size of connection
Pressure Range	Minimum 20 metres pressure head Maximum 90 metres pressure head
Note:	Flow/Pressure figures are at point of supply.
Fire-fighting Water	95% of fire hydrants are to meet the NZ Fire Service Code of Practice for Fire Fighting Water Supplies
Water Quality	2003 Public Health Grading – Ca

Supply Funding

The Mamaku Water Supply is self-funding, with all costs and revenues identified in a separate stand-alone account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Mamaku Water Supply: (All including GST)

Capital Contribution:	\$1,157.63 per property payable on application for connection (this is adjusted annually for inflation using the cost of construction (CCI) index.
New Connections	\$90.00 admin fee – in addition to physical works cost by Contractor.
Disconnections	\$73.00 (temporary) \$253.12 (permanent)
Restoration	\$73.00
Fixed Water Charge	\$26.50 per quarter – payable by each serviced and metered separately used or inhabited part of a rating unit within the Water Supply Area.
Metered Water (in addition to fixed charge)	\$0.35 per 1,000 litres – measured by meter.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation

Local Government Act 2002; Local Government (Rating) Act 2002, Health Act 1956, Water Supply Protection Regulations 1961, Rotorua District General Bylaw 1980, Schedule, Part 17.

RDC Files

87 09 040, 87 02 030, 87 06 070.

Council Minutes

Works Committee Rec. E 95/08/19 Resolved 26 Sept. 1995
Works Committee Rec. E 89/04/16 Resolved 20 April 1989
Works Committee Rec. E 96/04/10 Resolved 22 April 1996

Rotoiti

A predominantly residential supply servicing 332 properties. Water is drawn from the Wai-iti Springs and pumped directly into reticulation to storage reservoirs at Gisborne Point and Hinehopu. An average of 284m³ was used daily in 2003, with a peak consumption of 461m³, which is supplied through 14km of pipework. The supply is lightly chlorinated. Total reservoir capacity is 308m³.



Rotorua District Council Plan Number WS 6013

Description of Area

A predominantly residential area on the Southern shores of Lake Rotoiti as shown on RDC Plan No: WS 6013. Refer also to District Plan maps 64, 65, 66, 67, 68, 106.

History

The supply was established in 1976.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Water Supply Area.

Quantity

Flow	Residential minimum – 20 litres per minute Commercial/Extraordinary – dependent on size
Pressure Range	Minimum 20 metres pressure head Maximum 90 metres pressure head
Note:	Flow/Pressure figures are at point of supply.
Fire-fighting Water	Although a number of fire hydrants are installed, there is no guarantee that these will meet the NZ Fire Service Code of Practice for Fire fighting Water Supplies.
Water Quality	2003 Public Health Grading – Bd

Supply Funding

The Rotoiti Water Supply is self-funding, with all costs and revenues identified in a separate stand-alone account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Rotoiti Water Supply: (All including GST)

New Connections	\$90.00 admin fee – in addition to physical works cost by Contractor.
Disconnections	\$73.00 (temporary) \$253.12 (permanent)
Restoration	\$73.00
Fixed Water Charge	\$21.00 per quarter – payable by each serviced and metered separately used or inhabited part of a rating unit within the Water Supply Area.
Metered Water Charge (in addition to fixed charge)	\$0.28 per 1,000 litres – measured by meter.
Serviceable Rating Unit Charge:	\$10.50 per quarter – payable by each separately used or inhabited part of a rating unit which is unconnected but within the Water Supply area and within 100 metres of a Public Water main.

Financial/Technical

Key documents ensuring sound management of the Water Supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation

Local Government Act 2002; Local Government (Rating) Act 2002, Health Act 1956, Water Supply Protection Regulations 1961, Rotorua District General Bylaw 1980, Schedule, Part 17.

RDC Files

87 09 080, 87 05 010, 87 02 050, 87 06 050.

Council Minutes

Works Committee Rec. E 95/08/19 Resolved 26 Sept. 1995

Works Committee Rec. E 89/04/16 Resolved 20 April 1989

Rotoma

A predominantly residential supply serving 129 properties. Water is drawn from Lake Rotoma and pumped to a storage reservoir in Oxford Road. An average of 71m³ was used daily in 2003, with a peak consumption of 129m³, which is supplied through 7km of pipework. The supply is lightly chlorinated. Total reservoir capacity is 220m³.



Rotorua District Council Plan Number WS 6514

Description of Area

A predominantly residential area on the Southern shores of Lake Rotoma as shown on RDC Plan No: WS6514. Refer also to District Plan maps 71, 72, 73, 106.

History

The supply was established in 1983.

Levels of Service

The following levels of service are those, which Council will endeavour to maintain within the Water Supply Area.

Quantity

Flow	Domestic connections 20 litres per minute Commercial/Extraordinary – dependent on size of connection
Pressure Range	Minimum 20 metres pressure head Maximum 90 metres pressure head
Note:	Flow/Pressure figures are at point of supply.
Fire-fighting Water	Although a number of fire hydrants are installed, there is no guarantee that these will meet the NZ Fire Service Code of Practice for Fire fighting Water Supplies.
Water Quality	2003 Public Health Grading – Ca

Supply Funding

The Rotoma Water Supply is self-funding, with all costs and revenues identified in a separate stand-alone account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Rotoma Water Supply: (All including GST)

New Connections	\$90.00 admin fee – in addition to physical works cost by Contractor.
Disconnections	\$73.00 (temporary) \$253.12 (permanent)
Restoration	\$73.00
Fixed Water Charge	\$58.00 per quarter – payable by each serviced and metered separately used or inhabited part of a rating unit within the Water Supply Area.
Metered Water Charge (in addition to fixed charge)	\$0.72 per 1,000 litres – measured by meter.
Serviceable Rating Unit Charge:	\$29.00 per quarter – payable by each separately used or inhabited part of a rating unit which is unconnected but within the Water Supply area and within 100 metres of a Public Water main.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation

Local Government Act 2002; Local Government (Rating) Act 2002, Health Act 1956, Water Supply Protection Regulations 1961, Rotorua District General Bylaw 1980, Schedule, Part 17.

RDC Files

87 09 090, 87 02 020, 87 06 050

Council Minutes

Works Committee Rec. E 95/08/19 Resolved 26 Sept. 1995

Works Committee Rec. E 89/04/16 Resolved 20 April 1989

Kaharoa

A predominantly rural supply serving 281 properties supplying 7,500 hectares of farmland. Water is drawn from Hamurana Springs and pumped to a storage reservoir in Te Waerenga Road and fed on via a booster station in Tauranga Direct Road to a reservoir in Roy Road from where it is further boosted to consumers on Lagoon Road. An average of 1,023m³ was used daily in 2003, with a peak consumption of

1,585m³, which is supplied through 57km of pipework. Total reservoir capacity is 1,218m³.



Rotorua District Council Plan Number WS 3529 Sheet 2

Description of Area

A predominantly farming and lifestyle area to the West of Lake Rotorua on the Mamaku Plateau incorporating the Kaharoa locality as shown on Rotorua District Council's Drawing No: WS 3529 Sheet 2. Refer also District Planning Maps 5, 6, 101, 102, 104, 105.

History

First commissioned as a Council supply in 1980. Subject to two extensions of area in 1984 and 1988.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Water Supply Area.

The quantity levels of service were originally set by the community at the time of construction through the Kaharoa Water Supply Liaison Committee. The source, pumps and network were designed to supply a steady flow to each property over 24 hours with each property requiring its own on-site storage and, if necessary, pumping equipment.

The flow for each property is calculated from a daily allocation based on land area and land use (dairy or sheep/beef). The allocation is enforced by the use of a flow restrictor at each connection point.

Quantity

Flow	Dairy – 450 litres/hectare/day Sheep/Beef – 250 litres/hectare/day
The minimum allocation for small lots is 1,500 litres per day.	
Pressure Range	No minimum (enough to provide flow) Maximum 90 metres pressure head
Note:	Flow/Pressure figures are at point of supply.
Fire-fighting Water	No public fire fighting water supply is provided for.

Water Quality	2003 Public Health Grading – Dd Does not meet Drinking Water Standards of NZ as supply is not permanently chlorinated.
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The water quantity levels of service were confirmed by a review in February 1999, and advised in writing to all property owners within the scheme in October 1999.

Supply Funding

The Kaharoa Water supply is self-funding with all costs and revenues identified in a separate stand-alone account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Kaharoa Water Supply: (All including GST)

Capital Contribution:	A capital contribution is payable per property on connection to the scheme. This is calculated based on land area, farming type, and zone within the scheme.
New Connections	\$90.00 admin fee – in addition to physical works cost by contractor.
Disconnections	\$73.00 (temporary) \$253.12 (permanent)
Restoration	\$73.00
Fixed Water Charge	\$72.00 per quarter – payable by each serviced and metered separately used or inhabited part of a rating unit within the Water Supply Area.
Metered Water Charge (in addition to fixed charge)	\$0.24 per 1,000 litres – measured by meter.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation

Local Government Act 2002; Local Government (Rating) Act 2002, Health Act 1956, Water Supply Protection Regulations 1961, Rotorua District General Bylaw 1980, Schedule, Part 17.

RDC Files

87 09 030, 87 02 010, 87 06 060

Council Minutes

Resolution Council Meeting May/June 1999
Works Committee Rec. E 95/08/19 Resolved 26 September 1995

Works Committee Rec. E 89/04/16 Resolved 20 April 1989
Works Committee Rec. E 89/08/35 Resolved 21 August 1989
Works Committee Rec. E 97/06/19 Resolved 3 June 1997
Works Committee Rec. E 98/04/08 Resolved 14 April 1998

Reports

"A study of Kaharoa Water Supply System" RDC May 1996
"Kaharoa Water Supply Scheme Network Analysis" RDC Feb. 1999

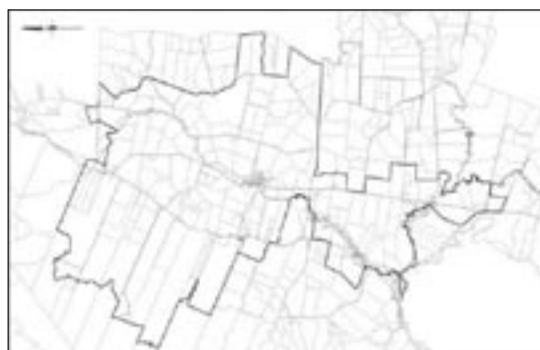
Reporoa/Mihi (combined in 2003)

Reporoa

A predominantly rural supply serving 327 properties supplying 5,700 hectares of farmland. Water is gravity fed from springs located approximately 8.5km NW of Reporoa township and fed on via a booster station in Broadlands Road to Broadlands and Golden Springs. An average of 4,826m³ was used daily in 2003, with a peak consumption of 8,474m³, which is supplied through 53km of pipework. Largest Consumer: Fonterra Co-operative Group Ltd factory 2,190m³ average, 4,688m³ peak. The supply is lightly chlorinated. There is no reservoir capacity.

Mihi

A predominantly rural supply serving 31 properties supplying 1,100 hectares of farmland. Water is drawn from Mihi Springs and pumped directly into reticulation to a storage reservoir in Strathmore Road and fed on via booster stations in Strathmore Road and Sangro Road to consumers. An average of 384m³ was used daily in 2003, with a peak consumption of 628m³, which is supplied through 14km of pipework. Total reservoir capacity is 403m³.



Rotorua District Council Plan Number 10174

Description of Area

A predominantly farming area which incorporates the Reporoa Village and includes the Reporoa Dairy Factory as shown on RDC Plan 10174 - 001. Refer also to District Plan maps 88, 89, 90, 114, 117.

History

This supply is an amalgamation of the former Reporoa Water Supply (established 1968) and the former Mihi Water Supply (established 1953). These were amalgamated in 1997.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Water Supply Area.

Quantity

Differing quantity levels of service are set for Farming, Residential and Dairy Factory consumers. The sources, pumps and network are designed to supply a steady flow to each farm over 16 hours with each farm requiring its own on-site storage and if necessary, pumping equipment. The flow for each property is calculated from a daily allocation based on farm area. The allocation is enforced by the use of a flow restrictor at each connection point. The Dairy Factory has one connection supplying a steady flow, plus an extra allocation during night hours which it stores in its own reservoirs for use during the day. Residential users receive an unrestricted 24 hour flow.

Flow	Residential minimum – 20 litres per minute Farming – 505 litres/hectare/day Factory – 3600 cubic metres/day
Pressure Range	Minimum 15 metres pressure head Maximum 90 metres pressure head
Note:	Flow/Pressure figures are at point of supply.
Fire-fighting Water	Although a number of fire hydrants are installed, there is no guarantee that these will meet the NZ Fire Service Code of Practice for Fire fighting Water Supplies.
Water Quality	2003 Public Health Grading - Reporoa Zone Db - Mihi Zone Db

Supply Funding

The Reporoa Water Supply is self-funding, with all costs and revenues identified in a separate stand-alone account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Reporoa Water Supply: (All including GST)

New Connections	\$90.00 admin fee – in addition to physical works cost by Contractor.
Disconnections	\$73.00 (temporary) \$253.12 (permanent)
Restoration	\$73.00
Domestic and Non-Farming:	
Metered Charge	\$0.31 per 1,000 litres
Minimum Charge	\$26.00 per quarter
Farming and Factory:	
Metered Charge	\$0.17 per 1,000 litres
Minimum Charge	\$35.00 per quarter

Financial/Technical Planning

Key documents ensuring sound management of the water supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation

Local Government Act 2002; Local Government (Rating) Act 2002, Health Act 1956, Water Supply Protection Regulations 1961, Rotorua District General Bylaw 1980, Schedule, Part 17.
RDC Files 87 09 050, 87 09 070, 87 02 120, 87 02 060, 87 02 040, 87 06 090, 87 06 080.

Council Minutes

Works Committee Rec. E 95/08/19 Resolved 26 Sept. 1995
Works Committee Rec. E 89/04/16 Resolved 20 April 1989
Works Committee Rec. E 90/05/36 Resolved 15 May 1990.

Hamurana

A predominantly urban supply serving 292 properties includes a number of lifestyle and farm blocks. Water is drawn from the Hamurana Springs and pumped to a storage reservoir in Turner Road and fed on via gravity to the Unsworth Road reservoir. An average of 310m³ was used daily in 2003, with a peak consumption of 652m³, which is supplied through 20km of pipework. Total reservoir capacity is 700m³.



Rotorua District Council Plan Number WS 3024

Description of Area

A predominantly residential lifestyle and farming area on the Northwestern side of Lake Rotorua as shown on RDC Plan No: WS3024 - 001. Refer also to District Plan maps. 2,3,4,5,6,105.

History

Commissioned in 1992.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Water Supply Area.

Quantity

Flow	Residential minimum – 20 litres per minute Commercial/Extraordinary – dependent on size of connection
Pressure Range	Minimum 15 metres pressure head Maximum 90 metres pressure head
Note:	Flow/Pressure figures are at point of supply.
Fire-fighting Water	Although a number of fire hydrants are installed, there is no guarantee that these will meet the NZ Fire Service Code of Practice for Fire fighting Water Supplies.
Water Quality	2003 Public Health Grading – Dd Does not meet Drinking Water Standards of NZ as supply is not permanently chlorinated.

Supply Funding

The Hamurana Water Supply is self-funding, with all costs and revenues identified in a separate stand-alone account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Hamurana Water Supply: (All including GST)

New Connections	\$90.00 admin fee – in addition to physical works cost by contractor.
Disconnections	\$73.00 (temporary) \$253.12 (permanent)
Restoration	\$73.00
Fixed Water Charge	\$19.00 per quarter – payable by each serviced and metered separately used or inhabited part of a rating unit within the Water Supply Area.
Metered Water Charge (in addition to fixed charge)	\$0.21 per 1,000 litres – measured by meter.
Serviceable Rating Unit Charge:	\$9.50 per quarter – payable by each separately used or inhabited part of a rating unit which is unconnected but within the Water Supply area and within 100 metres of a Public Water main.
Scheme Rate:	0.116 cents per dollar of land value – a targeted rate on the basis of land value for each rating unit within the Hamurana Water Supply Area where the ratepayer did not elect to make a lump sum contribution towards the construction of the Water Supply Scheme.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation

Local Government Act 2002; Local Government (Rating) Act 2002, Health Act 1956, Water Supply Protection Regulations 1961, Rotorua District General Bylaw 1980, Schedule, Part 17.

RDC Files

87 05 092, 87 05 090, 87 02 180, 87 06 201.

Council Minutes

Works Committee Rec. E 95/08/19 Resolved 26 Sept. 1995
Works Committee Rec. E 89/04/16 Resolved 20 April 1989
Works Committee Rec. E 91/09/036 Resolved 11 Sept. 1991.

Okareka

A predominantly residential supply serving 255 properties. Water is taken from the Eastern No.1 reservoir (Waipa Spring source) and pumped to a storage reservoir in Okareka Loop Road near Lake Tikitapu (Blue Lake). An average of 147m³ was used daily in 2003, with a peak consumption of 335m³, which is supplied through 12km of pipework. Total reservoir capacity is 600m³.



Rotorua District Council Plan Number WS 5024

Description of Area

A residential area on the shores of Lake Okareka as shown on RDC Plan No: WS5024 - 001. Refer also District Plan Maps 78, 108.

History

The supply was commissioned in 1994.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Water Supply Area.

Quantity

Flow	Residential minimum – 20 litres per minute Commercial/Extraordinary – dependent on size of connection
Pressure Range	Minimum 20 metres pressure head Maximum 90 metres pressure head
Note:	Flow/Pressure figures are at point of supply.
Fire-fighting Water	Although a number of fire hydrants are installed, there is no guarantee that these will meet the NZ Fire Service Code of Practice for Fire fighting Water Supplies.
Water Quality	2003 Public Health Grading – Bb Does not meet Drinking Water Standards of NZ as supply is not permanently chlorinated.

Supply Funding

The Okareka Water Supply is self-funding, with all costs and revenues identified in a separate stand-alone account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Okareka Water Supply: (All including GST)

New Connections	\$90.00 admin fee – in addition to physical works cost by contractor.
Disconnections	\$73.00 (temporary) \$253.12 (permanent)
Restoration	\$73.00
Fixed Water Charge	\$17.00 per quarter – payable by each serviced and metered separately used or inhabited part of a rating unit within the Water Supply Area.
Metered Water Charge (in addition to fixed charge)	\$0.22 per 1,000 litres – measured by meter.
Serviceable Rating Unit Charge:	\$8.50 per quarter – payable by each separately used or inhabited part of a rating unit which is unconnected but within the Water Supply area and within 100 metres of a Public Water main.
Scheme Charge:	\$145.60 per annum – a targeted rate on a uniform basis for each rating unit within the Okareka Water Supply Area where the ratepayer did not elect to make a lump sum contribution towards the construction of the scheme.

