

# Amendments to The Ten Year Plan



# AMENDMENTS TO THE ROTORUA DISTRICT COUNCIL LONG TERM COUNCIL COMMUNITY PLAN 2004-2014 (THE TEN YEAR PLAN)

## Purpose

The purpose is to amend Council's Ten Year Plan 2004-2014 (Long Term Council Community Plan) in accordance with the Local Government Act 2002 sections 83 and 84.

## Background

Long Term Council Community Plans (LTCCPs) are required to be reviewed every three years. In the intervening years councils can accommodate variances in the cost of delivering the activities in the LTCCP through the annual plan process. This also enables councils to determine revenue requirements and set rates on an annual basis.

If councils wish to make significant changes or alter activities or policy outside of the scope of an annual plan they must use the Special Consultative Procedure (SCP) to do this.

It should be noted that these amendments do not reflect non material changes to activities or the annual budget for activities, as these matters are covered in the draft Annual Plan which will undergo consultation concurrently with these amendments.

There are several reasons for the various amendments proposed:

1. To reflect intended changes in powers, duties, functions or levels of service that would otherwise be in conflict with the plan.
2. To correct errors of a minor or clerical nature.
3. To enable Council to more effectively implement or undertake the activities as proposed in the plan.
4. To incorporate new policy or revisions to existing policy.
5. To provide improved clarity, or assist with interpretation of the plan.

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# AMENDMENT 1.

## Wastewater Activity to reflect increased level of service

Reasons:

To reflect intended changes in, powers, duties functions or levels of service that would otherwise be in conflict with the plan.

To incorporate new policy or revisions to existing policy.

### Part 4 Activity Groups

#### Pages 164 – 168 of Ten Year Plan

#### Waste Water Activity

##### Background

Since the Ten Year Plan was adopted, Council has increased its commitment to improving lakeswater quality through the provision of sewerage schemes. This will also have benefits in terms of public health and better infrastructure for future development in the district. Changes to this activity include provision for a new wastewater sewerage scheme to service the Lake Rotoma settlement.

##### Effect of amendment

There is increased capital expenditure for 2005/06 and all remaining years of The Ten Year Plan, as detailed.

##### Amendment

Replacement of part page 166 to page 168 of The Ten Year Plan with the following:

## Waste Water 10 Year Activity

For the year ending 30 June: (thousands)	2005 Annual Plan	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
<b>Operations</b>										
Expenses	8453	9139	9561	10843	11079	12813	14576	14703	16186	17565
Revenue	-11523	-11762	-14256	-23828	-14338	-19525	-20648	-12106	-25236	-20310
<b>Net Cost</b>	<b>-3070</b>	<b>-2623</b>	<b>-4695</b>	<b>-12985</b>	<b>-3259</b>	<b>-6712</b>	<b>-6072</b>	<b>2597</b>	<b>-9050</b>	<b>-2745</b>
<b>Capital</b>										
<b>Renewals</b>										
Land Treatment Renewals	253	178	27	25	486	68	30	25	26	27
Pump Station Renewals	555	581	384	263	413	313	208	246	108	129
Sewer Renewals	807	545	643	650	593	598	602	638	596	622
Treatment Plant Renewals	1033	869	77	499	1242	436	351	241	206	214
General	38	21	54	28	19	54	28	19	54	28
<b>New For Growth</b>										
Septic Tank Reticulation		524	536	520	520	516	519	550	514	
WWTP Upgrade & Pump Station Improvements	1831								85	5
Development Reticulation			500	0	500	0	500	0	500	0
<b>New For Lakes Water Quality</b>										
Mourea Wastewater	649	892								
Okere/Otaramarae Sewerage		376	650	7000	6350					
Gisborne Pt (Hinehopu) Sewerage	18	200	200	400	2500	8600				
Okareka Sewerage	631	410	2800	6910						
Lake Tarawera						200	300	2000	11250	
Eastern Trunk	3988	5200								
Okawa Bay	603	475								
Hamurana Sewerage				200	300	4500	9950			
Rotoma Sewerage							200	500	5000	5050
Brunswick/Rotokawa	361	3200	2500							
Capital Overheads	169	559	445	588	366	427	404	250	453	366
<b>New For Improved Service</b>										
Reticulation Extension (Rotorua Basin Waste Water)	137	110	552	16	224	224	299	292	272	284
<b>Total Capital</b>	<b>11073</b>	<b>14140</b>	<b>9368</b>	<b>17099</b>	<b>13513</b>	<b>15936</b>	<b>13391</b>	<b>4761</b>	<b>19064</b>	<b>6725</b>

