

# 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.

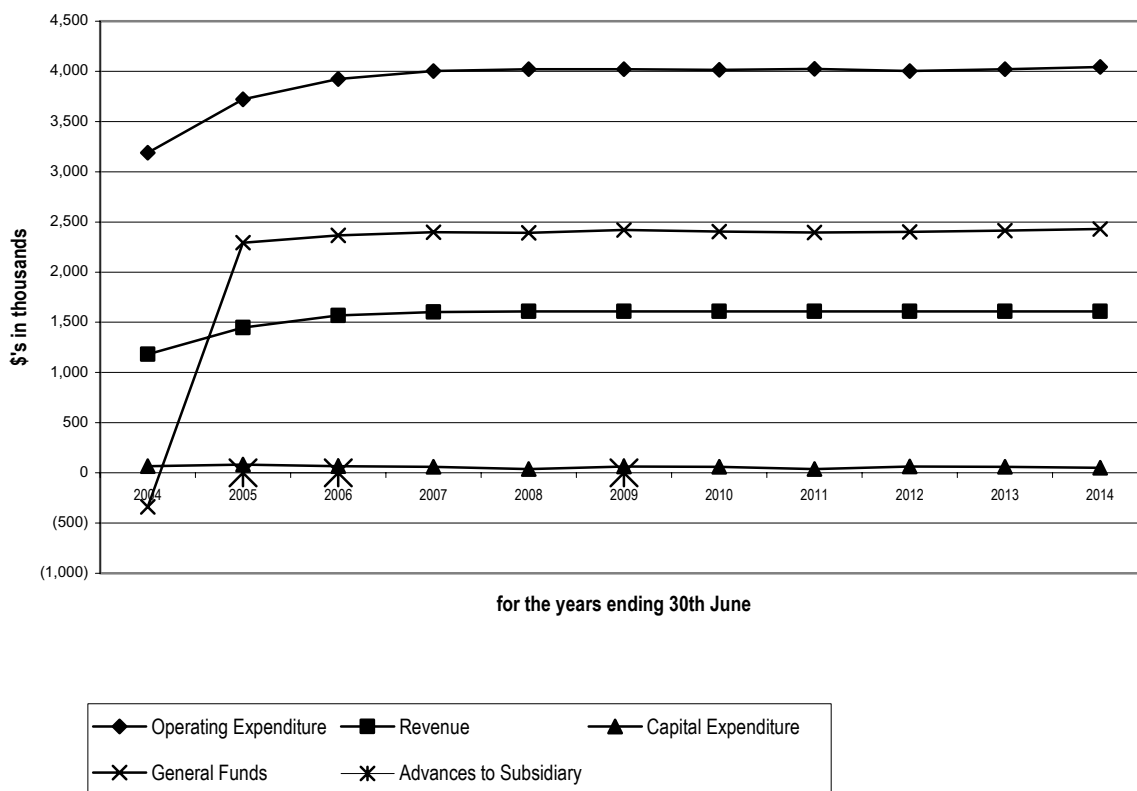
## Key Strategic Decisions

- 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
<b>Net Cost Of Service</b>	<b>2,007</b>	<b>2,272</b>	<b>2,356</b>	<b>2,399</b>	<b>2,412</b>	<b>2,414</b>	<b>2,405</b>	<b>2,416</b>	<b>2,395</b>	<b>2,412</b>	<b>2,436</b>

### 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
	<b>401</b>	<b>263</b>	<b>138</b>

### 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	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
<b>Total</b>	<b>1,449</b>	<b>1,569</b>	<b>1,604</b>	<b>1,609</b>	<b>1,609</b>	<b>1,609</b>	<b>1,609</b>	<b>1,609</b>	<b>1,609</b>	<b>1,609</b>

## 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
<b>Operations</b>											
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
<b>Net Cost</b>	<b>1,219</b>	<b>1,366</b>	<b>1,457</b>	<b>1,430</b>	<b>1,430</b>	<b>1,429</b>	<b>1,427</b>	<b>1,431</b>	<b>1,426</b>	<b>1,429</b>	<b>1,435</b>
<b>Capital</b>											
<b>Renewals</b>											
General	31	31	13	23	27	10	23	27	10	23	39
<b>Total Capital</b>	<b>31</b>	<b>31</b>	<b>13</b>	<b>23</b>	<b>27</b>	<b>10</b>	<b>23</b>	<b>27</b>	<b>10</b>	<b>23</b>	<b>39</b>

## 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
	<b>126</b>	<b>78</b>	<b>48</b>

## 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"> <li>• Rotorua Economy</li> <li>• National Economy</li> <li>• Global Economy</li> <li>• Economic Sectors</li> <li>• Business Development</li> <li>• Business News</li> <li>• Local support &amp; business networks</li> </ul>	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"> <li>• Responding to inquiries in a timely and professional manner</li> <li>• Interfacing with RDC</li> <li>• Assistance with the RMA</li> <li>• Access to and the development of business support networks, locally, nationally and internationally.</li> <li>• Access to possible funding mechanisms and resources</li> </ul>	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"> <li>• Living, working and playing in</li> <li>• Investing in</li> <li>• Doing business in</li> <li>• Sector specific business development.</li> </ul>	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
<b>Operations</b>											
Expenses	418	640	625	679	680	678	680	681	678	681	681
Revenue	6	100	100	100	100	100	100	100	100	100	100
<b>Net Cost</b>	<b>412</b>	<b>540</b>	<b>525</b>	<b>579</b>	<b>580</b>	<b>578</b>	<b>580</b>	<b>581</b>	<b>578</b>	<b>581</b>	<b>581</b>
<b>Capital</b>											
<b>Renewals</b>											
General	5	5	3	5	5	3	5	5	3	5	5
<b>Total Capital</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>5</b>

## 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
	<b>20</b>	<b>11</b>	<b>9</b>



## 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
<b>Operations</b>											
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
<b>Net Cost</b>	<b>376</b>	<b>366</b>	<b>374</b>	<b>390</b>	<b>402</b>	<b>407</b>	<b>398</b>	<b>404</b>	<b>391</b>	<b>402</b>	<b>420</b>
<b>Capital</b>											
<b>Renewals</b>											
General	30	48	51	32	8	51	32	8	51	32	8
<b>Total Capital</b>	<b>30</b>	<b>48</b>	<b>51</b>	<b>32</b>	<b>8</b>	<b>51</b>	<b>32</b>	<b>8</b>	<b>51</b>	<b>32</b>	<b>8</b>

## 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
	<b>255</b>	<b>174</b>	<b>81</b>

## 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%