Financial/Technical Planning

Key documents ensuring sound management of the water supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation

Local Government Act 2002; Local Government (Rating) Act 2002, Health Act 1956, Water Supply Protection Regulations 1961, Rotorua District General Bylaw 1980, Schedule, Part 17.

RDC Files

87 09 200, 87 05 080, 87 02 200, 87 06 200.

Council Minutes

Works Committee Rec. E 95/08/19 Resolved 26 Sept. 1995
Works Committee Rec. E 89/04/16 Resolved 20 April 1989
Works Committee Rec. E 89/08/37 Resolved 21 August 1989



Waste Water Services

Rotorua Urban

Approximately 20,000 lateral pipes connect drains at the property boundary to a network of 370km of pipes. These pipes and 53 pump stations convey the wastewater to the Treatment Plant.



Rotorua District Council Plan Number 10192

Description of Area

The Urban area of Rotorua City, including the Eastern Suburbs and Ngongotaha areas, as shown on RDC Plan No 10192. Refer also to District Plan Maps 7 – 43, 104, 105, 107 & 108.

History

Parts of Rotorua City have been served by a public sewerage system since 1892. This has been extended a number of times since then. Following the construction of the first Wastewater Treatment Plant, full reticulation was extended to all of the city, plus Eastern Suburbs and Ngongotaha in 1980.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the sewer system in a state that will enable domestic type sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes. The principles of this are as outlined below.

Capital Works

The proposed new schemes to the east of Rotorua City (Eastern Area, Mourea, Okawa Bay, Okere, Otaramarae) will share the cost of the Rotorua Waste Water Treatment Plant upgrade (capacity component) on a 50/50 basis with the Rotorua Urban Scheme. Other funding sources for the capital costs of these schemes are: Ministry of Health Grants, Environment BOP Grants, and a total of \$2.0 million from General Rates. The remainder of costs will be recovered from ratepayers within each scheme area.

Operating Expenditure

Operating costs incurred in all sewerage schemes discharging to the Urban Waste Water Treatment Plant will be combined in the Rotorua Basin Waste Water Account from 2005/06. These schemes are Rotorua Urban, Eastern Area, Mourea, Okawa Bay, Okere/Otaramarae and Hamurana. Other scheme operation costs will need specific consideration once more details of the capital and operating costs are known.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Rotorua Urban Wastewater Service Area:

(All including GST)

New Connections	\$63.00 administration fee
Disconnections	\$120.00 permanent
Residential:	Annual Charge - \$266.00
Commercial/	1-4 Pans/Urinals (per pan) - \$266.00
Industrial:	5-10 Pans/Urinals (per pan) - \$226.10
	11+ Pans/Urinals (per pan) - \$212.80
Availability:	Annual Charge - \$133.00
	Payable by properties unconnected but situated within the Wastewater Service Area and within 50 metres of a public sewer main.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Business Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956. (Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Rotokawa Area Sewerage Scheme



Rotorua District Council Plan Number 10450

Description of Area

A rural area to the east of Rotorua City, generally from the Airport to the SH 30/SH 33 intersection as shown on RDC Plan No.10450, Sheet 11. Refer also to District Plan Maps 44-51.

History

In response to concern over the health of Rotorua’s lakes and the effect of lakeside settlements, Council in 2004 is commencing the establishment of rural sewerage schemes to remove effluent input into the lakes.

Approval has been given to commence design development and construction of four new areas, known as Mourea, Okawa Bay, Brunswick and Rotokawa

Sewerage Areas. Investigation is being undertaken into treatment options for Okere and Otaramarae Sewerage Areas, and funding has been earmarked for proposed Okareka, Tarawera, Gisborne Point/Hinehopu and Hamurana Sewerage Areas.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the sewer system in a state that will enable domestic type sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes. The principles of this are as outlined below.

Capital Works

The capital costs of the proposed schemes to the east of the city which will be connected to the Urban Waste Water Treatment Plant (Mourea, Okawa Bay, Brunswick and Rotokawa) will be subsidised 50% by the Ministry of Health. The remainder of costs will be funded by a combination of Environment BOP, grants, commercial users contributions, Rotorua District Council general rates, and individual ratepayers’ contributions. Funding sources and proportions for the other proposed schemes is still under consideration.

These amounts for the Rotokawa area scheme area as shown below:

Total Scheme Cost	\$1,872,420
Ministry of Health	- 936,210
Environment BOP	- 336, 994
RDC General	- 199,500
Cost to be recovered from Ratepayers	\$399,716

FUNDING

Operating Expenditure

Operating costs incurred in all sewerage schemes discharging to the Urban Waste Water Treatment Plant will be combined in the Rotorua Basin Waste Water Account from 2005/06. These schemes are Rotorua Urban, Mourea, Okawa Bay, Brunswick and Rotokawa. Other scheme operation costs will need specific consideration once more details of the capital and operating costs are known.

Rates and Charges

Currently the subject of separate consultation.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.
(Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Brunswick Area Sewerage Scheme



Rotorua District Council Plan Number 10450

Description of Area

A rural area to the east of Rotorua City, generally from the junction of SH 30 and SH 33 to Banksia Place as shown on RDC Plan No.10450, Sheet 12. Refer also to District Plan Maps 44-51.

History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 is commencing the establishment of rural sewerage schemes to remove effluent input into the lakes.

Approval has been given to commence design development and construction of four new areas, known as Mourea, Okawa Bay, Brunswick and Rotokawa Sewerage Areas. Investigation is being undertaken into treatment options for Okere and Otaramarae Sewerage Areas, and funding has been earmarked for proposed Okareka, Tarawera, Gisborne Point/Hinehopu and Hamurana Sewerage Areas.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the

sewer system in a state that will enable domestic type sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes. The principles of this are as outlined below.

Capital Works

The capital costs of the proposed schemes to the east of the city which will be connected to the Urban Waste Water Treatment Plant (Mourea, Okawa Bay, Brunswick and Rotokawa) will be subsidised 50% by the Ministry of Health. The remainder of costs will be funded by a combination of Environment BOP, grants, commercial users contributions, Rotorua District Council general rates, and individual ratepayers' contributions. Funding sources and proportions for the other proposed schemes is still under consideration.

These amounts for the Brunswick area scheme area as shown below:

Total Scheme Cost	\$2,909,289
Ministry of Health	- 1,454,645
Environment BOP	-
RDC General	- 316,500
Cost to be recovered from Ratepayers	\$1,138,144

Operating Expenditure

Operating costs incurred in all sewerage schemes discharging to the Urban Waste Water Treatment Plant will be combined in the Rotorua Basin Waste Water Account from 2005/06. These schemes are Rotorua Urban, Mourea, Okawa Bay, Brunswick and Rotokawa. Other scheme operation costs will need specific consideration once more details of the capital and operating costs are known.

Rates and Charges

Currently the subject of separate consultation.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956. (Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Mourea Sewerage Scheme



Rotorua District Council Plan Number 10450

Description of Area

An area enclosing the lakeside community of Mourea, as shown on RDC Plan No.10450, Sheet 14. Refer also to District Plan Maps 51 and 54.

FUNDING

History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 is commencing the establishment of rural sewerage schemes to remove effluent input into the lakes.

Approval has been given to commence design development and construction of four new areas, known as Mourea, Okawa Bay, Brunswick and Rotokawa Sewerage Areas. Investigation is being undertaken into treatment options for Okere and Otaramarae Sewerage Areas, and funding has been earmarked for proposed Okareka, Tarawera, Gisborne Point/Hinehopu and Hamurana Sewerage Areas.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the sewer system in a state that will enable domestic type sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes. The principles of this are as outlined below.

Capital Works

The capital costs of the proposed schemes to the east of the city which will be connected to the Urban Waste Water Treatment Plant (Mourea, Okawa Bay, Brunswick and Rotokawa) will be subsidised 50% by the Ministry of Health. The remainder of costs will be funded by a combination of Environment BOP, grants, commercial users contributions, Rotorua District Council general rates, and individual ratepayers' contributions. Funding sources and proportions for the other proposed schemes is still under consideration.

These amounts for the Mourea scheme area as shown below:

Total Scheme Cost	\$4,785,073
Ministry of Health	- 2,392,536
Environment BOP	- 1,110,828
RDC General	- 426,000
Cost to be recovered from Ratepayers	\$855,708

Operating Expenditure

Operating costs incurred in all sewerage schemes discharging to the Urban Waste Water Treatment Plant will be combined in the Rotorua Basin Waste Water Account from 2005/06. These schemes are Rotorua Urban, Mourea, Okawa Bay, Brunswick and Rotokawa. Other scheme operation costs will need specific consideration once more details of the capital and operating costs are known.

Rates and Charges

Currently the subject of separate consultation.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.
(Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Okawa Bay Sewerage Scheme



Rotorua District Council Plan Number 10450

Description of Area

An area enclosing the lakeside community of Okawa Bay, as shown on RDC Plan No.10450, Sheet 13. Refer also to District Plan Maps 51 and 54.

History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 is commencing the establishment of rural sewerage schemes to remove effluent input into the lakes.

Approval has been given to commence design development and construction of four new areas, known as Mourea, Okawa Bay, Brunswick and Rotokawa Sewerage Areas. Investigation is being undertaken into treatment options for Okere and Otaramarae Sewerage Areas, and funding has been earmarked for proposed Okareka, Tarawera, Gisborne Point/Hinehopu and Hamurana Sewerage Areas.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the sewer system in a state that will enable domestic type

sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes. The principles of this are as outlined below.

Capital Works

The capital costs of the proposed schemes to the east of the city which will be connected to the Urban Waste Water Treatment Plant (Mourea, Okawa Bay, Brunswick and Rotokawa) will be subsidised 50% by the Ministry of Health. The remainder of costs will be funded by a combination of Environment BOP, grants, commercial users contributions, Rotorua District Council general rates, and individual ratepayers' contributions. Funding sources and proportions for the other proposed schemes is still under consideration.

These amounts for the Okawa Bay scheme area as shown below:

Total Scheme Cost	\$892,517
Ministry of Health	- 446,259
Commercial Capital Contribution	- 44,097
RDC General	- 79,500
Cost to be recovered from Ratepayers	\$322,661

Operating Expenditure

Operating costs incurred in all sewerage schemes discharging to the Urban Waste Water Treatment Plant will be combined in the Rotorua Basin Waste Water Account from 2005/06. These schemes are Rotorua Urban, Mourea, Okawa Bay, Rotokawa and Brunswick. Other scheme operation costs will need specific consideration once more details of the capital and operating costs are known.

Rates and Charges

Currently the subject of separate consultation.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.
(Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Okere Sewerage Scheme



Rotorua District Council Plan Number 10450

Description of Area

An area on the shore of Lake Rotoiti from Mourea northwards, including Okere and the Te Akau Road area, as shown on RDC Plan No.10450, Sheet 16. Refer also District Plan Maps 54, 55, 57 and 59.

History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 is commencing the establishment of rural sewerage schemes to remove effluent input into the lakes.

Approval has been given to commence design development and construction of four new areas, known as Mourea, Okawa Bay, Brunswick and Rotokawa Sewerage Areas. Investigation is being undertaken into treatment options for Okere and Otaramarae Sewerage Areas, and funding has been earmarked for proposed Okareka, Tarawera, Gisborne Point/Hinehopu and Hamurana Sewerage Areas.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the sewer system in a state that will enable domestic type sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes.

Capital Works

The capital costs of the proposed schemes to the east of the city which will be connected to the Urban Waste Water Treatment Plant (Mourea, Okawa Bay, Brunswick and Rotokawa) will be subsidised 50% by the Ministry of Health. The remainder of costs will be funded by a combination of Environment BOP, grants, commercial users contributions, Rotorua District Council general rates, and individual ratepayers' contributions. Funding sources and proportions for the other proposed schemes is still under consideration.

Operating Expenditure

Operating costs incurred in all sewerage schemes discharging to the Urban Waste Water Treatment Plant will be combined in the Rotorua Basin Waste Water Account from 2005/06. These schemes are Rotorua Urban, , Mourea, Okawa Bay, Rotokawa and Brunswick. Other scheme operation costs will need specific consideration once more details of the capital and operating costs are known.

Rates and Charges

Currently the subject of separate consultation.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.
(Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Otaramarae Sewerage Scheme



Rotorua District Council Plan Number 10450

Description of Area

An area on the shore of Lake Rotoiti as shown on RDC Plan No.10450, Sheet 16a. Refer also District Plan Maps 54, 55, 57 and 59.

History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 is commencing the establishment of rural sewerage schemes to remove effluent input into the lakes.

Approval has been given to commence design development and construction of four new areas, known as Mourea, Okawa Bay, Brunswick and Rotokawa Sewerage Areas. Investigation is being undertaken into treatment options for Okere and Otaramarae Sewerage Areas, and funding has been earmarked for proposed Okareka, Tarawera, Gisborne Point/Hinehopu and Hamurana Sewerage Areas.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the sewer system in a state that will enable domestic type sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes.

Capital Works

The capital costs of the proposed schemes to the east of the city which will be connected to the Urban Waste Water Treatment Plant (Mourea, Okawa Bay, Brunswick and Rotokawa) will be subsidised 50% by the Ministry of Health. The remainder of costs will be funded by a combination of Environment BOP, grants, commercial users contributions, Rotorua District Council general rates, and individual ratepayers' contributions. Funding sources and proportions for the other proposed schemes is still under consideration.

Operating Expenditure

Operating costs incurred in all sewerage schemes discharging to the Urban Waste Water Treatment Plant

will be combined in the Rotorua Basin Waste Water Account from 2005/06. These schemes are Rotorua Urban, Mourea, Okawa Bay, Rotokawa and Brunswick. Other scheme operation costs will need specific consideration once more details of the capital and operating costs are known.

Rates and Charges

Currently the subject of separate consultation.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.
(Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Okareka Sewerage Scheme



Rotorua District Council Plan Number 10407-001

Description of Area

An area on the shore of Lake Okareka consisting of the Okareka residential community as shown on RDC Plan No.10407-001. Refer also District Plan Map 78.

History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 is considering the establishment of rural sewerage schemes to remove effluent input into the lakes.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the sewer system in a state that will enable domestic type sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes. The principles of this are as outlined below. The proposed rural sewerage schemes with treatment and disposal independent of the existing Rotorua Waste Water Treatment Plant (Okareka, Tarawera, Gisborne Point/Hinehopu) will be principally funded from ratepayers within each scheme area via targeted rates (both capital and operating). Other funding sources for the capital costs of these schemes are: Ministry of Health Grants and Environment BOP Grants.

Rates and Charges

To be the subject of separate consultation.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.
(Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Tarawera Sewerage Scheme



Rotorua District Council Plan Number 10407-005

Description of Area

An area on the western shore of Lake Tarawera comprising the current residential development as shown on RDC Plan No.10407-005. Refer also to District Plan Maps 79-82.

History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 is considering the establishment of rural sewerage schemes to remove effluent input into the lakes.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the sewer system in a state that will enable domestic type sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes. The principles of this are as outlined below. The proposed rural sewerage schemes with treatment and disposal independent of the existing Rotorua Waste

Water Treatment Plant (Okareka, Tarawera, Gisborne Point/Hinehopu) will be principally funded from ratepayers within each scheme area via targeted rates (both capital and operating). Other funding sources for the capital costs of these schemes are: Ministry of Health Grants and Environment BOP Grants.

Rates and Charges

To be the subject of separate consultation.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

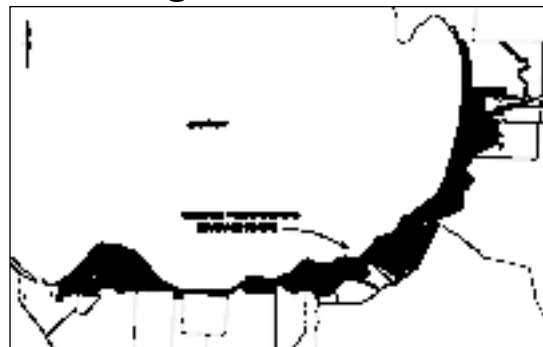
Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.
(Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Gisborne Point/Hinehopu Sewerage Scheme



Rotorua District Council Plan Number 10407-003

Description of Area

An area on the eastern shore of Lake Rotoiti from Gisborne Point to Hinehopu, as shown on RDC Plan No.10407-003. Refer also to District Plan Maps 65-68.

History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 is considering the establishment of rural sewerage schemes to remove effluent input into the lakes.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the sewer system in a state that will enable domestic type sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes. The principles of this are as outlined below. The proposed rural sewerage schemes with treatment and disposal independent of the existing Rotorua Waste Water Treatment Plant (Okareka, Tarawera, Gisborne Point/Hinehopu) will be principally funded from ratepayers within each scheme area via targeted rates (both capital and operating). Other funding sources for the capital costs of these schemes are: Ministry of Health Grants and Environment BOP Grants.

Rates and Charges

To be the subject of separate consultation.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.
(Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Hamurana Sewerage Scheme



Rotorua District Council Plan Number 10407-004

Description of Area

An area on the northern shore of Lake Rotorua encompassing the Hamurana residential area as shown on RDC Plan No.10407-004. Refer also to District Plan Maps 4, 6 and 7.

History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 is considering the establishment of rural sewerage schemes to remove effluent input into the lakes.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Wastewater Service Area. Every serviceable property is entitled to a single 100 mm diameter wastewater connection to the boundary of the property. Council will maintain the sewer system in a state that will enable domestic type sewage to be carried away and treated by the system without blockages.

Note: Serviceable properties are those properties with some part within 50 metres of a public sewer main. These properties, if not connected to the public sewer, are required to pay an availability charge.

Effluent Quality

Council will treat all sewage discharged into its system in accordance with its Resource Consents.

Funding

The Rotorua Urban Waste Water Scheme has historically been self-funding, with all costs and revenues identified in a separate stand-alone account. Council is currently proposing a new funding policy to take into account proposed rural waste water schemes. The principles of this are as outlined below.

Capital Works

The proposed new sewerage scheme at Hamurana will be principally funded from ratepayers within the scheme area by targeted rate. Other funding sources for the capital costs of these schemes are: Ministry of Health Grants and Environment BOP Grants.