Note: Years 2007 onwards are projections

## Assets Used in Waste Water Activity

Asset Type	Cost/Valuation (thousands)	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
	<b>93,337</b>	<b>4,279</b>	<b>89,058</b>

## 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:

- 1) That seven sewerage scheme areas be established, to be called:
  - Mourea
  - Okawa Bay
  - Brunswick
  - Rotokawa (excluding Ngati Whakaue land)
  - Okere
  - Otaramarae
  - Whangamarino
- 2) That the apportionment of capital cost be based on the future SAE's (Service Allotment Equivalents) in year 25, and that the indicative capital cost (GST exclusive) be:

Area	Lump Sum (\$)	UAC (\$)
Mourea	\$3,203	\$256.89
Okawa Bay	\$5,293	\$424.48
Duxton Hotel	\$143,781	\$185.98

- 3) That a subsidy of \$1,500 will only apply for existing rating units as at 16 December 2004, registering to the scheme within 6 months of completion of the scheme in that specific area and if able to be effectively connected, either directly or through a private drain, within 12 months of completion of the scheme.
- 4) That development contributions for future connections to the Eastern Sewerage Scheme be based on capital contribution and capitalised interest for the specific area.

- 5) That the indicative capital cost (GST exclusive) for Brunswick and Rotokawa be:

Area	Lump Sum (\$)	UAC (\$)
Brunswick	\$5,198	\$416.84
Rotokawa	\$2,104	\$168.70

- 6) That these principles be used to prepare the 05/06 Annual Plan and funding impact statement.
- 7) That a lakes enhancement rate of \$13 dollars (GST exclusive) be introduced in the 2005/2006 financial year.

#### Operational/Capital funding

##### Investigations

General rates 100%

##### Operating

Targeted rate based on closets 100%

##### Capital expenditure

Provision for a voluntary lump sum contribution on commissioning of scheme

# AMENDMENT 2.

## Eastern Sewerage Capital Rates

Reasons:

To reflect intended changes in powers, duties functions or levels of service that would otherwise be in conflict with the plan.

To incorporate new policy or revisions to existing policy.

### Part 6 Funding

### Rating Policy

### Page 219 of Ten Year Plan

#### Background

This rate was identified in the Ten Year Plan 2004-2014. The policy has been further developed.

This rate has been set to recover existing ratepayers' share of the sewerage schemes. The 2005/06 rate incorporates an annual share of a \$1,500 subsidy per service allotment equivalent. Council has assumed 1,650 future connections for the total Eastern Sewerage Scheme.

In future years existing ratepayers (as at 16 December 2004), not registered within six months of completion of the scheme for their particular area and that would have been able to be effectively connected (either directly or through a private drain) to the scheme, will not be subsidised.

Future connections will be required to pay a full share of the capital contribution to establishing the scheme, including associated interest.

#### Effect of amendment

There will be separate rates applied for establishing the Okawa Bay, Mourea and Duxton Hotel area sewerage schemes as detailed in the following policy.

#### Amendment

Addition of the following new section:

### Targeted rates for capital costs of establishing sewerage schemes

Council has set targeted rates on a differential basis for the capital costs of establishing the following sewerage schemes:

- Okawa Bay
- Mourea
- Duxton Hotel

For these purposes:

- The "**nominated property**" is one which existed as a rating unit at the date of nomination, being 16 December 2004.
- The "**service allotment equivalent**" (SAE) is a household equivalent so that industrial and commercial developments can be included in the calculations. It is used to convert industrial and commercial developments to a household equivalent.

A targeted rate on a differential basis is calculated as a fixed amount per nominated property based on the service allotment equivalent (SAE).

