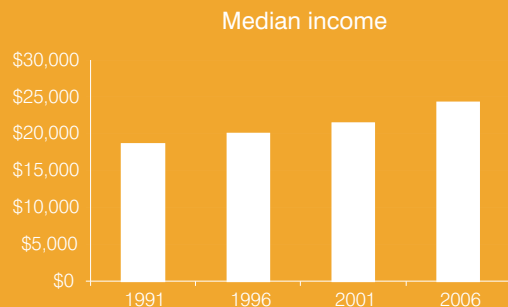


economic development activity plan

Did you know?

In real terms (adjusted to 2006 dollars), Rotorua's median income increased by around \$5,000 per person over the past decade. Overall incomes are close to the national average, although there are considerable differences throughout parts of the district. Rotorua's BrightEconomy Strategy was developed in 2004 through research and consultation with local business people. Under the umbrella of this strategy, Council continues to work with a wide range of stakeholders to ensure Rotorua maintains its rate of economic growth. Examples include:

- Implementing Rotorua's BrightEconomy strategy.
- Working with local industry to implement cluster development.
- Marketing Rotorua's benefits to industry and prospective migrants.
- CBD Retail Strategy and CBD Revitalisation Project.



Why we do it

To encourage and stimulate sustainable economic growth through a strategic framework developed by business for business. To deliver strategic programs that provide prosperity, improved standards of living and a better quality of life for Rotorua's citizens. To act as an enabler for partnerships and capacity growth for industry, to provide a platform on which skilled workforce migrates to Rotorua, to improve the skills and education capability for local business. To develop both a vibrant and safe CBD where we work, live, invest and play.

What we do

Information Provision

- Providing public/business access to timely, accurate and relevant Rotorua economic information via Web, publications, forums.

Facilitation

- Facilitating private sector access to economic and business development initiatives, networks, funding programs and activity within Rotorua, such as NZTE, FoRST and the BMNZ programmes.
- Working with the key economic sector groups to develop an environment that will stimulate growth.
- Building partnerships between key local, regional and central government agencies and the Rotorua business community ensuring that the private sector has input into council and government business and economic development related issues.
- Facilitating the attraction of prospective residents, business and investors to Rotorua.

Marketing









- Marketing Rotorua nationally and internationally as a great place to live, work, learn, invest and conduct business.

Project Management

- Support the implementation of the BrightEconomy Strategy and the nine point framework for growth.
- Contract outcome control of external providers such as Energy Champion.
- Rotorua Employment Skills Strategy.
- Working with local industry to implement the Rotorua Cluster Development programme to improve communication between key stakeholders and develop employer lead solutions that will contribute to key issues such as skill shortage, productivity, capacity, regulatory adherence and expansion.
- Young Enterprise Scheme for the Lion Foundation of New Zealand.
- Rotorua skilled migrant attraction and lead agency for Settlement Support Programme:
- Marketing Rotorua's inherent benefits to both prospective migrants and industry.
- Film Volcanic: Film Initiative/cluster programme. Promoting and facilitating Rotorua as a world class film destination.
- Rotorua CBD Retail Strategy: Rotorua Retail Advisory Board, Retail Promotions Co-coordinator (Shop Rotorua).
- Rotorua CDB Revitalisation Project.
- Facilitating the opening up of strategically sustainable industrial land in Rotorua District.
- Ensuring connectivity and partnerships with Iwi are strong.
- International relations and Sister City opportunities, including Nanjing Rotorua Town.

economic development activity plan **cont.**

Community outcomes

Community Outcome	How the Council contributes
 Safe & Caring	<ul style="list-style-type: none"> By working with Police and assisting with a retail crime prevention strategy for retailers, and developing CBD potential.
 Environment	<ul style="list-style-type: none"> By close involvement with the Sustainable Business Network in promoting sustainable business practices.
 Health	<ul style="list-style-type: none"> By working closely with the Lakes District Health Board to attract medical staff to our region by supplying marketing collateral and other promotional aids. Assisting to promote sport and recreation to the community. Assisting agencies and Council in development of programmes/collateral to encourage healthy activities and community well-being.
 Prosperity	<ul style="list-style-type: none"> By working closely with the business community to assist in attracting government funding. By working with local government agencies, employers and community groups to assist migrants with matching employment skill base requests. By assisting with the supply of relevant and accurate information. By developing the Film Volcanic initiative.
 Facilities & Services	<ul style="list-style-type: none"> By providing settlement support for new migrants.
 Maori Culture	<ul style="list-style-type: none"> By promoting the use of Maori in our daily activities by actively supporting the 'Kia Ora' campaign. By working closely with Maori on the CBD project. By promotion of cultural values to new migrants via workshops and guides.
 Learning	<ul style="list-style-type: none"> By supporting the Employment Skills Project as well as Enterprise Training and Business Mentors programmes.
 Happening	<ul style="list-style-type: none"> By taking a lead role with the Shop Rotorua contract and CBD revitalisation. By encouraging migrant community participation.