Operating Expenditure

Operating costs incurred in all sewerage schemes discharging to the Urban Waste Water Treatment Plant will be combined in the Rotorua Basin Waste Water Account from 2005/06. These schemes are Rotorua Urban, Eastern Area, Mourea, Okawa Bay, Okere/Otaramarae and Hamurana. Other scheme operation costs will need specific consideration once more details of the capital and operating costs are known.

Rates and Charges

To be the subject of separate consultation.

Financial/Technical Planning

Key documents ensuring sound management of the Water Supply are the Annual Plan and the Asset Management Plan, which is available from the Engineering Department of Council.

Related Documents:

Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956. (Proposed) Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

RDC Files:

85 08 010, 85 08 130

Refuse Collection Areas

Rotorua Urban Refuse Collection Area



Rotorua District Council Drawing Number 10196-002

Description of Area

The Urban area of Rotorua City, including the Eastern and Ngongotaha areas, as shown on RDC Plan No.10196 - 002. Refer also to District Plan Maps 6 – 46, 104, 105, 107 and 108.

Levels of Service

The following levels of service are those which Council will endeavour to maintain within the Urban Refuse collection area.

Refuse Containers:	Every property will receive twice yearly, a delivery of 26 "official" Council rubbish bags. Properties within the area defined as "CBD" receive 52 bags twice yearly. Additional "official" bags may be purchased from various outlets.
Refuse Collection:	A once-weekly collection of "official" bags only will be made from the road frontage of each serviced property. A twice-weekly collection is made in the CBD. Collection will be made on advertised days prior to 4.30pm.

FUNDING

Supply Funding

The Rotorua Refuse Collection System is self-funding, with costs and revenues for both Urban and Rural collections identified separately within a single stand-alone refuse account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Rotorua Urban Refuse Collection: (All including GST)

Targeted Rate for Refuse Collection:

Urban	\$ 56.60 per annum.
Urban CBD	\$113.20 per annum.

Related Documents

Legislation

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.

Rotorua Rural Refuse Collection Area



Rotorua District Council Drawing Number 10196-001

Description of Area

Various rural areas within the Rotorua District with frontages to roads upon which refuse collection is carried out as shown on RDC plan no. 10196 – 001. Refer also to District Plan maps 101, 102, 104, 105, 106, 108, 111, 114 and 117.

Levels of Service

The following levels of service are those, which Council will endeavour to maintain within the Urban Refuse collection area.

Refuse Containers:	Every property will receive twice yearly, a delivery of 26 "official" Council rubbish bags. Additional "official" bags may be purchased from various outlets.
Refuse Collection:	A once-weekly collection of "official" bags only will be made from the road frontage of each serviced property. Collection will be made on advertised days prior to 4.30pm.

Supply Funding

The Rotorua Refuse Collection System is self-funding, with costs and revenues for both Urban and Rural collections identified separately within a single stand-alone refuse account.

Rates and Charges

At 1 July 2004, the following rates and charges are applicable to the Rotorua Rural Refuse Collection: (All including GST)

Targeted Rate for Refuse Collection:
Rural \$59.10 per annum.

Related Documents

Legislation

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.

RATES RELIEF POLICY

Remission and Postponement of Rates Policy - Brief Statement

Council proposes to adopt remission of rates policies, (and a grant in lieu of remission policy), pursuant to the Local Government (Rating) Act 2002, as follows:

- a) Remission of penalties on current overdue instalments;
- b) Remission of penalties on arrears (including past overdue instalments);
- c) Remission of rates for extreme financial hardship;
- d) Postponement of rates for hardship.
- e) Remission of rates on land used for certain purposes;
- f) Policy for grants in lieu of rate remissions (for 2004/2005)
- g) Remission of targeted rates for sewage disposal from schools;
- h) Remission of rates for land affected by natural calamity;
- i) Remission of rates on Maori freehold land;
- j) Postponement of rates on Maori freehold land;
- k) Remission of rates for rating units held in a single subdivision block;
- l) Remission of rates for residential rating units with special rateable values;
- m) Remission of rates in exceptional circumstances;

Council will delegate to Council officers authority to consider and approve all applications for remission or postponement of rates pursuant to Council's policies. As a general rule and where practicable documentary evidence or statutory declaration should be provided in support of a written application.

Applications for remission or postponement, or a grant in lieu of remission, should be in writing.

Remission of Penalties on Current Overdue Instalments

Policy objective

The objective of this remission policy is to enable Council to act fairly and reasonably in its consideration of penalties on rates where payments have not been received by Council by due date due essentially due to circumstances outside the ratepayer's control.

Conditions and criteria for remission of penalties on overdue instalments

Council will remit a penalty on the first instalment when the full year's rates are paid before the penalty date for the second instalment.

Council will consider remission of penalties on current overdue instalments when the late payment has resulted from:

- a) significant family disruption, including death, illness, or accident to a family member as at the due date; or
- b) matters outside the ratepayer's control, including payments going astray in the post, non receipt of the instalment notice before penalty date, the late issue of a sale notice, and a late clearance payment by the solicitor on a property settlement.

Council may also consider remission of a penalty when the late payment has apparently been inadvertent and the ratepayer has a good payment history.

All remissions will be considered on their merits and remission will only be given where Council considers it just and equitable to do so. Applications for remission must be in writing.

Decisions on remission of penalties will be delegated to officers as set out in Council's delegation resolution.

Remission of Penalties on Arrears

(arrears includes non-current overdue instalments)

Policy objective

The objective of this remission policy is to enable Council to act fairly and reasonably in its consideration of penalties on rates that are in arrears, other than the current instalment, due essentially to financial hardship.

Conditions and criteria for remission of penalties on arrears in cases of hardship

Council will consider remission of penalties on arrears in cases of hardship when:

- a) a request for remission has been made in writing; and
- b) the request includes full supporting reasons and evidence satisfactory to Council; and
- c) the remission contributes to prompt settlement in full of the remaining debt or to sale of the property and clearance of the debt in the short term.

Conditions and criteria for remission of future penalties on arrears and on future instalments in cases of severe hardship

Council will consider remission of future penalties on arrears in cases of severe hardship when:

- a) a request for remission has been made in writing; and
- b) the request includes full supporting reasons and evidence satisfactory to Council; and
- c) the purpose of the request is for the ratepayer to reach and maintain a fully paid status; and
- d) the ratepayer enters into a rates settlement arrangement that provides for collection of both current rates and arrears in full over an acceptable timeframe, provided that:
 - (i) the arrangement will be annulled if the applicant does not adhere to it; and
 - (ii) Council may vary the arrangement on request; and
 - (iii) Council may in extreme cases elect to also remit some or all of the penalty arrears existing at the time the arrangement was entered into if the arrangement has been adhered to and this brings about settlement in full.

All remissions will be considered on their merits and remission will only be given where Council considers it just and equitable to do so. Applications for remission must be in writing.

Decisions on remission of penalties will be delegated to officers as set out in Council's delegation resolution.

Remission of Rates for Extreme Financial Hardship

Policy objective

The objective of this remission policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.

Conditions and criteria for remission of rates for extreme financial hardship

Council will consider, on a case by case basis, all applications received that meet its criteria.

Only rating units used solely for residential purposes as defined by Council will be eligible for consideration for rates remission for extreme financial circumstances.

Formal application must be made by the ratepayer or the ratepayer's authorised agent on the application form provided by Council for the purpose, providing full information as required by the application form.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors:

- age;
- physical or mental disability;
- injury;
- illness; and
- family circumstances.

Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care and proper provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day to day living expenses.

Postponement of Rates for Hardship

Policy objective

The objective of this postponement policy is to assist ratepayers experiencing extreme financial hardship which affects the ability to pay rates.

Conditions and criteria for postponement of rates for hardship

Council will consider, on a case by case basis, all applications received that meet its criteria.

Only rating units used solely for residential purposes as defined by Council will be eligible for consideration for rates remission for extreme financial circumstances.

Formal application must be made by the ratepayer or the ratepayers authorised agent on the application form provided by Council for the purpose, providing full information as required by the application form.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant and considered. Council will only postpone rates or a portion thereof when it considers there is no acceptable alternative.

Where Council decides to postpone rates, the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:-

- the death of the ratepayer(s); or
- until ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- until the ratepayer(s) ceases to use the property as his/her residence; or
- until a date specified by the Council,

as determined by Council in any particular case. Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and may vary from year to year. The fee that will be charged in the 2004/2005 financial year is \$50.

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.

The policy will apply from the beginning of the rating year in which the application is made, although Council may consider backdating past the rating year in which

the application is made, depending on the circumstances.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Remission of Rates on Land Used for Certain Purposes

Policy objective

To facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of the District.

The purpose of granting rates remission to an organisation is to:

- Assist the organisation's survival; and
- Make services of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and criteria for remission of rates on certain types of land

This part of the policy will apply to land owned or occupied by a charitable, sports or recreation organisation, and which is used exclusively or principally for sporting, recreation or community purposes. For the purposes of this policy the terms "occupied" means exclusive use of all or part of a rating unit.

The policy does not apply to organisations operated for private pecuniary profit.

Applications for remission must be made on the prescribed form (available from the Council offices). Application for rate remission should be made to the Council prior to the commencement of the rating year.

Organisations making application should include the following documents in support of their application:

- Statement of objectives; and
- Constitution or rules or equivalent; and
- Financial accounts; and

- Information on activities and programmes; and
- Details of membership or clients.

The policy shall apply to such organisations as approved by the Council as meeting the relevant criteria.

For the 2004/2005 rating year, Council will continue to approve remissions to organisations that qualified for remission in the 2002/2003 year provided the qualifying criteria still apply.

No remission will be granted on targeted rates for water supply, sewage disposal or refuse collection.

Council may at its discretion utilise the interim policy for grants in lieu of rate remissions, in place of and instead of this remission policy.

Policy for Grants in Lieu of Rate Remissions

This policy is not part of Rotorua District Council's rate remission policies, but is included here as part of Council's community assistance programme. Its purpose is so that organisations which will no longer be entitled to rate remission (because they are no longer the ratepayer under the Local Government [Rating] Act 2002) can receive an equivalent grant so that the net effect on them is similar in 2004/2005 to what it was or would have been in 2002/2003 (under the Rating Powers Act 1989).

Policy Objective

To provide assistance in lieu of rates relief to organisations who lease properties and who use their properties for welfare, education, community service, social, cultural or recreation purposes.

To avoid or mitigate any adverse financial impact of the provisions in the Local Government (Rating) Act 2002 on affected organisations due to their no longer being eligible for rate remission.

Conditions and criteria for grants in lieu of rate remissions

This policy will apply to groups which were entitled to a discretionary rate remission in 2003/2004, but which no longer have access to such remission because they do not own the land they use and occupy. The policy applies to properties of the categories previously granted remission pursuant to the second schedule, Part I, of the Rating Power Act 1988.

The organisations will be charitable and the land will be used exclusively or principally for sporting, recreation, or community purposes.

Applications for remission must be made on the prescribed form (available from the Council offices). Application for a grant in lieu of rate assistance should be made to Council prior to the commencement of the rating year.

Organisations making application should include the following documents in support of their application:

- Statement of objectives; and
- Constitution or rules or equivalent; and
- Financial accounts; and
- Information on activities and programmes; and
- Details of membership or clients.

The policy shall apply to such organisations as approved by Council as meeting the relevant criteria. For the 2004/2005 rating year, Council will approve grants in lieu of remission to organisations that qualified for remission in the 2002/2003 and 2003/2004 years provided the qualifying criteria still apply.

No assistance will be granted on targeted rates for water supply, sewage disposal or refuse collection.

Remission of Targeted Rates for Sewerage Disposal from Schools

Policy objective

The objective of this remission policy is to enable Council to fairly and reasonably rate schools for sewerage disposal having regard to the number of water closets and urinals needed for the number of pupils and staff rather than for the actual number of water closets and urinals available.

Conditions and criteria for remission of targeted rates for sewerage disposal from schools

Targeted rates for sewerage disposal from schools will be remitted to the extent that they exceed the rates on the deemed number of water closets and urinals:

- a) The deemed number of water closets and urinals will be the lesser of one water closet and urinal for every 20 persons (teachers and students) or part thereof on the roll at 1 April in the preceding financial year, and the actual number of water closets and urinals.

- b) A school is defined as a state school under section (2) (1) of the Education Act 1989, or an integrated school under section (2) (1) of the Private School Conditional Integration Act 1975.

Schools will be required to file an annual return of teacher and student numbers in the prescribed form in order to qualify for the remission.

Remission of Rates for Land Affected by Natural Calamity

Policy objective

The objective of this remission policy is to enable Council to act fairly and reasonably in its consideration of remission of rates on land affected by natural calamity.

Conditions and criteria for remission of rates for land affected by natural calamity

Council will consider remissions of rates on land affected by natural calamity:

- a) when applied for in writing, and
- b) where the use that may be made of the land has been detrimentally affected by erosion, subsidence, submersion, or any other natural calamity.

Remission of Rates on Multiple-owned Maori Freehold Land

Policy objectives

The objectives of this remission policy are:

- a) to recognise situations where there is no occupier or person gaining an economic or financial benefit from the land;
- b) to set aside land that is better set aside for non-use because of its natural features (whenua rahui);
- c) to recognise matters related to the physical accessibility of the land;
- d) the rating unit or part thereof is unoccupied and no-one is receiving a benefit from it;
- e) where part of a block is occupied, to grant remission to the portion of land not occupied;
- f) to enable Council to act fairly and reasonably where utilisation is considered to be uneconomic if rates are payable as assessed.

Conditions and criteria for remission of rates on Multiple-owned Maori freehold land

Council will remit in whole or in part, rates on Multiple-owned Maori freehold land that comes within the following criteria:

- a) the land is unoccupied and no income is derived from the use or occupation of that land; or
- b) the land is better set aside for non-use (whenua rahui) because of its natural features and is so set aside; or
- c) the land is inaccessible and is unoccupied; or
- d) the land is the unoccupied portion of a block where only a portion is occupied.

Council will consider remission in part of rates on Multiple-owned Maori freehold land, having regard to the circumstances, when:

- a) applied for in writing; and
- b) the land value exceeds the value that is relevant for the purpose for which the land is or will be used; and
- c) remission of part of the rates assessed will enable the land to be utilised.

Postponement of rates on Multiple-owned Maori freehold land

Council's policy in respect of postponement of rates on Multiple-owned Maori freehold land follows past policy. This is to not postpone rates but to use the remission policy where appropriate, or the general policy on postponement of rates for hardship, where appropriate.

Remission of Rates for Rating Units Held in a Single Subdivision Block

Policy Objective

The objective of this remission policy is to support the development and holding of subdivision land for residential lots.

Conditions and criteria for remission of rates for rating units held within a single subdivision block

Council will remit the uniform annual general charge plus targeted rates for the availability of a Council service on all but one rating unit where all these rating units are:

- a) owned by the same person or persons; and
- b) held as the unsold rating units of a development subdivision;
- c) originally contiguous or separated only by a road, railway, drain, water race, river, or stream.

Remission of Rates for Residential Rating Units which have had Special Rateable Values

Policy Objective

This is a transitional policy.

The objective of this remission policy is to continue to allow general rates relief on those residential properties in areas where rating values are influenced by demand for multi-unit residential housing or where these residential properties are subject to commercial / industrial zoning.

Conditions and criteria for remission of general rates for rating units which have had special rateable values.

This remission will apply only to those rating units with special rateable values recorded as at 1 July 2002.

The amount of relief to be granted will be based on the proportion that the special rateable value was in the previous rating year to the rateable value.

Remission of Rates in Extraordinary Circumstances

Policy Objective

It is recognised that not all situations in which the Council may wish to remit rates will necessarily be

known about in advance and provided for in Council's specific policies.

The purpose of this part of the policy is to provide for the possibility of rates remission in circumstances which have not been specifically addressed but in which, for the reasons set out below, Council considers it appropriate to remit rates.

Conditions and criteria for remission of rates in extraordinary circumstances

Council may remit rates on a rating unit where it considers it just and equitable to do so because:

- a) Extraordinary circumstances have arisen by virtue of the transition from the Rating Powers Act 1988 to the Local Government (Rating) Act 2002 that means it would be fair and equitable to grant relief (including relief granted on a transitional basis); or
- b) The property is in the business rural rating category and would be subject to hardship that could cause a loss of a beneficial service to the local community; or
- c) Extraordinary circumstances have arisen by virtue of transition to the new rating policy for 2004/2005; or
- d) The property was entitled to a remission pursuant to Council's previous policy in respect of the Queen Elizabeth II National Trust open space covenant.

The amount of any such relief will be determined by Council having regard to the quantum of additional rates caused by the extraordinary circumstances.


Discount for Early Payment of Rates

A discount will be allowed for early payment of rates in compliance with the following conditions:

- a) The discount will be allowed to any ratepayer who pays the total annual rates as specified on the rates assessment by the due date for the first instalment;
- b) The discount will not apply to charges for water by meter;
- c) The discount will be at a rate fixed annually by resolution.

Delegation of Decision-making

Decisions relating to rating and to applications for remission and postponement of rates will be delegated to officers as set out in Council's Delegation Manual, which is being updated to reflect the provisions of the Local Government (Rating) Act 2002. A further penalty will be added on rates still owing 6 months after the above further penalty was added. The penalty will be 10% of the unpaid amount.



ENVIRONMENTAL HEALTH FEES

The following fees have been approved by Council for the 2004/05 year.

Strategic Direction

The collection of fees is a partial cost recovery for a range of activities undertaken across the key result areas of the Strategic Plan.

Issues

Reasonable fees are required to be set by the Council to enable recovery of costs within Environmental Health's activities involving Registration, Licensing, Inspection and other miscellaneous functions.

Food Premises

The table below (Table 1) sets out the different classification of food premises that require registration/inspection, past RDC fees, and new fees.

In general, the increase is in the order of 2.5%, a proportion of which is to supplement the cost of purchasing specialist equipment, to enable the proper inspection of food premises. The equipment may include digital thermometers and probes, thermal data loggers, hand-held non-contact thermometers and a digital camera.

New Food Premise Establishment Fee

A number of new premises are established each year (approximately 30). At the time that a business changes hands, the use and/or registration category of that business can often change and, on occasions, the change is quite dramatic.

Officers can spend considerable time looking into these business proposals that can amount to nothing and, yet on average, the time is well over 4 hours. Some have amounted to days of officer time at no cost/charge. In general, 4 hours of officer time would equate to approximately \$280.

Other Local Authorities have, for some time now, imposed a fee in order to go some way in recovering the cost of time spent on such applications. Based on the fee structure of other Local Authorities (circa 2001/2002) it would appear the average charge was \$150, with the mid-point being \$175.