Council adopted the following method to recover the capital costs of establishing the sewerage schemes:

- a) Year 1 - 2005/2006 year:
  - (i) All ratepayers within each scheme shall be rated a portion of the cost (capital plus interest) of their respective sewerage scheme by targeted rate.
- b) Year 2 - 2006/2007 year:
  - (i) Ratepayers (being the owners of rating units) are given the opportunity to make a voluntary contribution (non-refundable) towards the capital cost of their respective scheme. The nominated amount to be paid in full to Council by 9 June 2006.
  - (ii) All ratepayers within their respective schemes, who have not paid a voluntary contribution by 9<sup>th</sup> June 2006, will be charged a targeted rate for the rating year.
- c) Subsequent years:
  - (i) Ratepayers who have paid a voluntary contribution, being the capital cost of their respective scheme, shall not pay targeted rates to recover sewerage scheme costs (capital plus interest) in subsequent years.
  - (ii) Ratepayers who have not paid a voluntary contribution will be charged a targeted rate to recover the cost (capital plus interest) of their respective scheme. The targeted rate shall be for a total term of 25 years from the date of commissioning the respective scheme.

# AMENDMENT 3.

## Lakes Enhancement Rate

Reasons:

To enable Council to more effectively implement or undertake the activities as proposed in the plan.

### Part 6 Funding

### Rating Policy

### Page 219 of Ten Year plan

#### Background

The amendment distinguishes the rate as a separate targeted rate, whereas they were previously included within general rates in the Ten Year Plan 2004 – 2014.

#### Effect of amendment

There will be a \$14.63 rate applicable to all rating units to fund the public benefit component (\$1,500 per property) of lakeshore sewerage schemes.

#### Amendment

Addition of the following new section:

## Targeted Rate for Lakes Enhancement

Council has set targeted rates of a fixed amount on every rating unit in the district that pays a UAGC to contribute towards lakes enhancement by way of improving lakewater quality.



# AMENDMENT 4.

## Waste Water Services

Reasons:

To reflect intended changes in, powers, duties functions or levels of service that would otherwise be in conflict with the plan.

To incorporate new policy or revisions to existing policy.

### Part 6 Funding

#### Targeted Rate Areas of Service – Waste Water Services

##### Pages 238 - 249 of Ten Year Plan

###### Background

The proposed changes relating to increased levels of service in the wastewater activity require corresponding changes to Council's Funding Policy and rating requirements which are reflected in the proposed amendment.

###### Effect of amendment

The amendment provides for Council to define and fund increases in its waste water activity including the incorporation of a new Rotoma Sewerage Scheme.

###### Amendment

Replace the existing pages 238 –to part page 249 with the following:

## 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. These properties, if not connected to the public sewer, are required to pay an availability charge.

There are several areas within Rotorua Urban where service is not available. Council has budgeted to progressively service these areas over 8 years from 2005/06.

#### 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 \$1.60 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 2005, 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 - \$273.50
Commercial/Industrial:	1-4 Pans/Urinals (per pan) - \$273.50 5-10 Pans/Urinals (per pan) - \$232.48 11+ Pans/Urinals (per pan) - \$218.80
Availability:	Annual Charge - \$136.75 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.  
Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

#### RDC Files:

85 08 010, 85 08 130

## Rotokawa Area Sewerage Scheme



Rotokawa Area Sewerage Scheme

### 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 commenced 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, Taravera, Gisborne Point/Hinehopu Hamurana and Rotoma 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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 are as shown below:

Total Scheme Cost	<b>\$7,398,168</b>
Ministry of Health	- 3,699,084
Environment BOP	- 277,000
RDC General	- 193,500
Cost to be recovered from Ratepayers	<b>\$3,228,584</b>

### 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:

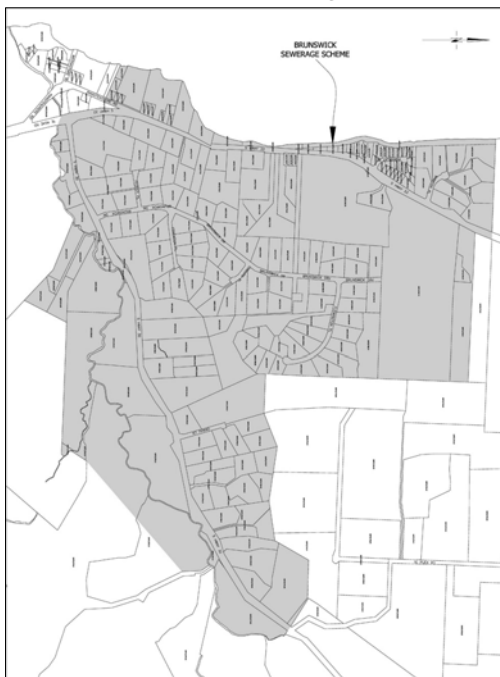
#### Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.  
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 commenced 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, Hamurana and Rotoma 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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 are as shown below:

