

# 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