A "new food premise establishment fee" of \$120 has therefore been set.

Additional Inspection Fee

Considerable officer time is consumed by having to revisit or re-inspect premises where a requisition is in place and the required work is not complete. It is not uncommon for officers to be required to attend such revisits out of normal office hours and, on average, the number of revisits/re-inspections range between 3-5. This would generally be between \$140 to \$230 of officer time.

An "additional inspection fee" of \$120 has therefore been set.

Table 1

1. Food Premises

Pursuant to the Health (Registration of Premises) Regulations 1966, the following shall be the fees payable on application for Certificates of Registration and upon the issue, renewal and noting of certificates:

- i) **Category FP1A.** Premises required to be registered within terms of Regulation 4(1)(2) of Food Hygiene Regulations 1974.

Category FP1A	2003/04	New fee 2004/2005
Application Fee	\$310.00	\$318.00
Transfer Fee	\$89.00	\$90.00

- ii) **Category FP1B.** Premises required to be registered pursuant to Regulation 4(1)(4)(2) of the Food Hygiene Regulations 1974 being school canteens not operated for private profit, confectionery shops, health food shops, fruit and vegetable shops and produce markets; and wholesale and retail premises on which no food is prepared,

manufactured, handled or stored unless the food is at all times enclosed in a wrapper or container, and which is not a delicatessen.

Category FP1B	2003/04	New fee 2004/2005
Application Fee	\$187.00	\$193.00
Transfer Fee	\$67.00	\$68.00

- iii) Notwithstanding anything contained in Clauses (i) and (ii), where a person in any one registration year is a holder of or applies to become the holder of a Certificate of Registration in respect of any one premises for one or more of the purposes described in Regulation 4(1)(42) of the Food Hygiene Regulations 1974, only one application or one renewal fee shall be payable in respect to that premises, the fee being the higher applicable.

2. Other Food Premises

- i) **Category FP2A.** Premises used by the Crown and state owned enterprise or the Rotorua District Council (for their own use); any partially exempt premises, or any licensed premises within the meaning of the Sale of Liquor Act 1989, being an on-licence, off-licence, other than (iii) below, club licence, chartered club.

Category FP2A	2003/04	New fee 2004/2005
Application Fee	\$310.00	\$318.00
Transfer Fee	\$89.00	\$90.00

- ii) **Category FP2B.** Any occasional food premises with the exception of those operated by a non-profit making organisation.

Category FP2B	2003/04	New fee 2004/2005
Application Fee	\$125.00	\$130.00
Transfer Fee	\$67.00	\$68.00

- iii) **Category FP2C.** Premises which are an off-licence within the meaning of Sale of Liquor Act 1989 and not being part of a premises registered under the Food and Hygiene Regulations, or part of a premises licensed as an on-licence or club licence.

Category FP2C	2003/04	New fee 2004/2005
Application Fee	\$187.00	\$193.00
Transfer Fee	\$67.00	\$68.00

- iv) **Category FP2D.** Any premises that, being a warehouse or storeroom are food premises by reason only of the fact that they are used for the storage and handling in the course of storage, of food packages and containers.

Category FP2D	2003/04	New fee 2004/2005
Application Fee	\$125.00	\$130.00
Transfer Fee	\$45.00	\$46.00

- v) **Category FP2E.** Any premises in which food is supplied or sold:
 - a) Together with accommodation; or
 - b) Incidental to the rendering of any service in consideration of exclusive charge for the food and service and not otherwise registered or licensed.

Category FP2E	2003/04	New fee 2004/2005
Application Fee	\$125.00	\$130.00
Transfer Fee	\$45.00	\$46.00

Table 2

Other Health Activities

1. Funeral Directors and/or Mortuaries

In pursuance of Regulation 13 of the Health (Burial) Regulations 1946 as inserted by Regulation 3 of the Health (Burial) Regulations 1946 Amendment No. 2, the following fees shall be payable:

Category	2003/04	New fee 2004/2005
Application Fee	\$125.00	\$127.00
Transfer Fee	\$45.00	\$46.00

2. Offensive Trades

That in pursuance of Regulation 7 of the Health (Registration of Premises) Regulations 1966, the following fees shall be payable:

Category	2003/04	New fee 2004/2005
Application Fee	\$187.00	\$190.00
Transfer Fee	\$67.00	\$68.00

FUNDING

3. Hairdressers

In pursuance of Regulation 3 of the Health (Hairdressers) Regulation 1967 and Regulation 7 of the Health (Registration of Premises) Regulations 1966, the following fees shall be payable:

Category	2003/04	New fee 2004/2005
Application Fee	\$125.00	\$127.00
Transfer Fee	\$45.00	\$46.00

4. Hawkers and Mobile Shops, etc

Category	2003/04	New fee 2004/2005
i) Hawkers	\$24.45	\$24.45
ii) Itinerant traders	\$124.00	\$124.00
iii) Keepers of mobile and travelling shops	\$124.00	\$124.00

* Licenses under (ii) and (iii) above have proportional fees for the periods of less than 12 months with a maximum of \$29.53 for the first 12 weeks plus \$2.50 per week thereafter.

5. Camping Grounds

These fees are set pursuant to the Health (Registration of Premises) Regulations 1966 and Councils Bylaws for the licensing of residential institutions.

Category	2003/04	New fee 2004/2005
Application Fee	\$223.00	\$226.00
Transfer Fee	\$89.00	\$90.00

6. Bee Keeping

Category	2003/04	New fee 2004/2005
Licence fee in residential area (maximum of 4 hives then planning application)	\$89.00	\$89.00
	\$45.00	\$45.00

7. Billiard Room

Category	2003/04	New fee 2004/2005
Application Fee	\$89.00	\$89.00
Transfer Fee	\$45.00	\$45.00

8. Part year fees in certain cases

Notwithstanding the above, any fees payable in respect of new premises open during any licensing/inspection year and falling in categories (a), (b) and (g) above, shall be rebated 25% for each three month period which is passed at the date of opening in respect of the licensing period.

Table 3**Noise**

Return of seized and impounded noise equipment pursuant to Section 323 and 328 of the Resource Management Act 1991.

Category	2003/04	New fee 2004/2005
Cost for first seizure	\$160.00	\$160.00
Cost for subsequent seizures	\$300.00	\$300.00

ANIMAL CONTROL ESTIMATES 2004/2005

Introduction

This report details the estimated expenditure of the Animal Control Unit along with the associated sources of funding for the 2004/2005 year.

Significant changes have been made to the Dog Control Legislation following the attack on a young girl in Auckland in 2003. Those changes have significant implications for the operation of all Animal Control Units of Councils.

Those changes necessitate the employment of an additional staff member and require improvement to existing facilities to enable Council to meet its responsibilities under the new legislation.

This has resulted in increased operating costs which in turn result in increased registration fees and impounding fees in relation to dogs.

Current Situation as at 30 June 2004

The Animal Control Unit comprises a total of five staff including the Supervisor who has direct day-to-day control over the operation. The level of staffing in the unit has been at that number since 1996, at which time some staff were shed because Councils were no longer required to provide an Hydatids Control Program.

The level of business generated by responding to complaints and resolving the numerous other issues relating to dogs has necessitated the employment of two full-time Administrative Support staff for the unit.

For the year ended 30 June 2003, the unit responded to 2,447 complaints. From the period 1 July 2003 until 31 January 2004 a total of 1419 complaints had been received. The level of complaints would indicate that we are tracking this year to exceed the total number responded to for the whole of last year.

The Dog Control Act 1996 introduced the Infringement Notice Provision and for the year ended 30 June 2003 a total of 739 infringement notices were issued by staff.

For the year ending 30 June 2003 a total of 974 dogs were impounded. For the period 1 July 2003 until 31 January 2004 a total of 640 dogs have been impounded. Again, this level of activity is tracking upwards.

New Legislative Provisions

There have been significant increases in penalties payable by offending owners who receive either an Infringement Notice (issued by staff) or who are prosecuted through the courts. Whilst Council is entitled to all infringement fees recovered through the Court or paid directly by the offender, it receives nothing from any fines imposed by the court.

From an operational point of view, the new legislative provisions have created a comparatively punitive regime. Some of the new provisions which Council's Animal Control Staff are expected to now enforce include the following:

- The ability to seize unregistered dogs off private property.
- The ability to seize dogs that have come off their own property, rushed or threatened someone and then retreated back to their own property.
- The ability to seize (with effect from 1 June 2004) a dog from its own property if it is not under the direct control of the owner.
- The ability to seize dogs whose owners fail to comply with the requirements following the dog's classification as either "menacing" or "dangerous".

The inevitable upshot of these changes is an increased number of dogs impounded for wandering or as a result of infringing against one of the provisions referred to above. That in turn has raised issues about the current capacity of Council's Dog Pound.

Classification of Dogs

The requirement for staff to classify dogs which they believe belong to the Pitbull breed as 'menacing' is expected to result in many of those classifications being challenged. The Act provides that someone who wishes to appeal such a classification is entitled to be heard by the Territorial Authority in support of their appeal. This will require resources from the Animal Control Unit to be utilised with an officer preparing

evidence to support the classification and appearing before a Committee to present that evidence. Without an increase in staff, current Unit Officers would need to be diverted from existing work requirements.

Estimated Expenditure

The estimated expenditure of the Animal Control Section for the 2004/2005 financial period is \$723,000. This includes provision for an additional staff member, some overtime for that staff member and the provision of a vehicle for that Officer. Total increase of operating costs is estimated at \$56,000.

Sources of Funding

Current sources of funding available for Animal Control, including relevant Council funding policies as applicable are:

- Rates – This activity is funded 46% from general rates as per Council's funding policy.
- Prosecution Fees – Fees collected from prosecutions lodged for a variety of offences and include infringement notices issued.
- Impounding Fees – Fees charged for the impounding of a release of dogs and stock.
- Dog Registration Fees – Registration fees set for the various categories of dogs as determined by Council.

Current Level of Registration

As at 18 February 2004, a total of 10,120 dogs had been registered.

New Registration Fee Structure

There has been comparatively little movement in Dog Registration Fees since 1999, when the fee for registering a dog in the urban area was \$41.20. The fee for registering a dog kept in the rural part of the District or kept by someone who had qualified as a Selected Dog Owner was \$25.75.

To meet the costs estimated of providing additional resources by way of an extra staff member and to meet the costs of proposed capital works to the Pound, a "rounded" increase of 20% has been applied to registration fees.

The following fees have been approved by Council for the 2004/05 year.

The table shows the previous fee, the new fee and the \$ increase:

	Previous Registration Fees	New Fees	Increase
Urban Domiciled Dogs	\$41.50	\$50.00	\$8.50
Rural Domiciled Dogs	\$23.50	\$28.00	\$4.50
Selected Dog	\$23.50	\$28.00	\$4.50
Owner Status Seeing	No fee	No fee	No change
Eye/Hearing Ear Dog			
<small>(All above fees to reduce proportionally during the registration year for registrations made for less than a full twelve months.)</small>			
Penalty for Late Payment	\$10.00	\$10.00	No change
Rebate for Sterilised dogs or for dogs owned by superannuitants	\$10.00	\$10.00	No change
<small>Note – in terms of earlier determinations by Council, only one of either the sterilisation or superannuitant rebate can be claimed, not both.</small>			

Note - All fees are quoted as being inclusive of GST.

The differential between the fee for an urban dog and those kept either in the rural area or by dog owners who have qualified for "Selected" Dog Owners, takes into account that by far and away the majority of problems with dog control are created by dogs kept in the urban area.

Pound Facilities

As has been alluded to earlier, the new legislative requirements will inevitably see a greater number of dogs being kept at the pound after seizure following the committing of an offence by their owner.

At the end of the 2003/04 year the pound comprised 32 pens with a capacity of 30 dogs (if dogs are not doubled up) and 10 pups. More frequently it is impossible to "double up" dogs because of aggression between animals, resulting in injury.

Whilst dogs are in the custody of Council in the pound, Council has a responsibility to ensure that they are kept humanely and safe. Many of the crossbreeds that are found wandering now, or which are impounded for a whole host of reasons, tend to show unacceptable aggression towards other dogs and need to be kept on their own.

The number of dogs impounded for the year ended 30 June 2003 was 974.

The number of dogs impounded over the period 1 July 2003 until 31 January 2004 was 640. Indications were that the level of impounding was tracking upwards.

Previous Pound Fees

These were set in 1991 as follows:

- First impounding - \$70.00
- Second impounding - \$85.00
- Third impounding - \$100.00

These fees are obviously a deterrent to allowing uncontrolled dogs to roam but also contain an element covering the costs of staff delivering the dogs to the pound, caring for them while they are there and hopefully, subsequently releasing the dog back to its owner. There can be little excuse for the impounding of a dog on a second or third occasion but it happens all too frequently.

A “full” pound is now a regular occurrence. It is becoming increasingly difficult to manage the dogs and keep them in a way that prevents injuries, given the physical constraints of the existing set-up.

An estimated cost of extending the pound by both the sub-division of existing larger pens and the laying of additional concrete and construction of further netting and pipeframe pens, is \$60,000.

Increase in Pound Fees

Given the fact that this additional expenditure is required at the Pound and the fact that the existing pound fees were set over 10 years ago, it was appropriate to consider an increase in those impounding fees to ensure that those who “use” the facility, because of their failure to control their dog or comply with the Dog Control Act, meet that cost.

The average annual rise in the Consumer Price Index over the period September 1991 to September 2003 was 2.02% (a total of 24.24% over twelve years).

The following new scale of impounding fees is therefore not unreasonable and is in line with today’s costs:

- First impounding fee increases from \$70.00 to \$88.00
- Second impounding fee increases from \$85.00 to \$106.00
- Third impounding fee increases from \$100.00 to \$125.00

Other Animal Control Fees

Details of other charges, including impounding fees for wandering stock, are detailed below:

Replacement Tag		\$5.60
Collars:		
Toy Dog		\$3.75
Small		5.20
Medium		6.00
Large		8.25
Extra Large		10.20
Nylon		7.20
Leads:		
Narrow		7.00
Wide		7.50
Muzzles:		
Nylon Mesh		15.00
Wire		25.00
Plastic –		
Size	2	13.95
	3	14.95
	4	16.25
	5	17.30
	6	19.30
	7	21.50
	8	24.30
	9	26.95
	10	26.95

Dog Impounding Fees:		
First Impounding		\$70.00
Second Impounding		85.00
Third Impounding		100.00
Sustenance Fee (Per Day)		6.50

Kennel Licensing:		
Initial Licence		\$42.20
Renewal of Licence		15.40

Re-Homing Fees:		
Re Homing Fee (<u>All Dogs Re-Homed Must Be De-Sexed</u>)		
i) For a Female Dog		\$80.00
ii) For a Male Dog		\$60.00

Hire of Bark Collar:		
Hire For Seven (7) Days		\$20.00
Purchase	Ag'tronics	\$146.00
	K.9 Anti-Bark	\$180.00
	Dog Watch	\$210.00

FUNDING

Stock Impounding Fee

1. Callout Charges (Minimum):

7.00 am to 6.00 pm	\$50.00 per 2 hours.
6.00 pm to 10.00 pm	\$70.00 per 2 hours
10.00 pm to 7.00 am	\$100.00 per 2 hours
Weekends and Holidays	\$100.00 per 2 hours

Where extra labour is used, this cost will be added to the above charges.

2. Transportation:

In addition, transport costs on a distance basis or the actual charge of the carrier (if used) will be added.

3. Release Fee: \$20.00

This fee is charged to the owner of the stock when the stock is released from the pound to cover time and vehicle expenses.

4. Impounding Fees:

For every horse, donkey, cattle beast or deer	\$15.00 per head per day
For every sheep, goat or pig	\$10.00 per head per day

5. Sustenance Fees:

For every horse, donkey, cattle beast or deer	\$10.00 per head per day
For every sheep, goat or pig	\$5.00 per head per day

Note: Such costs for the above are to be increased if necessary to cover the actual labour and vehicle running costs and feeding of the stock. Any special food purchase e.g. pig pellets, hay, etc is to be charged directly to the animal which used it.

(All fees include GST)

RESOURCE MANAGEMENT ACT CHARGES POLICY

Introduction

The Rotorua District Council is able to fix administrative charges under Section 36 of the Resource Management Act 1991 (RMA).

Through the implementation of the RMA and the Council's District Plan, there are a number of actions undertaken by Council that are primarily for the benefit of individuals. Such actions include the processing, administration, monitoring and supervision of Resource Consents, private plan changes and designations. Monitoring of the Council's Resource Management functions and the provision of information are other services carried out by the Council.

The relevant Sections of the RMA state:

36.A Administrative Charges – (1)

A local authority may from time to time, subject to Sub-section (2), fix charges of all or any of the following kinds:

- (a) Charges payable by applicants for the preparation or change of a policy statement or plan, for the carrying out by the local authority of its functions in relation to such applications;
- (b) Charges payable by applicants for resource consents, for the carrying out by the local authority of its functions in relation to the receiving, processing and granting of resource consents (including certificates of compliance);
- (c) Charges payable by holders of resource consents, for the carrying out by the local authority of its functions in relation to the administration, monitoring, and supervision of resource consents (including certificates of compliance), and for the carrying out of its resource management functions in section 35;
- (d) Charges payable by requiring authorities and heritage protection authorities, for the carrying out by the local authority of its functions in relation to designations and heritage orders;
- (e) Charges for providing information in respect of plans and resource consents, payable by the person requesting the information;
- (f) Charges for the supply of documents, payable by the person requesting the document;
- (g) Any kind of charge authorised for the purpose of this Section by Regulations.

The last revision of the charges set under Section 36 had come into effect on 19 August 2003. The level of cost recovery is determined with reference to the Revenue and Financing Policy of the Council.

Criteria for Fixing Charges

In fixing charges under Section 36(1), Council shall have regard to the criteria set out in the relevant extracts from sections 36(4) and (5) which state as follows:

36(4)

- (a) The sole purpose of a charge is to recover the reasonable costs incurred by the Local Authority in respect of the activity to which the charge relates;
- (b) A particular person or persons should only be required to pay a charge –
 - (i) to the extent that the benefit of the Local Authority's actions to which the charge relates is obtained by those persons as distinct from the community of the Local Authority as a whole; or
 - (ii) where the need for the Local Authority's actions to which the charge relates is occasioned by the actions of those persons; or
 and the Local Authority may fix different charges for different costs it incurs in the performance of its various functions, powers, and duties under this Act-
- (c) In relation to different areas or different classes of applicant, consent holder, requiring authority, or heritage protection authority; or
- (d) Where any activity undertaken by the persons liable to pay any charge reduces the cost to the Local Authority if carrying out any of its functions, powers, and duties.