Total Scheme Cost	<b>\$5,411,014</b>
Ministry of Health	- 2,705,507
Environment BOP	-
RDC General	- 304,500
Cost to be recovered from Ratepayers	<b>\$2,401,007</b>

### 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:

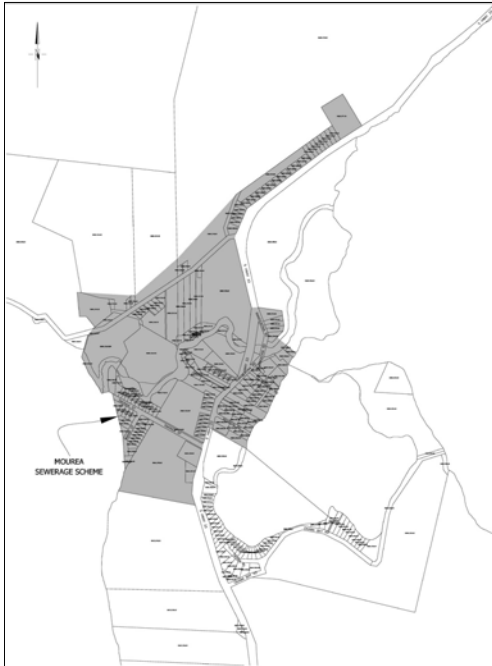
#### Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.  
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.

### History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 commenced 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, Hamurana and Rotoma 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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 are as shown below:

Total Scheme Cost	<b>\$3,858,613</b>
Ministry of Health	- 1,929,306
Environment BOP	- 779,000
RDC General	- 336,000
Cost to be recovered from Ratepayers	<b>\$814,307</b>

### 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:

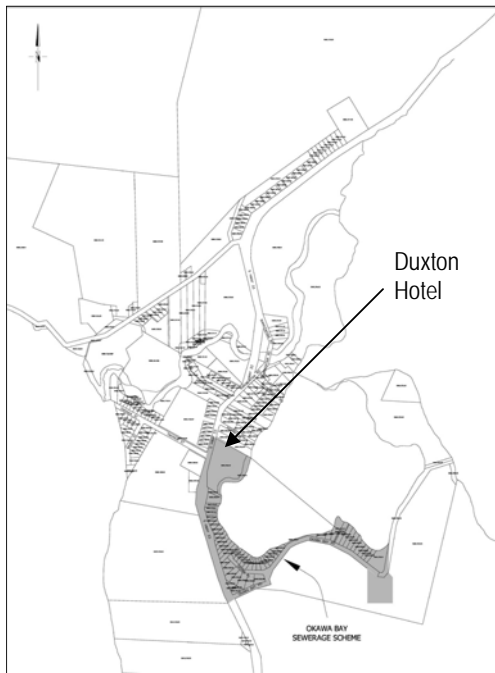
#### Legislation:

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/Duxton Hotel



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 commenced 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, Hamurana and Rotoma 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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 and Duxton Hotel are as shown below:

	Okawa Bay	Duxton Hotel
Total Scheme Cost	860,743	391,193
Ministry of Health	-430,731	-195,597
RDC General	-84,000	-75,000
Cost to be recovered from Ratepayers	\$346,372	\$120,597

### 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:

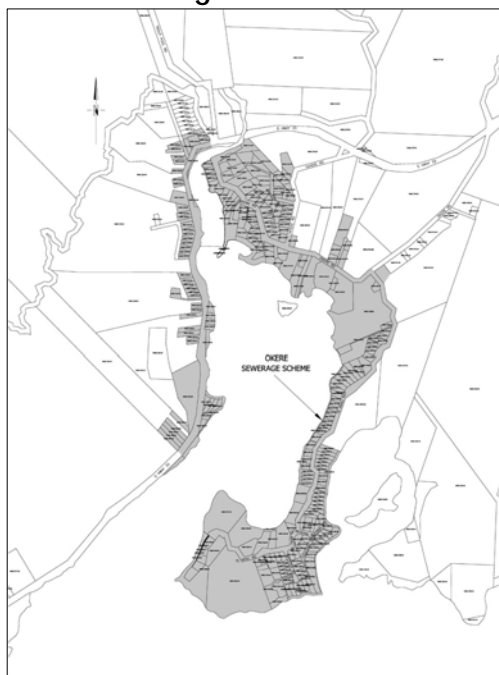
#### Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.  
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 commenced 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 Okereka, Tarawera, Gisborne Point/Hinehopu, Hamurana and Rotoma 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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.