economic development activity plan **cont.**

What does the Council plan to do in the future

What is the Council currently doing?	What will we do in years 1 to 3?	What will we do in years 4 to 10?	How will we know if we achieve our objective? (key result areas)
Maintaining an economic development strategy for Rotorua.	Implement inwards investment and wealth creation initiatives. Continue the BrightEconomy Economic Development Strategy by maintaining strong business involvement.		Thriving local economy with vibrant and engaged CBD community.
Embarking on a review of the existing CBD Revitalisation Strategy.	Development and implementation of the CBD Strategy.		
Acting as the lead agency for the Settlement Support initiative.	Continue to support this initiative with funding support from the Department of Labour.	Ensure that the correct processes are in place for settlement of new migrants, both overseas and local migrants from other parts of New Zealand.	As per Department of Labour strategic guidelines, KPIs are completed and migrants are engaged and settled in Rotorua.
Developing and enhancing the local film initiative.	Continue to be a film office with close contacts with Film New Zealand.	Set up a charitable trust and ensure that this initiative becomes self sustaining through outside funding.	The film cluster will develop into an active business unit which is self sustaining, and attracting more film activity to the region. We aim to have 2 film enquiries per month.
Maintaining our marketing strategy by updating marketing collateral regularly.	Continue to maintain a supply of current and effective marketing collateral to promote Rotorua.		We will be able to satisfy all requests for marketing collateral and will distribute at least 500 DVDs per year. We will also distribute 3000 brochures annually. We will distribute 450 monthly newsletters per month.
Supporting business through our current enquiry programme.	Continue to maintain current levels of business support.		We will be maintaining a level of 150 business enquiries annually.
Actively participate in the BOP Regional Economic Development Strategy.	Continue to attend management meetings and contribute to outcomes for the BOP Region.		We will encourage applications for grants to the \$10 million Ministry of Economic Development contestable fund and that the grants are fairly distributed.
Participating and contributing to the Retail Advisory Group by managing the process.	Continue to participate and contribute to the Retail Advisory Group by managing the process.	Continue to participate and contribute to the Retail Advisory Group by managing the process to self-sustainability.	350 retailers are actively contributing to retail promotions process.
Maintaining support for the Young Enterprise initiative.	Advocate on behalf of the community on regional and national environmental policy matters.	Advocate on behalf of the community on regional and national environmental policy matters.	Sustainable Growth in Young Enterprise Participation.

economic development activity plan **cont.**

Measuring our achievements

Level of Service	Performance measures	Current performance	Performance targets									
			09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Market Rotorua nationally and internationally as a great place to live, work, learn, invest and do business.	Number of website visits per month	10,000	Maintain at 20,000 by June 2010									
	% of business and relocation enquiries responded to within 3 working days	95%	>95%									
	Number of new clients pa attracted and maintained into the BMNZ programme	12	12									
	Number of new Rotorua specific business enquiries; and film and commercial enquiries generated pa	100	100									
		30	30									
	Amount of government and private sector funding attracted to assist in implementing the BrightEconomy strategy	\$50,000	\$50,000									
	Number of businesses involved in the Rotorua Employment Skills Programme	250	250									
	Number of students involved in the YES (Young Enterprise Scheme)	50	50									

economic development activity plan **cont.**

Negative effects

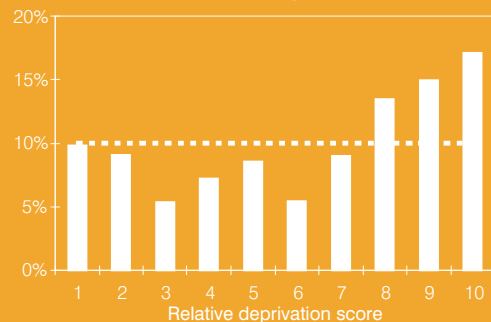
Negative effects	Mitigation options
Global/national economic downturn.	Focus on productivity improvement in business, workforce up-skill and skill gap fulfilment.
Central government strategic model changes.	Awareness of trends in central government agencies.
Changes in legislation that affects on levels of service.	Keep abreast of possible legislative changes.

Did you know?

In comparison with neighbouring areas such as the Eastern Bay of Plenty, Rotorua is relatively advantaged. However, while some parts of the district are affluent, others contain a high proportion of people with low incomes. Council works proactively with other agencies to help ensure the benefits of economic growth are available to all sectors of the community. Examples include:

- Support for the Rotorua Energy Champion, providing advice on home heating and other matters.
- Action plans from the Rotorua Employment Skills Strategy.
- Ensuring strong connections with iwi and Maori organisations for economic development planning.

Rotorua's 'missing middle class'



Funding considerations

Who benefits from the activity?

- The economy as a whole benefits from improved economic activity, promotion of destination, choice, positive outlook/attitudes, employment opportunities and incomes.
- Individual businesses benefit directly from specific initiatives.
- Individual residents of Rotorua will benefit as they are living in a vibrant and diverse district resulting from visitors and the associated activities provided.