36(5)

A Local Authority may, in any particular case and in its absolute discretion, remit the whole or any part of any charge of a kind referred to in this section which would otherwise be payable

Additional Charges

Where a Council provides for the payment of additional charges, such additional charges are subject to the right of objection under section 357(c) (see Section 36(6)) of the Resource Management Act.

Payment of Fees

It is further noted that a Council need not perform the action to which the charge relates until the charge has been paid to it in full. (See section 36(7)) of the Resource Management Act. It is the practice of Council to require the payment of fees when an application is lodged with the Council. The time for processing an application will not formally commence until fees have been paid.

Consent Categories

The categories of consents that charges relate to are set out in the Schedule of Planning Fees and Charges that follows this explanatory section.

Revenue and Financing Policy

The Council's Revenue and Financing Policy states that Planning Policy functions, including the development of the District Plan, are fully funded by Council by way of General Rates.

Planning implementation functions on the other hand, have a greater degree of private benefit associated with them. There are services carried out that are not recoverable, such as the complaints and enforcement actions involved in ensuring compliance with the RMA and the District Plan, and litigation or appeals associated with Resource Consents. The Council has also determined that information provided to the public at the counter will not be charged for. These services account for 30% of the costs incurred in the planning implementation function.

The remaining 70% of the costs associated with planning implementation essentially provides a private benefit. These are the actions associated with the types of activity referred to in Section 36(1) of the Resource Management Act.

The Council has decided that it will not recover the full extent of the private benefit component. In 2003/04 the rate of cost recovery was estimated to be 23% of Implementation operational costs. In 2004/05 it is estimated that rate of recovery will be 17% because of a rise in the cost of providing the service. For the purpose of the Long Term Council Community Plan Council will endeavour to recover at least 17% of Implementation operational costs.

Application Numbers

The number of applications for Resource Consent had started to increase in 2003/04 to similar levels received in 2001/02. The average number of Land Use applications received currently is 41 applications per month, and the number of Subdivision applications is 11 per month. There is no discernible pattern in the type of consents received. The reasonableness of the charge for different types of consents has been reviewed against the median time that has been spent to process each consent type and regard has been had to the number of applications received for each type of application.

The Estimates have been prepared on the basis that the number of applications received will be at 2003/2004 levels. There is no guarantee or way of predicting what the pattern will actually be and the revenue received could change as a result.

Fees Increase

The 2004/05 year sees an increase in land use consent fees, and some subdivision related consents, of around five percent to maintain a similar level of cost recovery. No change was proposed to the processing of preliminary plans of subdivision because the Council funded share is currently less than for land use consents and there are fewer subdivision consents than land use consents. The median figures were used for time taken to process consents to determine a reasonable charge. Therefore, in most circumstances, the fee is fixed.

There are, however, larger consent applications that from the outset will clearly take a greater amount of staff time to process. The Fees Schedule has for some time now allowed for an individual estimate to be prepared in these circumstances, up to a maximum figure, to enable the actual and reasonable costs of Council to be recovered. In previous years this has been up to 35% of the total costs to process the application. This has been increased to 45% of staff time and where external peer review is required 100%.

The increase in the Private Plan Change base fee of \$4,000 made in 2003/04 has been retained. Private Plan changes involve a considerable amount of staff time and it is the Council's policy that private Plan Changes be cost recoverable. Estimates have been made for individual changes.

Accordingly revenue from Planning Implementation has been estimated at \$243,000, being an increase of \$7,000 from the previous year.

Funding Criteria

The charges are based on less than actual and reasonable costs that are incurred by Planning Implementation in processing applications for Resource Consent.

In accordance with the Council's directions, those who are applying for Private Plan Changes meet all of the costs associated with the processing of those changes. This is not explicitly stated in the Funding Policy and the approach taken to Private Plan Changes and Designations should perhaps be reflected in the Policy.

The Council has determined that it will not have a policy to fully recover the private benefit component of processing consents under the Resource Management Act. The actions that Council is carrying out and charging for are clearly within the ambit of Section 36(1).

include costs incurred by Council in respect of staff salaries and wages (including travel time, and on-costed to cover overheads), internal processing and assessment costs, information management and record keeping, external assessment/audit or consultant costs, and any direct costs or disbursements (including vehicle use, photography, postage, advertising) plus GST.

A charge applies to each document required in the case of certificates and legal documents.

A charge applies to each identifiable application or consent being applied for.

Planning Services Fees and Charges 2004/05

Matters relevant to all fees and charges.

The following charges shall take effect from 1 August 2004.

The following charges have been set under section 36 of the Resource Management Act 1991. The charges relate to goods and services provided by the Rotorua District Council unless specified otherwise.

Charges are expressed as either a fixed fee or a deposit. Where a deposit applies, Council will charge the actual and reasonable cost of the good or service provided. Where the cost is less than the deposit held, a refund will be due to the applicant where the difference is greater than \$30. Where the cost is more than \$30 greater than the deposit held, there shall be an additional charge. Applicants shall be advised in advance of the estimate of any additional charge to be levied.

Any deposit may be increased up to a maximum of \$20,000 in the case of a land use or subdivision consent or up to \$40,000 in the case of a private plan change.

The charge-out rate which shall apply to any additional charge shall be \$95 per hour.

All charges are GST inclusive.

Actual and reasonable costs will relate to any matter for which a charge is payable under section 36(1) and will

A. NOTIFIED LAND USE (CODE 235 8900 6738)		New Fees
Code:		Fee \$ (GST incl.)
10	Notified	\$1,320+ A&M
11	Notified Sign Bond	\$30
44	Limited Notified (Controlled)	\$510
45	Limited Notified (Controlled – Minor [B12 or B13])	\$290
46	Limited Notified (Discretionary or Non Complying)	\$825
B. NON-NOTIFIED LAND USE (CODE 235 8900 6775)		
12	Controlled – CBD Design Guide approvals	\$115
13	Controlled – Minor accessory buildings in rear & side yards	\$120
14	Controlled	\$330
19	Limited Discretionary	\$330
15	Discretionary	\$510 + M
16	Non Complying	\$510 + M
17	Change of Conditions (S127)	\$275
18	Extension of time (S125)	\$240
20	Cancellation of approval (S126)	\$170
21	Charges from Draughting	
22	Additional Consent Fees, commissioning reports, photocopying, related to a consent	
C. MONITORING (CODE 235 8900 6814)		
25	Fee for Consents that require monitoring (All Restricted Discretionary, Discretionary & Non Complying) <ul style="list-style-type: none"> • (+A) where there is fair and reasonable cause for unprogrammed monitoring or additional site inspections • A higher monitoring charge may be applied as a condition of consent to implement a specific monitoring programme either as: <ul style="list-style-type: none"> ▪ A fixed charge; or ▪ An annual charge where ongoing monitoring is required • Where consent is refused, the monitoring charge shall be refunded. • Where no monitoring is required, the monitoring charge shall be refunded. 	\$120 + A
D. LAND USE RELATED (CODE 235 8900 6775)		
30	Compliance Certificates (Sect. 139)	\$265
31	Outline Plan Approval (Sect. 176A)	\$220
32	Certificates – Sale of Liquor	\$95
33	Overseas Investment, Motor Vehicle Dealers & Others Similar Certificates	\$95
34	Reserve Contribution	
35	Certificate of Title	
E. GENERAL ADMINISTRATION CHARGES (NOT CONSENT RELATED)		
40	Information Gathering	Actual Cost
41	Photocopying	\$1 per page
43	Commissioning of Reports	Actual Cost

A = Additional charges @ \$95 per hr

M = Monitoring fee required.

A. NOTIFIED SUBDIVISION CONSENT (CODE 235 8900 6776)		New Fees
Code:		Fee \$ (GST incl.)
50	Notified	\$1,320 + A
51	Notified Sign Bond	\$30
B. NON-NOTIFIED SUBDIVISION (CODE 235 8900 6792)		
52	Controlled	\$670
53	Controlled – Cross lease to freehold	\$670
54	Controlled – Cross lease amendment	\$160
66	Limited Discretionary	\$670
55	Discretionary	\$770
56	Non Complying	\$830
57	Section 226	\$670
58	Right-of-Way	\$310
59	Additional Lots	
60	Change of Conditions (S127)	\$265
61	Extension of time (S125)	\$240
63	Cancellation of approval (S126)	\$170
64	Survey Plan approval (S223)	\$100
65	Compliance Cert. approval (S224c)	\$150
67	Engineering Inspection & Plan approval	
68	Additional Consent Fees, commissioning reports, photocopying, related to a consent	
69	Charges from Draughting	
C. SUBDIVISION RELATED (CODE 235 8900 6792)		
74	Reserve Contribution	
75	Appln to reduce or waive esplanade reserves	
76	Preparation of Bonds, Consent Notices, Legal documents	\$160 + A
77	Where separate from subdivision appln, easement approval, cancellation of right-of-way, amalgamation, encumbrance, consent notice, easement, building line restriction, etc.	\$105

A = Additional charges @ \$95 per hr

A. DESIGNATIONS (CODE 230 8900 6859)		(Circle applicable fees)
Code:		Fee \$ (GST incl.)
85	Designation	\$1,320
86	Alteration to designation	\$330
87	Removal of designation	\$220
B. PLAN CHANGES (CODE 230 8900 6865)		
88	Private Plan Change	\$4,000 + A
C. POLICY DOCUMENTS (CODE 230 8900 6821)		
90	Copy of Operative District Plan on CD	25
91	District Plan text (Printed)	Actual Cost
92	District Plan maps (Printed)	Actual Cost
93	Copies of Plan Changes, Variations and publications (Printed)	Actual Cost
	District Plan Updates on CD	25
	Variation Twelve on CD	25
D. GENERAL POLICY ADMINISTRATION (CODE 230 8600 4808)		
95	Photocopying policy	\$1 per page
96	Charges from Graphic Solutions	Actual Cost

A = Additional charges @ \$95 per hr

D = + Cost of altering Planning Map

FUNDING

TREASURY POLICY

Incorporating Investment and Liability Management Policies in accordance with Sections 104 and 105 of the Local Government Act 2002.

Philosophy

Council has treasury risks arising from debt raising, investments and associated interest rate management activity.

Council carries out its liability management and investment activity (in total referred to in this document as treasury activity) within its finance function. Council's broad objectives in relation to treasury activity are as follows:

- Comply with the Local Government Act 2002, particularly Sections 102(4)(b), 102(4)(c), 104, 105, and other relevant local authority legislation.
- Develop and maintain professional relationships with the financial markets.
- Manage all of Council's investments within its strategic objectives; invest surplus cash in liquid and creditworthy investments.
- Raise appropriate finance, in terms of both maturity and interest rate.
- Manage the overall cash position of Council's operations.

In meeting the above objectives Council is a risk averse entity and does not wish to seek risk from its treasury activities. Interest rate risk, liquidity risk and credit risk are risks Council seeks to manage, not capitalise on. Accordingly activity which may be construed as speculative in nature is expressly forbidden.

Liability Management Policy

General Borrowing Policy

Council borrows as it considers appropriate. Council exercises its flexible and diversified borrowing powers within the Local Government Act 2002. Council approves borrowing by resolution arising from the Annual Planning process. Projected debt levels are ascertained from cashflow forecasts prepared during the Strategic and Annual planning process.

Council raises borrowing for the following primary purposes:

- General debt to fund Council's Balance Sheet, including borrowing to fund Council controlled organisations, trading enterprises etc.
- Specific debt associated with "special one-off" projects and capital expenditure.
- To fund assets with intergenerational qualities.

Council is able to borrow through a variety of market mechanisms including the issue of stock and debentures and direct bank borrowing or through accessing the capital markets directly.

In evaluating new borrowings (in relation to source, term, size and pricing) the Chief Executive will take into account the following:

- The size and the economic life of the project.
- The impact of the new debt on the borrowing limits.
- Relevant margins under each borrowing source.
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- Prevailing interest rates relative to term for both stock issuance and bank borrowing and management's view of future interest rate movements.
- Available term from bank and stock issuance.
- Ensuring that the implied finance terms within the specific debt (e.g. project finance) are at least as favourable as Council could achieve in its own right.
- Legal documentation and financial covenants.

Borrowing Limits

In managing borrowing, Council will adhere to the following limits:

- **The gross interest expense of all borrowings will not exceed 15% of total annual rates revenue.**
- **Net cashflows from operating activities to exceed gross annual interest expense by two times.¹**

Liquidity and Credit Risk Management

Council's ability to readily attract cost effective borrowing is largely driven by its ability to maintain a strong balance sheet as well as its ability to rate,

¹ Net cashflows from operating activities = net cashflows from operating activities adding back non-cash items e.g. depreciation; plus interest expenses and taxation.

manage its image in the market and its relationships with bankers. Council seeks a diversified pool of borrowing and ensures that bank borrowings are only sought from registered banks.

To ensure funds are available on repayment of debt, maturities of treasury investments and debt are matched through rolling cashflow forecasts, and treasury investments are maintained in liquid assets.²

To minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high for reasons within or beyond Council's control, Council ensures debt maturity is spread widely over a band of maturities. Council manages this specifically by ensuring that:

- **No more than \$30.0 million of existing borrowing is subject to refinancing in any financial year.**

Interest Rate Risk Management

Council's borrowing gives rise to direct exposure to interest rate movements. Generally, given the long term nature of Council's assets, projects and intergenerational factors, and Council's preference to avoid an adverse impact on rates, there is a general tendency to have a high percentage of long term fixed rate or hedged borrowing. This preferred interest rate position is reflected in Table 1 which outlines the maximum unhedged or floating rate exposure requirements allocated into various time bands. The table also outlines the individual discretions to meet these hedge requirements:

Table 1: Percentage of Floating Rate Borrowing³

Term of Exposure	Maximum Floating Rate Exposure Executive Committee
0 - 1 year	20%
1 - 3 years	10%
3 - 5 years	N/A
5 - 7 years	N/A
7 years and over	N/A

In addition, Council is exposed to interest rate repricing risk on the maturing of existing fixed rate debt that is refinanced, as well as issue yield risk on planned new debt. Council manages these exposures using the following operational parameter:

- The Executive Committee can approve hedging up to 100% repricing risk on existing fixed rate debt and issue yield risk on forecast new debt within the next one-year period

The Executive Committee sets interest rate risk management strategy by monitoring the interest rate markets on a regular basis, evaluating the outlook for short term rates in comparison to the rates payable on its fixed rate borrowing.

The Manager Treasury implements interest rate risk management strategy through the use of the following:

- Adjusting the average maturity of its borrowings, thereby managing interest rate risk within the confines of liquidity management.
- Maintaining cashflow forecasts which consider the impact of interest rates on its treasury assets and utilises natural borrowing offsets minimising mismatches.
- Interest rate risk management products (refer note below) to convert fixed rate borrowing into floating rate, floating rate borrowing into fixed or hedged borrowing, and to manage maturity mismatches between its borrowings and investments.

The following interest rate risk management instruments may be used for interest rate risk management activity, after seeking formal prior approval of the Executive Committee:

- Forward rate agreements.
- Interest rate swaps.
- Purchase of interest rate options products including caps, bond options and swaptions.
- Interest rate collar type option strategies.

Selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature.

Security

In general the Council will secure its borrowings against its rate revenue.

In unusual circumstances with prior Council approval, a charge over one or more of the Council's assets may be offered.

Repayment

The Council repays borrowings from the specific sinking fund allocated to that borrowing or from general funds

Trade Creditors and Purchase Contracts

The purchase of goods and services is managed by formal delegated staff authorities within Council approved budgets. Significant purchases and contracts also require the additional approval of the appropriate

² A liquidity ratio of not less than 1:1 is maintained at month end.

³ Includes total existing and forecast debt but not debt refinancing in the current year.

Council Committee Chairman (\$300,000+) or full Council (\$1,000,000+). Contracts are executed under Council Seal and any contracts over \$25,000 (including all subsequent extensions) are reported in detail to the next Council meeting .

Contingent Liabilities

Council from time to time provides financial guarantees to recreation and service organisations. The Manager Accounting Services ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council will take immediate steps to recover the money.

The total of financial guarantees outstanding is limited in value to 4% of the current year rates revenue.

Investment Policy

Council maintains investments in the following financial assets:

- Equity investments including shareholdings and loan advances to trading and service enterprises, charitable trusts and incorporated societies e.g. sporting and community organisations, and for residential and rural housing purposes, which are consistent with Council's normal course of business.
- Investments in land and buildings (property) and from time to time commercial mortgages and deferred payment licenses.
- Treasury instruments incorporating longer term and liquidity investments.

Equity Investments and Loan Advances

Investments include shareholdings in and advances to Council controlled organisations, charitable trusts, incorporated societies, residential and rural housing and other long term investments which are consistent with Council's strategic plan.

The Executive Committee, reviews performance of these investments on a regular basis to ensure strategic and economic objectives (see Section 6 for performance measurements) are being achieved. The Manager Accounting Services ensures that interest and principal repayments are being made in accordance with the loan agreement.

Advances and loans are only provided to organisations where the Council has significant interest and in default the assets of the organisation would revert to the Council. Residential and rural property owners have a charge placed over the land pursuant to s 188 of the Local Government Act 2002.

Any disposal of these investments requires Council approval. The use of sale proceeds is determined by Council resolution.

All dividend income from Council's equity investments is included in the consolidated revenue account.

Property Investments

Council's overall objective is to only own property that is necessary to achieve its strategic objectives. As a general rule, Council will not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a primary output of Council. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services. Council generally follows a similar assessment criteria in relation to new property investments.

The Executive Committee reviews the performance of its property investments on a regular basis (see Section 6 for performance measurements).

All income, including rentals and ground rent from property investments is included in the consolidated revenue account.

The use of proceeds on disposition is determined by Council resolution.

Treasury Investments

Council maintains treasury investments for the following primary reasons:

- To provide ready cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal income streams.
- To invest amounts allocated to special funds, sinking funds and reserves.
- To invest proceeds from the sale of assets.
- To invest surplus cash, and working capital funds (also see Section 5 Cash Management).

Risks associated with investment activity that need to be managed are:

- Default or credit risk which refers to the risk that the issuer of the security will be unable to deliver maturity proceeds to the investor. In a general sense Government investments are assumed to have zero default risk followed by local authorities with very low risk, followed by banks and corporates of various credit standing. It is now common practice to monitor credit standing of various institutions by referring to credit ratings

regularly provided by independent rating agencies such as Standard and Poors.