These amounts for the Okere Falls sewerage scheme are as shown below:

Total Scheme Cost	<b>\$7,545,789</b>
Ministry of Health	- 3,772,894
RDC General	- 414,000
Cost to be recovered from Ratepayers	<b>\$3,358,895</b>

### 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:

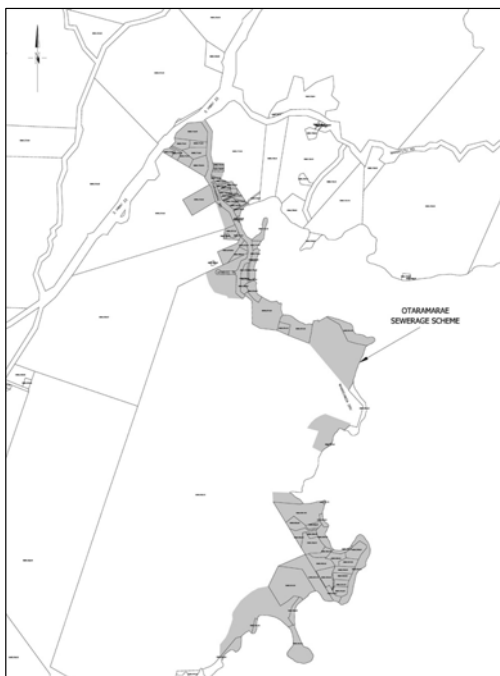
#### Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.  
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 commenced 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, Hamurana and Rotoma 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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.

These amounts for the Otaramarae sewerage scheme are as shown below:

Total Scheme Cost	<b>\$4,484,309</b>
Ministry of Health	- 2,242,154
RDC General	- 169,500
Cost to be recovered from Ratepayers	<b>\$2,072,695</b>

### 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.  
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 commenced 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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, Rotoma) 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:

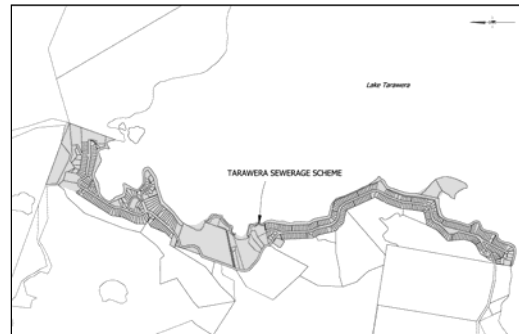
Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.

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 commenced 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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, Rotoma) 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:

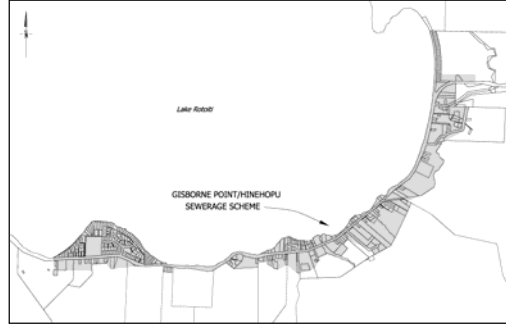
#### Legislation:

Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.  
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 commenced 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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, Rotoma) 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.

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 commenced 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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:**

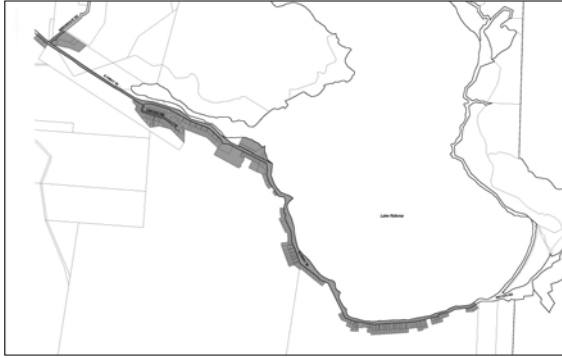
Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.

Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

**RDC Files:**

85 08 010, 85 08 130

## Rotoma Sewerage Scheme



Rotorua District Council Plan Number 10407-003

### Description of Area

An area on the southern shore of Lake Rotoma, as shown on RDC Plan No.10407-003. Refer also to District Plan Maps 72-75.

### History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 commenced 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 of the land within 30 metres or the building within 60 metres of a public sewer main and are capable of being effectively connected, either directly or through a private drain. 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, Rotoma) 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.