What is the period of benefit?

- Benefits are ongoing for the entire economy; this includes infrastructure development and the flow-on effects of marketing, promotion, and providing support to business initiatives.
- Some initiatives also provide short term benefits to groups.

Who creates need for the activity?

- The need to undertake this activity derives from the community as a whole from economic development.

- However the Business community plays a key role in influencing the specific areas of focus for the unit; in the main this will be communicated through the activity of the recently created BrightEconomy Advisory Board.
- The economy as a whole creates the need for city marketing as a tool for regional promotion.
- Businesses create the need for exposure to wider markets.

Funding source

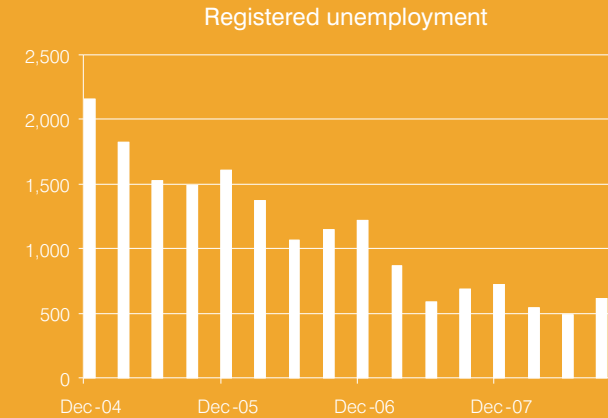
- It is considered that the benefits of expenditure on this activity address both private and especially public benefits. Individuals and groups derive benefits from the provision of information and assistance to individuals and businesses. However, this frequently leads to public/community benefits if acted upon successfully. These can be measured in terms of employment and social and business confidence levels.
- Recovery of costs by direct charging is limited by the opportunities available.
- Funding of this activity is approximately 25% - 35% from user fees and charges, 50% - 60% from targeted rates and 5% - 25% from general rates.

economic development activity plan **cont.**

Did you know?

According to Work and Income records, the number of Rotorua people receiving an Unemployment Benefit fell dramatically over the past decade. In June 2008 there were less than 500 recipients. However the impact of a global recession is likely to reverse this trend. New Zealand's unemployment rate is forecast to increase from 3.7% in 2008 to 8% in 2010. Council seeks to respond to this challenge by continuing to address Rotorua's economic growth rate through a range of partnership initiatives. Examples include:

- Action plans from the Rotorua Employment Skills Strategy.
- Supporting the Young Enterprise Scheme (Lion Foundation of New Zealand).
- Settlement Support for new migrants



Asset management

There are no significant land or building assets in the economic development activity.



economic development activity plan cont.

Financial summary (plan 2009/10 and forecast 2010/11 to 2018/19)

Economic Development (\$'000s)	Actual 2007/08	Annual Plan 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating Expenses												
Direct Costs	1,012	1,297	1,249	1,120	1,146	1,172	1,205	1,236	1,266	1,300	1,337	1,376
Financial Costs	-	-	-	245	490	490	490	490	490	490	490	490
Depreciation	5	8	4	10	9	9	9	9	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Costs	1,017	1,305	1,253	1,375	1,645	1,671	1,704	1,735	1,756	1,790	1,827	1,866
Revenue												
Capital Revenue	-	-	20	20	20	20	20	20	20	20	20	20
Fees and Charges	7	60	5	6	6	6	6	6	6	7	7	7
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-
Subsidies and Grants	185	330	262	269	277	284	293	301	309	318	327	337
Targeted Rates	-	-	788	1,014	1,246	1,283	1,322	1,361	1,402	1,444	1,488	1,532
Total Revenue	192	390	1,075	1,309	1,549	1,593	1,641	1,688	1,737	1,789	1,842	1,896
Internal Recoveries												
Internal Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
Total Internal Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
Net Cost of Service	825	915	178	66	96	78	63	47	19	1	(15)	(30)
Capital Costs												
Renewals	-	-	-	-	-	-	-	-	-	-	-	-
Growth	-	-	45	-	-	-	-	-	-	-	-	-
Backlog	-	-	-	-	-	-	-	-	-	-	-	-
Level of Service	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital	4	7	45	-	-	-	-	-	-	-	-	-
Operational Funding												
Net Cost of Service	-	-	178	66	96	78	63	47	19	1	(15)	(30)
Plus Capital Revenue	-	-	20	21	21	22	23	23	24	25	25	26
Less Depreciation	-	-	(4)	(10)	(9)	(9)	(9)	(9)	-	-	-	-
Add back Depreciation Funded by Rates	-	-	-	-	-	-	-	-	-	-	-	-
Operations Funded by General Rates	-	-	194	77	108	89	77	61	43	26	10	(4)
Capital Funding												
Funding from Depreciation (Rates)	-	-	-	-	-	-	-	-	-	-	-	-
Loans from/(to) Corporate Fund	-	-	45	-	-	-	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-
Development Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital	4	7	45	-	-	-	-	-	-	-	-	-