- Interest rate risk which relates to the extent to which an entity's income/expense is affected by movements in market interest rates.
- Liquidity risk which relates to the ready availability of willing buyers and sellers for a particular instrument. This is particularly important when investments need to be sold prior to maturity where abnormal losses can be incurred where ready buyers are not available.

Investment Objectives:

The Executive Committee sets overall investment strategy, by reviewing, on a regular basis, cashflow forecasts incorporating plans for approved expenditure and strategic initiatives, evaluating the outlook for interest rates and the shape of the yield curve and, where applicable, seeking appropriate financial advice.

Council's primary objective when investing is the protection of its investment. Accordingly, only creditworthy counterparties are acceptable. Creditworthy counterparties are selected on the basis of their current Standard and Poors (S&P) rating which must be strong or better. Credit ratings are monitored on a monthly basis by the Manager Treasury.

Within the above credit constraints, Council also seeks to:

- Maximise investment return.
- Ensure investments are liquid.
- Manage potential capital losses due to interest rate movements if investments need to be liquidated before maturity.

The above objectives are captured in the investment framework in Table 2, which provides operating parameters for investment activity including approved counterparties, instruments and limits. The following principles form the key assumptions of the operating parameters contained in the investment framework:

- **Credit risk is minimised by placing maximum limits for each broad class of non- Government issuer, and by limiting investments to registered banks, strongly rated State Owned Enterprises (SOEs), within prescribed limits.**
- **Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a readily available secondary market. Furthermore, Council maintains \$5 million of its reserves with a maturity of less than one year.**

Table 2: Approved Issuers, Instruments, and Limits

Issuers	Instruments	Limits (Percentage of Total Investment Portfolio)
<i>Risk-Free</i>		
Government guaranteed	Treasury bills Government stock	100%
<i>Near Risk-Free</i>		
Local authorities and other institutions with the ability to levy rates or taxes	Local authority stock Local authority Debentures	Up to 100% subject to not more than \$2.5million with one issuer
<i>Low Risk</i>		
Major banks registered with the Reserve Bank, and other issuers as long as they have a short term credit rating of at least A-1 or better and a long term credit rating of at least A or better as determined by Standard and Poors.	Money market call deposits Money market term deposits Registered certificates of deposit Promissory notes National Provident Fund deposits Corporate bonds **	Up to 100% but not more than \$5.0 million with one registered bank or not more than \$1.0 million with any single issuer with appropriate credit ratings. The exception is Council's banker * which may from time to time exceed this requirement for up to five working days.
<i>Medium/High Risk</i>	Commercial and residential mortgages	Typically regarded as unsuitable for investment by the Council. Council will specifically authorise each investment.

Note:

* Limit for Council's principal banker excludes balances in current accounts used for cash management purposes.

** Issuers must have a long term rating of A or better as determined by Standard and Poors.

FUNDING

Interest Rate Risk Management

Council's investments give rise to a direct exposure to a change in interest rates, impacting the return and capital value of its fixed rate investments.

The Executive Committee sets interest rate risk management strategy by monitoring the interest rate markets on a regular basis, evaluating the outlook and determines the interest rate profile to adopt for investments.

Manager Treasury, implements interest rate risk management strategy by reviewing rolling cashflow forecasts and:

- Changing interest rate profiles by adjusting the average maturity of its investments to match the borrowing maturity profile. Investments held to maintain liquidity and for specific purposes are excluded and/or;
- Using risk management instruments to protect investment returns and/or to change interest rate and maturity profile.

The following interest rate risk management instruments may be used for interest rate risk management activity, after formal prior approval of Executive Committee.

- Forward rate agreements.
- Interest rate swaps.
- Purchase of interest rate options products including caps & floors, bond options and swaptions.
- Interest rate collar type strategies.

Selling interest rate options for the purpose of generating premium income is not permitted.

Sinking Funds

Under the Local Government Act 2002, the Council is not required to use specific borrowing mechanisms and therefore Council uses its discretion in determining whether a sinking fund mechanism is appropriate. The Council operates sinking funds and nominated commissioners to administer the outstanding loans. The sinking fund commissioners are Mayor, Deputy Mayor, Chief Executive and Director, Corporate Services.

Sinking funds are managed as part of the Council's overall investment portfolio.

A statement of sinking funds is prepared annually by the sinking fund commissioners and reported to Council.

Existing loans prior to 1 July 1998 will be repaid as they progressively mature from the annual all purposes loan together with the associated sinking funds available.

New loans after 1 July 1998 will not require associated sinking funds to be established and generally will be repaid by the annual all purposes loan on maturity.

The level of long-term net debt will be determined by the long-term financial strategy.

Foreign Exchange Policy

Council may have foreign exchange exposure through the occasional purchase of foreign exchange denominated plant and equipment.

Generally, all significant commitments for foreign exchange will be hedged using foreign exchange contracts, once expenditure is approved. Both spot and forward foreign exchange contracts can be used by Council.

However borrowing in foreign currencies is expressly forbidden by Section 113 of the Local Government Act 2002. Borrowing can only be in New Zealand dollars.

Cash Management

From time to time, Council has daily cashflow surpluses and borrowing requirements due to the mismatch of daily receipts and payments. All cash inflows and expenses pass through bank accounts controlled by the finance function.

Council maintains rolling daily, monthly and yearly cashflows. These cashflows determine Council's borrowing requirements and surpluses for investment. Generally any cash to be invested for longer than three months is covered by Section 3 of this policy.

Cash management activities must be undertaken within the following parameters:

- Cash management instruments are limited to:
 - Call deposits with registered banks.
 - Negotiable instruments with a maturity less than three months.
 - Term deposits with registered banks (less than three months).
- If practical, a targeted minimum of \$1 million is invested at call.
- Overdraft facilities are utilised as little as practical.
- Interest rate risk management on cash management balances is not permitted.

Cash may only be invested with approved counterparties as detailed in Table 2.

Performance Measurement

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective and objective measures. The predominant subjective measure is the overall quality of treasury management information. The Executive Committee has prime responsibility for determining this overall quality. Objective measures are as follows:

1. Borrowing:

- Adherence to policy.
- Unplanned overdraft costs.
- Number and cost of processing errors.
- Comparison of actual monthly and year to date interest costs vs budget borrowing rate.
- Comparison of year end average interest rate vs large commercial borrower.

2. Equity Investments:

- Adherence to policy
- Comparison of financial ratios to budgeted benchmark levels. Accepted ratios include:
 - Return on Shareholders Funds.
 - Debt/Total Assets Ratio.
 - Current and Liquidity Ratios.
 - Gross Profit Margin.
 - Interest Coverage.
 - Earnings per Share.
 - Dividend per Share.

3. Property Investments:

- Adherence to policy.
- Comparison of actual rental yield to budgeted yield.

4. Treasury Investments:

- Adherence to policy.
- Number and cost of processing errors.
- Comparison of actual monthly and year to date accrued returns vs investing the entire treasury portfolio at the weekly average three month bank bill rate for short term investments. For investments of longer maturity compare year to date accrued returns to a weekly average three year Government stock rate or recognised fixed interest benchmark index e.g. First NZ Capital Index.

Reporting

Reports

The following reports are produced:

Report Name	Frequency	Prepared by	Recipient
Daily Cashflow Report	Daily	Treasury Accountant	Manager Treasury
Investment Register	Monthly	Manager Treasury	Chief Executive Director, Corporate Services
Limits Report (included within the Treasury Report)	Once a month, reported daily on an exceptions basis	Manager Treasury	Chief Executive Director, Corporate Services
Debt Maturity Profile (included within the Treasury Report)	Monthly	Manager Treasury	Chief Executive Director, Corporate Services
Statement of Public Debt	Annually	Manager Treasury	Chief Executive Director, Corporate Services
Statement of Sinking Funds	Six Monthly	Manager Treasury	Sinking Fund Commissioners

Meetings

A six monthly meeting of the Executive Committee, Director Corporate Services and Manager Treasury is held to discuss the activity for the previous months together with likely activity for the coming six months. Borrowing, investment and risk management strategies are also discussed and reviewed at this meeting as required. Impromptu meetings are held from time to time if changes to the agreed strategies are necessary.

FUNDING

Delegated Authorities and Key Internal Controls

Delegated Authorities

Activity	Responsibility
Alter policy document	Council
Authorise bank facilities Open/close bank accounts	Council
Cheque signatories	As approved by Council
Approve new loans	Council
Arrange new loans	Manager Treasury
Manage investments	Manager Treasury
Transfers of stock/register new debt issues	Seal register signatories

Key Internal Controls

Sound treasury procedures with appropriate controls are required to minimise risks the Council may experience through unauthorised treasury activity or unintentional error. Control procedures are in place for:

Investment Activity

Cheque / Electronic Banking Signatories
 Authorised Personnel
 Recording of Deals
 Confirmations
 Reconciliations
 Holding of Certificates

Borrowing Activity

Issue of Securities
 Procedures for bank borrowing

Part 7

Other Policies

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DESTINATION

ROT@RUA

ROTORUA DISTRICT
COUNCIL

POLICY ON PARTNERSHIPS WITH THE PRIVATE SECTOR

Background

The Local Government Act 2002 requires that every local authority adopt, by 30 June 2003, via the special consultative procedure, a policy on partnerships with the private sector.

A 'partnership with the private sector' is defined in s.107 of the Act to mean;
 "...any arrangement or agreement that is entered into between one or more local authorities and one or more persons engaged in business ..."

It specifically does not include arrangements between local authorities or council organisations, nor does it include contracts for the supply of goods or services to a local authority.

The partnerships policy must include:

- i) *The circumstances (if any) in which the local authority will provide funding or other resources to any form of partnership with the private sector, whether by way of grant, loan or investment, or by way of acting as a guarantor for any such partnership; and*
- ii) *What consultation the local authority will undertake in respect of any proposal to provide funding or other resources to any form of partnership with the private sector; and*
- iii) *What conditions, if any, the local authority will impose before providing funding or other resources to any form of partnership with the private sector; and*
- (iv) *An outline of how risks associated with any such provision of funding or other resources are assessed and managed; and*
- (v) *An outline of the procedures by which any such provision of funding or other resources will be monitored and reported on to the local authority; and*
- (vi) *An outline of how the local authority will assess, monitor and report on the extent to which community outcomes are furthered by any provision of funding or other resources or a partnership with the private sector."*

Circumstances in which the Council will consider providing funding or any other resources to a partnership with the private sector

The Council will consider partnership arrangements with the private sector where:

the partnership will contribute to furthering community outcomes; and there are clear advantages in a partnership arrangement over other possible structures; and risks are considered to be acceptable; and the Council is satisfied that the proposed partnership will help promote the communities' economic, environmental, social and cultural wellbeing.

Consultation

Before the Council enters into any partnership it will undertake consultation in accordance with the procedures set out in Part 6 of the Act.

Conditions (if any) that the Council may impose before providing funding

In considering any partnership proposal the Council will consider the necessity to impose conditions relating to:-

- governance;
- funding;
- management and operations;
- protection of the wider public interest;
- specific risk management mechanisms; and
- termination/exit arrangements.

The Council will, in particular, consider the extent to which conditions need to be imposed specifying:-

- how objectives and performance targets are to be set, agreed and reviewed.
- the extent to which, and the conditions under which, the Council will be liable to contribute funds to the partnership, (and may impose conditions stipulating how such funds and other financial matters relating to the partnership are to be managed).
- the requirements for monitoring, and the obligations of the partnership to provide regular reports to the Council about its performance (including identification of the extent to which the activities of the partnership have contributed towards the achievement of community outcomes).
- any particular requirements relating to the protection and enhancement of any affected Council assets.

- (if necessary) the extent to which the Council may need to retain control over matters relating to, pricing, management, and to the development of policy, during the partnership.

How risk associated with the provision of funding or other resources will be assessed and managed

A comprehensive risk assessment will be carried out before any partnership proposal is promoted or entered into.

Where the partnership proposal is significant and the Council decides to use the special consultative process, that process may identify further risks and/or assist the Council's understanding of the community's perception of risk.

Appropriate risk management mechanisms will be incorporated into every partnership agreement.

Procedures by which any provision of funding or other resources will be monitored and reported on to the Council.

Appropriate objectives, performance targets, and monitoring and reporting requirements will be included in every partnership agreement.

Appropriate procedures will also be put in place within the Council organisation to ensure that these are complied with.

How The Council Will Assess, Monitor, And Report On The Extent To Which Community Outcomes Are Furthered By Any Provision Of Funding Or Other Resources To The Partnership.

See 4 above.

A report listing all partnerships entered into by the Council will be included in the Council's Annual Report each year:-

- identifying the community outcome(s) to which each primarily contributes;
- reporting the results of performance measurements undertaken during the year;
- describing any identified effects that the partnership has had on the social, economic; environmental wellbeing of the community;
- recording the financial results of the partnership.

The Council will also include in its triennial report that is required to be issued pursuant to Section 92 of the Act, information about the extent to which the partnerships have contributed towards the achievement of community outcomes.

Notes:

Legislative references to the policy on partnerships with the private sector include sections 102(4)(e), 107 and 281(2)(d) of the Local Government Act 2002. In addition, Schedule 10(6) of the Act requires that the funding and financial policies in section 102 be included in the long-term council community plan.

In addition to the above, s.137 contains specific provisions about partnerships and joint ventures relating to "water services." These provisions are separate and additional to the policy above.

POLICY ON SIGNIFICANCE

Background

The Local Government Act 2002 (s.278), hereinafter referred to as 'the Act' requires that every local authority adopt, by 30 June 2003, via the special consultative procedure, a policy on "significance".

The terms "significant" and "significance" are defined in s.5 of the Act as follows;

"Significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- a) the current and future social, economic, environmental, or cultural wellbeing of the district or region;
- b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
- c) the capacity of the local authority to perform its role, and the financial and other costs of doing so."

"Significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance."

Section 90 requires that the policy must set out; "...*(the) general approach to determining the significance of proposals and decisions in relation to issues, assets or other matters; and any thresholds, criteria or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, decisions or other matters are significant.*"

Section 90 also requires that the policy list all strategic assets.

The Council's general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters

The Council will consider every issue, proposal, decision, or matter requiring a decision on a case by case basis to determine whether the matter is significant.

In determining whether the matter is significant, the Council will consider the following:

- The likely impact/consequences of the decision on the current and future social, economic, environmental and cultural wellbeing of the community; and
- The likely impact that the impact / consequence(s) of the decision might have on achievement of the agreed community outcomes for the district; and
- (If any proposed action involves a decision in relation to land or a body of water) the likely impact/consequence(s) of the decision on the relationship of Maori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna and other taonga; and
- The parties who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter and the likely impact/consequences of the decision from the perspective of those parties (including if the decision is likely to affect a large number of residents and ratepayers to a moderate or greater extent; or a small number of residents and ratepayers to a large extent); and
- The financial and non-financial costs and implications of the decision; and
- The extent (if any) to which the issue, proposal, decision or matter (or type of issue, proposal, decision or matter) has had a history of generating public interest within the Rotorua District, the Bay of Plenty Region, or New Zealand.

Thresholds And Criteria That The Council Will Use In Assessing The Extent to Which Matters Are Significant

The more significant or material the likely impact of the required decision, the more likely it will be that the matter is 'significant'.

Significant decisions will include, but will not be limited to, the following:-

- A proposal or decision requiring more than \$10 million of budgeted, or \$2 million of unbudgeted, expenditure;
- A proposal or decision to significantly alter the intended level of service for any significant activity - including a decision to commence or cease such activity (s.97(1)(a));
- A proposal or decision to transfer ownership or control of a strategic asset (s.97(1)(b),
- A proposal or decision to construct, replace or abandon a strategic asset (s.97(1)(c));
- A proposal or decision that will, directly or indirectly, significantly affect the capacity of the Council, or the cost to the Council, in relation to any activity

identified in the Long-Term Council Community Plan (s.97(1)(d));

- A proposal or decision to change the mode of delivery of any significant activity (s.88);
- The sale of all or a majority of the Council's shareholding in any council-controlled trading organisation, or council-controlled organisation;
- A proposal to enter into a partnership with the private sector to carry out a significant activity.
- For the avoidance of doubt, this policy does not apply to:
 - Carry forwards
 - Rejections
 - Maintenance
 - Emergency works

The Council's general approach to determining decisions in relation to issues, assets, or other matters

Decisions pursuant to this policy will be made in accordance with the provisions of the Council's proposed governance statement that is required to be prepared pursuant to Section 40(1) of the Act.

If the matter is deemed to be significant, the Council will decide whether the special consultative procedure should be used – or if the requirement to 'appropriately observe' (see s.76(3)(b)) the provisions of Sections 77, 78, 80, 81 and 82 will be sufficient.

The Council's Strategic Assets

Strategic assets are defined in s.5 of the Local Government Act 2002 as:

"Strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future wellbeing of the community; and includes—

- a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c) any equity securities held by the local authority in—
 - i) a port company within the meaning of the Port Companies Act 1988;
 - ii) an airport company within the meaning of the Airport Authorities Act 1966."

The assets and groups of assets that the Council considers to be "strategic assets" are:-

- The Council's roading network; and
- The Council's wastewater network and treatment plant; and
- The Council's water supply network; and
- The Council's stormwater network; and
- The Council's public library, museum, pensioner housing, community halls, event facilities, international stadium, aquatic facilities, parks and reserves, nursery, cemeteries and crematorium; and
- Shares in Rotorua Regional Airport Limited and Civic Assurance.

Note:

Legislative references to "significance" include sections 5, 90 and 278 of the Local Government Act 2002. In addition, Schedule 10 (7) of the Act requires that a summary of the significance policy be included in the long-term council community plan.

ROTORUA REGIONAL AIRPORT LTD

Statement of Intent

Board Statement

Board of Directors – Rotorua Regional Airport Ltd

Neil Oppatt (Chairman)
Bob Martin
Ray Cook
Bill Kingi

This Statement of Intent is a three year forecast based on the first annual review of the Airport Master Plan completed in May 2003. The Master Plan is the company's 'blueprint' for future development and management of the airport for the next 20 years. The plan is based on the vision, needs and constraints expressed by the shareholders during a series of workshops convened by the company during the planning and subsequent review process. Resolutions passed at special meetings of Council in February 2003, February 2004 and June 2004 have been used in shaping the vision, goals and objectives which govern the future direction of the company.

The market environment today is dramatically different to that which existed when the Plan was written 12 months ago. The market environment twelve months ago was influenced by -

- Expert predictions that the proposed Air NZ / Qantas alliance was an almost certainty
- a virtual monopoly on domestic and trans Tasman routes
- the possibility that Virgin Blue may not enter the NZ market

The Airport Master Plan was realistically based on a market forecast of one domestic jet airline servicing the ROT-CHC route.

Within six months the market environment had changed dramatically influenced by –

- Commerce Commission rejection of the Air NZ / Qantas alliance proposal
- a new airline Pacific Blue establishing domestic and trans Tasman services
- the entry of new competition on the trans Tasman route (i.e. Emirates)
- the decision of two airlines to commence jet services on the ROT-CHC sector
 - Air New Zealand from 1 December 2003

- Qantas Airways from 1 April 2004
- a possibility that Pacific Blue may also provide domestic services to and from Rotorua
- Emirates Airline establishing new trans Tasman services

RRAL responded to this unexpected change by-

- reviewing its Master Plan to make provision for two or possibly three 'same time' domestic jet operations (the Plan previously provided for one domestic jet operation)
- redesigning its terminal development to cater for the increased demand
- consulting the shareholder as to the need to accelerate the forecast capital programme in order to cater for the increased demand and take advantage of market opportunities

The plan remains a 'living document' and will continue to be upgraded and expanded as knowledge increases and new improved ideas and business options evolve. The business is strongly influenced by the external operating environment (both domestic and international) and the company will continue to review its strategic direction having regard to that environment. At the very least the Airport Master Plan will be reviewed annually in accordance with market conditions.

The Board continues to meet the challenges 'head on' and is frustrated at the lack of visual progress which would give shareholders and the community confidence that 'things are actually happening' at the airport. Unfortunately the task of bringing an airport 'back from the brink' involves the resolution of many long-standing historical and planning issues which take time to address and resolve. The high cost of infrastructure development on such a constrained site makes it imperative that scarce resources are effectively and efficiently utilised and that all risks are addressed. The Board's decision to review the design limits of the terminal and aprons as defined in the Airport Master Plan is an example of the need to be proactive in addressing the future needs of the industry. The Board continues to face the future with confidence.

Introduction

Rotorua Regional Airport Limited –

- (a) is a limited liability company pursuant to the Companies Act 1993

- (b) is a Council-controlled Trading Organisation pursuant to Section 6 Local Government Act 2002

This Statement of Intent –

- (a) is prepared in compliance with Section 64 and the Eighth Schedule of the Local Government Act 2002
- (b) sets out the objectives and scope of activities proposed to be carried out by the Rotorua Regional Airport Ltd (RRAL) in the 3 year period commencing 1 July 2004.

The Local Government Act 2002 requires that Council-controlled organisations –

- (a) review their Statement of Intent prior to the commencement of each financial year
- (b) have a financial year ending 30th June each year.

RRAL altered its financial year with a 15 month period ended 30th June 2003 in order to comply with Section 276 Local Government Act 2002 which requires Council-controlled Organisations to have a 30th June balance date with effect from 1st July 2003.

The Eighth Schedule of the Local Government Act states that the purpose of a statement of intent is to -

- (a) state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute
- (b) provide an opportunity for shareholders to influence the direction of the organisation
- (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

On 31 July 2002 Rotorua District Council purchased the 50% shareholding in RRAL held by Central Avion Holdings Limited. The Council now holds 100% of the shares in RRAL.

The company presented its Airport Master Plan to the Council's Finance and Strategic Planning Committee on 24 June 2003. The Committee resolved to adopt the plan.

An annual review of the Plan is currently in progress. RRAL held a Shareholder Workshop on 18th February 2004 which reviewed progress and changes in the market environment. The Workshop also reviewed the goals, objectives and strategies contained in the plan and the implication changes would have on capital and funding requirements. Council's consultant took part in the review and has subsequently presented a report to Council's Finance and Strategic Planning Committee addressing the issues and options.

RRAL received a copy of the report on 23rd February 2004 together with a resolution that the report be

referred to the Rotorua Regional Airport Ltd Board for consideration and recommendations included in its Statement of Intent and; that Rotorua Regional Airport Ltd Board be invited to attend a special Finance and Strategic Planning Committee meeting on Monday 1 March 2004 to present the Statement of Intent and in particular funding matters.

Council's Finance and Strategic Planning Committee referred the Price Waterhouse report to RRAL on 23 February 2004 for its consideration in preparing this Statement of Intent

In May/June 2004 the council consulted on and adopted the proposal that the infrastructure assets and land be transferred to Council so that they are owned by Council and that the Rotorua Regional Airport Limited will continue as a stand alone company operating the Rotorua Regional Airport under an arrangement where by the infrastructure assets are leased to it from Council.

This Statement of Intent is therefore based on the following assumptions.

Assumptions

Proceed with

- development associated with domestic jet services (with the possible exclusion of some 'non contingent' items)
- all planning for trans Tasman services including -
 - designations, plan changes, resource consents
 - survey, testing, design, documentation of infrastructure development to a 'state of readiness' only
- stage I of terminal development and design for stage II and III
- initiatives to secure trans Tasman services utilising existing runway length
- proceeding to 'state of readiness' for all trans Tasman development

Shareholder during the 2004/2005

- will acquire airport land and infrastructure and undertake redevelopment itself with lease-back to airport operating company

Mission Statement

"A user friendly, attractive airport 'hub' which meets the regional need for domestic and trans-Tasman airline services and is a safe, commercially viable operation optimising the social and economic benefits to the community shareholder."

Goals

Resumption of domestic jet services

Goal achieved:

- Air NZ commenced jet service on 1st December 2003
- Qantas Airways to commence jet service on 1st April 2004

Establishment of trans-Tasman passenger services

Progress achieved:

- Plan change documentation submitted to Council early February 2004
- Notice of Requirement for designation of land and airspace to be lodged as soon as agreement reached with Transit NZ re Lee Road overbridge designation

An attractive customer friendly airport facility

Progress achieved:

- Contract for stage I terminal development let in June 2004

Objectives

- Meet the airport needs of the district and region
- Advise Council and shareholders as to the district needs for air transport services and infrastructure development
- A strategic plan which reflects the needs of the community
- An effective working relationship with the shareholder
- Secure and protect the right to operate and expand airport operations
- Meet the needs of the community for growth in aircraft movements and passenger numbers
- Develop at a rate which minimises requirement for shareholder equity capital
- Proceed at a rate which minimises risk
- Cement infrastructural facilities for domestic jet services on the Rotorua –Queenstown route
- Establish trans-Tasman services utilising existing runway length
- Achieve a 'state of readiness' to proceed with the Stage II runway extension (obtain district planning and resource consents as quickly as possible)
- Operate company as a 'stand alone' commercial business, leasing the infrastructural assets from Rotorua District Council
- Optimise net earnings potential for reinvestment in airport development
- Minimise calls for shareholder equity advances
- Informed decision-making based on sound strategic planning

- Mitigate adverse effects caused by airport operations and development
- Develop and maintain airport facility which reflects city aesthetic and landscape standards
- Provide a safe, secure airport facility
- Provide for general aviation activity consistent with primary purpose of providing for airline passenger services

Strategies

- Complete strategic planning
- Update master plan
- Transfer assets and land to RDC and leaseback
- Cement required capital infrastructure for 737 300 jet services on Rotorua / Christchurch route
- Complete construction of stage I terminal upgrade
- Construct two new aprons and strengthen and upgrade existing asphalt aprons to accommodate jet aircraft
- Designate existing and required flight path 'obstacle limitation surfaces'
- Initiate District Plan Change to provide for development of Stage II runway extension
- Apply for resource consents to construct Stage II runway extension
- Mitigate adverse effects caused by airport operations and development
- Upgrade strength of 'original' runway and taxiway for use by heavier aircraft
- Upgrade existing car park, internal roads and access from State Highway 30
- Construct Stage II runway extension
- Construct runway end safety areas to comply with new CAA rule requirement
- Design and construct stage II and III terminal complex and related utilities
- Develop General Aviation facilities
- Design and develop airport business park
- Landscape design and implementation
- Internal zoning and land use rules
- Explore and develop new business opportunities

Governance

The board's approach to governance includes:

- that the company operates as an Airport operator under a legal entity in it's own right separate from it's shareholder, leasing the Airport capital infrastructure from RDC¹
- that all decisions are made by the board of directors² in accordance with the company constitution and statement of intent

¹ Section 15 of the Companies Act 1993 refers

² Section 128 of the Companies Act 1993 and Section 60 of the Local Government Act 2002 refer

- (c) the development of an effective working relationship with shareholders on issues of strategic importance, utilising shareholder workshops as an informal mechanism for seeking shareholder guidance on strategic issues

through the airport, having regard to the regulatory requirements of the Civil Aviation Authority of New Zealand.

- (b) The provision and maintenance of facilities for non-airport company businesses located at the airport.
- (c) The development and management of land holdings.

Nature and Scope of Activities

The primary nature and scope of activities for the company is to operate an airport at Rotorua.

These activities include:

- (a) The provision, maintenance, upgrading and extension of services and facilities to accommodate aircraft movements and the efficient handling of passengers and cargo

Over the next three years the company will actively pursue opportunities for passenger and revenue growth, airport upgrading and development, and enhancing the aesthetics of the airport facility in keeping with its primary role as a visitor gateway to Rotorua and the Bay of Plenty region.

Capital Expenditure Proposals

The following table summarises the capital expenditure planned to be undertaken by Council for Airport development for the next 3 years. These forecasts are subject to change following further discussions and agreement between RRAL and the shareholder:

Table 1: Capital Development Programme (by Council)

Year	Year ending 30 th June	Details	Amount (\$000)
1	2005	Domestic Jet Aircraft Services	
		○ Stage I terminal development	2,900
		○ Temporary gate lounge	100
		○ New apron and taxiway (80 tonne capacity)	910
		○ Upgrade existing asphalt aprons (30 tonne capacity)	3,475
		○ Security fencing	250
		○ Moving internal Airport leases/landscaping	270
		○ Wet land mitigation	100
		○ Roading and parking development	1,500
		○ Other costs/consultants	50
		Trans Tasman readiness	
		○ External to airport strategic property purchases	750
		○ Designation/Plan Change/Resource Consents	660
○ Northern Starters	1,400		
2	2006	Domestic Jet Aircraft Services	
		○ Security Fencing	250
		○ Roading & parking development	600
3	2007	Trans Tasman readiness	
		○ External to airport strategic property purchases	750
3	2007	Domestic Jet Aircraft Services	
		○ Security Fencing	250
Total			14,215

Note: Council has yet to confirm the policy for the expenditure of capital for trans-Tasman Services infrastructure and revenue.

Table 2: Capital Operation (by Council)

Year	Year ending	Details	Amount (\$000)
1	2005	Equipment	60
2	2006	Equipment	342
Total			402

Financial Forecasts and Performance Targets

The following table forecasts the Company's anticipated financial performance for the three year period ending 30 June 2007.

Table 3: Financial Forecasts

Year ending 30 June :	2005 (\$000)	2006 (\$000)	2007 (\$000)
Total revenue	1,485	1,546	1,599
Total costs	1,195	1,537	1,590
Surplus / deficit before tax	290	9	9
Provision for tax	96	3	3
Surplus / deficit after tax	194	6	6
Total liabilities	1,398	1,392	1,397
Total assets	1,435	1,430	1,435
Total shareholders' funds	37	38	38
Net profit after tax to average shareholders' funds	7%	17%	17%
Shareholders' funds to total assets	3:97	3:97	3:97

Capital Structure and Funding Requirements

During 2004/2005 Council will reduce its equity in the Company as the infrastructure assets and land are transferred from RRAL to RDC.

Dividend Policy

The company's policy prior to Council purchasing a 100% shareholding has been to distribute by way of dividend to shareholders 40% of net profit after tax provided where it is prudent to do so.

The shareholder has waived its right to require RRAL to pay a dividend provided that the company invests an equivalent amount into airport development, this will be reviewed on a year by year basis.

Shareholders' Funds/Assets

Shareholders' funds include share capital and reserves.

Assets include current assets and non-current assets which comprise fixed assets at historical cost and amortised over the expected life of the asset and deferred taxation.

Interest Cover

The company aims to have an interest cover above 2.0.

Acquisition of Shares

The company will not subscribe for, purchase, or otherwise acquire shares in any company or other organisation without first being authorised to do so by a special resolution of shareholders.

Shareholder Information

The company will provide shareholders with information on its current and future activities at a level sufficient for shareholders to assess the performance of the company against its objectives.

The company will endeavour to disclose as much information on its operation as is practicable and consistent with commercial and confidentiality considerations. As a minimum this will involve:

- (a) Half Yearly:
Compliance with Section 66 Local Government Act 2002 including -
- i) a year-to-date unaudited statement of profit and loss compared with budget and result for the same period of the previous year
 - ii) balance sheet at the end of the period
 - iii) statement of source and application of funds
 - iv) updated performance indicators

- v) narrative on major developments, trends, and any revisions to financial forecasts in the light of performance which will be the subject of discussions with the shareholders
- (b) Annual:
Compliance with Sections 67 and 68 Local Government Act 2002 including -
 - i) annual report and accounts
 - ii) budget for coming year
- (c) As Necessary:
 - i) details of any new developments not covered in the annual budget and Statement of Intent
 - iii) any other information justifiably sought by the shareholder

Compensation

Except for shareholder advances and the transfer of capital infrastructure assets and land, the board is not proposing any activities for which it would seek compensation from any local authority³

Company Valuation

The book value of shareholders' funds as at 30 June 2004 was:

Shares:

Rotorua District Council	\$2,640,000
Total Book Value of Shares	\$2,640,000

Loan Finance:

Rotorua Energy Charitable Trust	\$1,250,000
Rotorua District Council	\$4,429,000

The value of the company's assets at 30 June 2004 is budgeted to be:

Asset Type	\$	Basis
Land	1,397,000	Book Value
Improvements	7,906,000	Book Value
Plant & equipment	134,000	Book Value

Accounting Policies

Accounting policies will be consistent with legal requirements in the Companies Act and generally accepted accounting standards as promulgated by the Institute of Chartered Accountants of New Zealand modified as necessary for the circumstances of the company.

Auditors

Section 70 of the Local Government Act 2002 requires that Council-controlled Organisations be audited by the Auditor General.

Public Notification

The Act requires that any completed statement of intent and each modification adopted must be made available to the public within 1 month after the date on which it is delivered to the shareholders or adopted, as the case may be.

³ Clause 9(j) of the Eighth Schedule of the Local Government Act 2002 refers

COUNCIL ORGANISATIONS AND COUNCIL CONTROLLED ORGANISATIONS

There are a number of organisations where Council has the right to appoint a representative and/or has a shareholding. Under the Local Government Act these organisations are defined as Council Organisations (CO's) and Council Controlled Organisations (CCO's).

Rotorua District Council has a number of Council Organisations. The Kauae Cemetery Trust Board is Council's only Council Controlled Organisation, and the Rotorua Regional Airport Limited is Council's only Council Controlled Trading Organisation.

The CCO's, the Kauae Cemetery Trust Board, and the Rotorua Regional Airport Limited, assist Council in pursuing its purpose and meeting the demonstrated needs of the Rotorua community. Those appointees to the organisations have the necessary skills, knowledge, and experience to take on their respective tasks.

Throughout the 2004/05 year, and prior to the adoption of the 2006 LTCCP, the requirements of the Local Government Act 2002 will be met, a Statement of Intent, performance monitoring, half yearly and yearly reports, will be prepared for the Kauae Cemetery Board and Rotorua Regional Airport Limited.

Where Council has a shareholding in a CCO, it must provide further information in the LTCCP. The only organisation in this category is the Rotorua Regional Airport Limited (refer separate section). Other CO's and CCO's are:

CO's

QE Hospital Trust
Tourism Advisory Board
Rotorua Community Youth Centre Trust
Rotorua District Community Arts Council
Pukaki Trust
Ngati Rangitiaorere Consultative Group
Te Amorangi Trust

CCO's

Kauae Cemetery Trust Board

CCTO's

Rotorua Regional Airport Limited

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

Council is currently reviewing the options for the use of Development Contributions and Financial Contributions under the Local Government Act 2002.

To date Council has relied on the Operative Rotorua District Plan provisions 'Part 16 Subdivision and Development' section and 'Appendix U Financial Contributions for Reserve Purposes'.

The District Plan provides:

FINANCIAL CONTRIBUTION RULES FOR SUBDIVISION AND DEVELOPMENT

INTRODUCTION

Subdivision and development are subject to financial contributions in accordance with the following rules, and the provisions of **Appendix U** and **Appendix W**. Section 108(9) of the *Resource Management Act 1991* define financial contribution as money, land, works or services. A number of categories of financial contribution apply to subdivision and development.

The first category is outlined in '**Financial Contributions for Reserves and Heritage Purposes**'.

The second and third categories are outlined in '**Financial Contributions – Minimum Engineering Requirements for Subdivision**' and '**Financial Contributions – Minimum Engineering Requirements for Development**'. Council considers that subdividers and developers should provide, those works and services necessary to ensure the efficient functioning of their subdivision and development. A contribution may include requirements relating to the formation of building sites, earthworks, roads and landscaping, access ways, private ways, sanitary and stormwater drainage, water supply, and all ancillary works and services within or appurtenant to the subdivision and/or development.

The fourth category, outlined in '**Financial Contributions – Service Lanes and Road Widening**', specifically relates to identified service lane and road widening requirements which will be imposed as a financial contribution on applications for subdivision or development.

The fifth category, outlined in '**Financial Contributions – Upgrading Requirements for Subdivision and Development**' may include the formation of an unformed road, the upgrading of a formed road where the activity is likely to generate additional traffic, or the upgrading of an undersized sanitary sewer, water main or stormwater drain.

Rule '**Miscellaneous Financial Contribution Requirements for Subdivision and Development**' lists miscellaneous matters regarding financial contributions for the engineering requirements, service lanes and road widening, and upgrading contributions.

FINANCIAL CONTRIBUTIONS FOR RESERVES AND HERITAGE PURPOSES

Appendix U provides the method of calculation for financial contributions for reserves and heritage purposes and also specifies the maximum value of the financial contribution.

General

All subdivision and development will be subject to the Rules for financial contributions for reserves and heritage purposes. The objectives, policies and rules for requiring a financial contribution are contained in **Part Eleven**.

At Council's discretion and as outlined in **Part Eleven**, land may be required for esplanade reserves, heritage protection or local purpose reserves and in some situations works may also be required, for example for landscaping.

Rules Applicable To Development For Esplanade Reserves And Strips

In accordance with **u1.3.5** of **Appendix U**, Council will require the vesting of esplanade reserves and/or creation of esplanade strips upon a development proposed on lots or lease areas adjoining a lake or river as defined in Section 2 of the *Resource Management Act 1991*.

FINANCIAL CONTRIBUTIONS - MINIMUM ENGINEERING REQUIREMENTS FOR SUBDIVISION

Note : The Performance Standards for the following Rules '**Earthworks and Foundations**' to '**Access Ways and Private Ways**' are contained in **Appendix W**. Various methods may be used to satisfy these Performance Standards. However compliance with the

Rotorua District Council Engineering Code of Practice is deemed to satisfy the particular Performance Standards listed.

The maximum level of the financial contribution for minimum engineering requirements is the total cost of providing these requirements in accordance with the Performance Standards outlined in **Appendix W**.

Earthworks And Foundations

Every lot or lease area within the subdivision shall have a foundation suitable for any intended activity, which will be free from inundation, erosion, subsidence and slippage.

Roading And Landscaping

Roads or other means of access approved by Council shall be provided to all lots and lease areas within a subdivision. Large lot subdivision (ie. subdivision into lots or lease areas that may be further subdivided in accordance with the rules of this plan) within the Residential Zones, shall also make provision for satisfactory access to future potential residential lots.

FINANCIAL CONTRIBUTIONS - MINIMUM ENGINEERING REQUIREMENTS FOR SUBDIVISION

Note : The Performance Standards for the following Rules '**Earthworks and Foundations**' to '**Access Ways and Private Ways**' are contained in **Appendix W**. Various methods may be used to satisfy these Performance Standards. However compliance with the *Rotorua District Council Engineering Code of Practice* is deemed to satisfy the particular Performance Standards listed.

The maximum level of the financial contribution for minimum engineering requirements is the total cost of providing these requirements in accordance with the Performance Standards outlined in **Appendix W**.

Earthworks And Foundations

Every lot or lease area within the subdivision shall have a foundation suitable for any intended activity, which will be free from inundation, erosion, subsidence and slippage.

Roading And Landscaping

Roads or other means of access approved by Council shall be provided to all lots and lease areas within a subdivision. Large lot subdivision (ie. subdivision into lots or lease areas that may be further subdivided in accordance with the Rules of this Plan) within the Residential Zones, shall also make provision for satisfactory access to future potential residential lots.

Every lot that does not have frontage to an existing road or private road shall have a frontage to a road or private road to be provided by the owner(s) which will give

vehicular access to that lot from an existing road or private road.

Notwithstanding the above, Council may approve an application for subdivision in any of the following situations:

- Where Council considers that vehicular access is unnecessary, it may approve access to any lot or lease area by foot only;
- Where Council considers that because of the topographical nature of the land vehicular access is impractical, it may approve access to a lot or lease area by foot only;
- Where Council is satisfied that adequate access to the lot or lease area is provided over other land pursuant to an easement of right of way.

Note: The Memorandum of Transfer or Easement Certificate must provide for and detail maintenance standards, cost sharing provisions, and means of arbitration.

In addition:

- (a) The subdivider shall form and completely construct a proposed road as shown on the scheme plan to the required Council standard, and to enable the proposed road to carry the predicted traffic loadings. This may include providing pedestrian and cycle facilities, drainage, landscaping, and planting;
- (b) The subdivider shall form and construct a carriageway over every proposed private way and private road as shown on the scheme plan.
- (c)
 - (i) No private way or private road in the Rural A Zone which services more than four potential lots (based on the minimum lot size) shall exceed 500 metres in length.
 - (ii) No private way or private road in the Rural B, D or E Zone which services more than four potential lots (based on the minimum lot size) shall exceed 200 metres in length.
- (d) The subdivider shall set aside within the road reserve areas of land for the purpose of landscaping and street tree planting to the satisfaction of Council.

Stormwater

The subdivider shall provide a satisfactory system for the collection, treatment and disposal of stormwater from the proposed roads, private ways, access ways, reserves and from all lots, lease areas and building sites within the subdivision.

Sanitary Sewerage

The subdivider shall provide for the satisfactory disposal of sewage from each lot, lease area and building site within the subdivision.

Water Supply

The subdivider shall provide a satisfactory water supply to all lots, lease areas and building sites within the subdivision.

Electricity Supply

The subdivider shall make suitable arrangements for the reticulation of an electric power supply for every lot, lease area and building site within the subdivision.

Gas Supply

The subdivider shall make suitable arrangements for the reticulation of a gas supply for every lot, lease area and building site within the subdivision, where existing gas reticulation is available within 100 metres of the subdivision.

Telephone Services

The subdivider shall make suitable arrangements for the reticulation of a telephone service and other telecommunication services for every lot, lease area and building site within the subdivision.

Access Ways And Private Ways

The minimum access and formation widths for access ways and private ways serving household units shall be provided in accordance with the following table:

NUMBER OF POTENTIAL HOUSEHOLD UNITS	ACCESS WIDTH	FORMATION WIDTH
1	3.0m	2.5m
2	3.0m	3.0m
3 - 4	4.5m	4.0m
5 - 8	6.0m	5.0m
More than 8 household units may not share private access		

For other access ways and private ways, see **Appendix W**.

FINANCIAL CONTRIBUTIONS - MINIMUM ENGINEERING REQUIREMENTS FOR DEVELOPMENT

Note: The Performance Standards for the following Rules 'Earthworks and Foundations' to 'Bonds' are contained in **Appendix W**. Various methods may be used to satisfy these Performance Standards. However compliance with the *Rotorua District Council Engineering Code of Practice* is deemed to satisfy the particular Performance Standards listed.

The maximum level of the financial contribution for minimum engineering requirements is the total cost of providing these requirements in accordance with the Performance Standards outlined in **Appendix W**.

Earthworks And Foundations

Every building within the development shall have a foundation suitable for its intended use, free from inundation, erosion, subsidence and slippage.

Roading

Roads or other means of access approved by Council shall be provided to all buildings within the development. However, Council may approve the development where it is satisfied that adequate access to the development is provided over other land pursuant to an easement of right of way.

The developer shall:-

- (a) form and completely construct and drain all proposed roads, parking and turning areas; and
- (b) form and construct a carriageway over every proposed private way and private road.

Note: The Memorandum of Transfer or Easement Certificate must provide for and detail maintenance standards, cost sharing provisions and means of arbitration, in cases of easements of rights of way.

Stormwater

The developer shall provide a satisfactory system for the collection, treatment and disposal of stormwater from the development.

Sanitary Sewerage

The developer shall provide for the satisfactory disposal of sewage from the development.

Water Supply

The developer shall provide a satisfactory water supply to the development.

Electricity Supply

The developer shall make suitable arrangements for the reticulation of electric power to the development.

Telephone Services

The developer shall make suitable arrangements for the reticulation of telephone and other telecommunication services to the development.

Bonds

Council may require the developer or owner(s) to enter into a bond for the due compliance with the above requirements which would be arranged prior to the uplifting of a building consent, where the above

requirements involve off-site works or affect the existing public road or service infrastructure.

FINANCIAL CONTRIBUTIONS - SERVICE LANES AND ROAD WIDENING

In the case where land is vested for service lane or road widening the maximum level of the financial contribution will be in accordance with the identified service lane and road widening requirements listed or described in **Appendix N** and **Appendix D** respectively. In addition any costs associated with the vesting of the service lane or road widening will form part of the maximum financial contribution in accordance with the provisions of **Part Twelve**.

Subject to **R12.6** and **R12.7** of **Part Twelve**, Council will require the vesting of land for service lanes or road widening upon subdivision or development of lots or lease areas with identified service lane or road widening requirements listed or described in **Appendix N** and **Appendix D** respectively.

FINANCIAL CONTRIBUTIONS - UPGRADING REQUIREMENTS FOR SUBDIVISION AND DEVELOPMENT

The maximum level of the financial contribution for upgrading will be limited to the works necessary to meet the additional loading on the infrastructure caused by the subdivision or development, as determined by Council.

Roading

For the purpose of forming, diverting, or upgrading any existing road or forming any new road because of new or increased traffic owing to the subdivision or development of any land, Council may, as a condition of approval of a scheme plan or development, require the owner(s) to:

- (a) pay, or enter into a binding contract to pay, to Council a fair and reasonable contribution towards the cost of forming or upgrading roads or parts of roads within or adjacent to the subdivision or development or of any other land in the same ownership. Such forming and upgrading shall be carried out to a state or standard as determined by Council. Alternatively Council may require the owner(s) to carry out, or enter into a binding contract to carry out, that work;

and/ or,

- (b) dedicate a strip of land in the same ownership for the widening of any road.

The above requirements shall be limited to the extent to which the road serves or is intended to serve the subdivision or development.

Upgrading Parameters For Rooding

- (a) Each household unit will be deemed to generate 6 vehicle movements per day (v.p.d.).
- (b) All existing roads directly serving the subdivision or development shall be formed and sealed when required to carry in excess of 70 v.p.d., except that metalled cul-de-sacs or cul-de-sac ends less than 300m in length shall also be formed and sealed even though assessed traffic volumes may be less than 70 v.p.d.
- (c) Where contributions towards footpath, kerb and channel and berm formation are required, the contribution shall be at the rate of 50% of the total estimated cost.

Water Supply And Drainage

Council may, as a condition of its approval of the scheme plan or development, require the owner(s):

- (a) where an existing public water supply system or drainage system is available, to service the subdivision (being a system within or contiguous to the land in the subdivision) -

to pay, or enter into a bond to pay, to Council such amount as Council considers fair and reasonable for or towards the cost of upgrading the said system.

- (b) where any such system is not available, but is likely to be available within a period of five years, to pay, or enter into a bond to pay, Council such amount as Council considers fair and reasonable for or towards the cost of providing water, drainage, electricity or gas connections from that system to the subdivision or to any lots in the subdivision.

Upgrading Parameters For Water Supply And Drainage

Unless otherwise provided for, the upgrading contribution required towards the cost of upgrading a service will be the total cost of upgrading such service to serve for the subdivision or development in accordance with the Performance Standards of **Appendix W**.

MISCELLANEOUS FINANCIAL CONTRIBUTION REQUIREMENTS FOR SUBDIVISION AND DEVELOPMENT

Sharing Of Cost Other Than Upgrading Contributions

The provisions of 'Financial Contributions – Upgrading Requirements for Subdivision and Development', with the exception of 'Upgrading Parameters for Roading' (c), do not define a basis for the sharing of the cost of services between the subdivider or developer and Council. The share of the cost to be met by the subdivider or developer will be determined by Council at the time of scheme plan or development approval.

Council's share and upgrading costs are required to be included in the Annual Plan process which may delay provision of the appropriate service and implementation of the subdivision or development. The subdivider or developer may elect to proceed with such works at their cost.

Engineering Inspection Fees

To cover the cost of the inspection by Council of the Engineering Plans and Specifications, and the cost of inspection of construction, the subdivider or developer shall pay the following fees:

- (a) 1% + GST of the value of the works inspected and approved based on a schedule of quantities and estimated rates to be submitted by the subdivider or developer; or
- (b) A minimum fee as determined by Council.

All estimated rates must be fair and reasonable.

Easements For Public Services

All easements necessary for public services and batters, or where required by Council, are to be granted by the subdivider or developer.

Discharge Permits

All discharge permits shall be obtained by the subdivider or developer in their name.

Works In Reserves, Domains Or Private Land

Wherever any works are to be constructed within a reserve or domain vested in Council, the subdivider or developer shall obtain the approval of Council. In the case of private property, written permission of both the owner(s) and the occupier(s) shall be obtained and submitted to Council along with the engineering plans. Upon completion of the works and prior to the issue of a completion certificate in the case of a subdivision, written confirmation of the property owner'(s) satisfaction with reinstatement works shall be provided.

Drains laid on private property other than that owned by the subdivider, are subject to Section 445 of the *Local Government Act 1974* and only Council is empowered to serve the statutory notifications, etc. required. All costs involved in the serving of notices, hearing of objections and any other consequential expenditure shall be met by the subdivider or developer.

Variation Of Requirements

Any variation from the requirements which may be necessary to meet particular circumstances must be referred to Council for specific approval and will be assessed as a Non-Complying Activity. Any reduction in standards must receive the approval of Council prior to being incorporated in plans and specifications for subdivision or development.

Policy

Rotorua District Council will continue to use the relevant provisions of the Operative District Plan to determine financial contributions.

The review currently being undertaken will continue and be part of a special consultation process during the next 12-18 months.

Part 8

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DESTINATION

ROT@RUA

ROTORUA DISTRICT
COUNCIL

DEFINITIONS OF TERMS

As many of Council's policies and documents are prepared to comply with legislation, they can end up with a lot of uncommon technical terms or jargon in them. If you don't understand what is being talked about in this document, please contact us for an explanation. Some of the terms used in the plan are explained below.

Activity

A service provided by or on behalf of Council, something we do.

Annual Plan

The Annual Plan is an action plan produced each year that sets out how Council has prioritised LTCCP activities and allocated budgets for that particular year. Annual Plans are produced in the intervening years when the LTCCP is not reviewed.

Annual Report

The purpose of the annual report is to compare Council's actual performance for the year with that which was projected in the LTCCP and Annual Plan for the same period. The report has an accountability and informative role. The relative importance of these roles may vary for different users. Accountability is the requirement for Council to account to ratepayers, residents and other interested parties for its performance over the last year. This requires financial reports that:

- Identify objectives and targets established by formal process.
- Measures actual achievements against those objectives and targets.

Such objectives and targets are both financial and non-financial. The Annual Report is therefore an important link in Council's planning process and annual communication cycle. The diagram below shows how the various other public documents integrate with this Annual Report. The following describe the purpose of each document in the diagram. It is hoped that this will aid in understanding the role of this Annual Report.

Asset Management Plans

These documents are prepared to describe how Council proposes to manage major assets i.e. infrastructural assets in order to achieve various goals and objectives and include the levels of service against which performance will be measured; life cycle management plans; policies procedures and timetables for cost effect acquisition, maintenance, operation and disposal of assets to meet agreed levels of service; and cashflows.

Capital Expenditure

The cost of providing assets that will be used over a number of years to help provide council services. These assets cover a wide range of things, examples include new computers, vehicles, pipelines, sewerage treatment plants, roads and reserves.

Community Outcomes

By law, Council must work with other organisations and the community to identify the long term aspirations that people have for the district. These community outcomes then help to ensure resources are prioritised and used effectively. Council also has to monitor progress towards outcomes and report this back to the community at least every 3 years. We call this programme "Bright Future Rotorua".

Depreciation

This is a financial provision made each year based on the diminishing value of assets and how long they should last, so that when they wear out they can be renewed.

District Plan

This document deals with environmental management and significant resource management issues of the District.

Group/Activity Group

Activities that are similar in nature, or that contribute to similar or the same community outcomes, are grouped together in the plan to make it clearer how Council is prioritising and allocating resources.

Key Strategic Decisions

Where there is a proposed major change in an activity group, either in terms of what we do or in relation to the money for doing it, important decisions have been or will need to be made. It is useful to be aware of these decisions as they reflect Council's priorities.

Levels of Service and Targets

This is a way of measuring the delivery of services. In terms of accountability they are used to monitor our performance and we report back to the community each year in our Annual Report on whether or not we have met the targets. In addition they allow the community to tell us if they think Council is providing the right level of service with its activities.

Long Term Council Community Plan (LTCCP or Ten Year Plan)

This is Council's key strategic planning document and is required to be produced by law. It sets out what Council will do over the next 10 years and how this will promote community outcomes. As well as describing Council's activities, the plan outlines how they will be funded. Also included are key policies and matters for consultation with the community. Before the Plan is reviewed and finalised every three years, a draft is produced along with a summary and the public is encouraged to make a submission providing views on what is proposed in the draft plan.

Operating Expenses

These are the costs needed to run the day to day operations of council activities. Operating costs include power, telephone, interest costs and grants and depreciation.

Renewal

Means to replace an asset that already exists. For example, replacing a length of pipeline because it has worn out, is renewal.

Treasury Policy

This document is Council's response to the liberalisation of borrowing powers in the Amendment Act which, in return for increased autonomy, requires policies for "borrowing" and "investments" to be promulgated, and because the two issues are so closely interlinked a single comprehensive Treasury Management Policy has been prepared.

Year

For Council a year does not refer to a normal calendar year but to our financial year. Therefore a year starts on 1 July and finishes on 30 June the next calendar year. The 2004/2005 year would mean the period from 1 July 2004 to 30 June 2005.

DIRECTORY

Council Offices

Rotorua District Council
1061 Haupapa Street
Private Bag 3029

Rotorua

Phone: 07 348 4199

Fax: 07 346 3143

Email: mail@rdc.govt.nz

Website: www.rdc.govt.nz

Auditors

M. Taris

Audit New Zealand

Tauranga

On behalf of the Auditor General

Bankers

Bank of New Zealand

Cnr Fenton and Hinemoa Streets

Rotorua

Solicitors

Davy's Burton Ltd

1109 Fenton Street

Rotorua

Insurers

Civic Assurance

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Wellington

SATELLITE OPERATIONS

Aquatic Centre

Tarewa Place

Phone: 07 348 8833

Fax: 07 349 1785

Castlecorp

Vaughan Road

Phone: 07 345 6889

Fax: 07 345 7053

Email: castlecorp@rdc.govt.nz

City Focus

City Centre

Phone: 07 350 0186

Fax: 07 346 3954

Website: www.rotoruaNZ.com

Economic Development

Council Building, 1061 Haupapa Street

Phone: 07 348 4199

Fax: 07 350 0182

Email: Business.Development@rdc.govt.nz

Website: www.rotorua-business.com

Event Venues

Convention Centre, Fenton Street

Phone: 07 349 5141

Fax: 07 349 5142

Email: event.venues@rdc.govt.nz

Website: www.eventvenues.co.nz

Library

Haupapa Street

Phone: 07 348 4177

Fax: 07 348 9686

Email: Library@rdc.govt.nz

Website: www.rotorualibrary.govt.nz

Museum of Art & History, Te Whare Taonga o Te Arawa

Government Gardens

Phone: 07 349 4350

Fax: 07 349 2819

Email: rotoruumuseum@rdc.govt.nz

Website: www.rotoruumuseum.co.nz

Tourism Rotorua Travel Office

Fenton Street

Phone: 07 348 5179

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Website: www.rotoruaNZ.com

DESTINATION

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