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.  
Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

#### RDC Files:

85 08 010

## Asset valuation:

## Waste Water

	\$	Cost	Accumulated Depreciation	Book Value @ 30.06.04
Buildings		2,211,950	145,381	2,066,568
Computer Hardware		123,205	98,445	24,760
Computer Software		74,042	72,254	1,788
Database		109,787	32,070	77,716
Furniture & Fittings		21,077	20,360	717
Land		470,000	0	470,000
Office Equipment		31,009	27,618	3,391
Plant & Machinery		303,366	294,906	8,460
Wastewater Reticulation		56,930,216	2,931,644	53,998,572
Wastewater Treatment Plant		33,550,255	2,287,114	31,263,140
		<b>93,824,907</b>	<b>5,909,792</b>	<b>87,915,112</b>

## Lakeside Settlement Waste Water

	\$	Cost	Accumulated Depreciation	Book Value @ 30.06.04
Computer Software		8,735	2,275	6,460
Wastewater Reticulation		738,003	4,103	733,900
		<b>746,738</b>	<b>6,378</b>	<b>740,360</b>

## Mourea Waste Water

	\$	Cost	Accumulated Depreciation	Book Value @ 30.06.04
Database		27,732	27,732	0

- The estimated replacement value of the underground assets is \$87 million.
- The estimated replacement value of the treatment and disposal system is \$51 million.
- Council spends approximately \$8.2 million per annum on operating the Wastewater System.
- Council spends approximately \$1.5 million per annum on average in replacing pipes, pump station components, wastewater treatment and disposal components.

## Significant proposals, plans, processes, projects:

Operating cost equalising.

## Other commentary on financials:

As well as ongoing renewal/replacement work as per the Asset Management Plans, provision is made in the 10 year financial plan for:

- Upgrade of Hona Road pump station for increased capacity.
- Improvement of Ngongotaha rising main capacity, and Eastern reticulation.

# AMENDMENT 5.

## Change to Treasury Policy

Reasons:

To enable Council to more effectively implement or undertake the activities as proposed in the plan.

To incorporate new policy or revisions to existing policy.

### Part 6 Funding

#### Pages 270 - 276 of Ten Year Plan

##### Background

The treasury policy introduced through The Ten Year Plan (Long Term Council Community Plan 2004 – 2014) contained a number of operational processes that, by their inclusion in policy, would restrict Council from taking advantage of currently accepted thinking that drives the financial market place.

The amended policy allows for the establishment of the Treasury Management Group consisting of the Director Corporate Services, Manager Treasury and Treasury Accountant. The Chief Executive Officer and specialist market advisers, presently Bancorp, act as ex-officio members to the Group.

The purpose of the group is to actively manage long term treasury policy to take advantage of the risk free strategies available in the marketplace which will minimise interest costs to the ratepayer.

The policy continues to maintain a risk averse strategy in investment and borrowing. However unnecessary cash reserves are reduced therefore reducing the borrowings that need to be supported by the ratepayer.

The policy continues to incorporate the Liability Management Policy and Investment Policy as required by sections 103 and 104 of the Local Government Act 2002.

Councils are required to have borrowing management and investment policies as components of their LTCCPs.

Council recently briefed Bancorp, specialists in treasury management, to review its policies and processes for the purpose of managing interest rate risk and minimising the cost of borrowing. Bancorp reported to the Finance & Strategic Planning Committee at its meeting on February 2<sup>nd</sup> 2005.

The Committee also recently approved a set of key performance indicators, to serve on an interim basis pending completion and adoption of this treasury policy.

The key performance indicators have been reviewed in the light of Council's Debenture Trust Deed and normal treasury practice and the following procedure is proposed:

- Measures to be included in the policy:
  - The gross interest expense of all borrowings will not exceed 15 % of total annual rates revenue.
  - Net cash flows from operating activities to exceed gross annual interest expense by 2 times.
  - No more than \$40 million of existing borrowing is subject to re-financing in any financial year.

The first two items carry forward from the existing policy, and the third item increased by \$10 million to reflect the increased volume of borrowing arising from increased capital works.

- Measures proposed to be used for information purposes:
  - Debt per capita
  - Debt per rateable property.

The amended policy is briefer than that previously adopted. The reason is that, in reviewing the treasury policy, officers have taken care to include only items that are to be Council policy and to exclude internal operating policies and procedures

##### Effect of amendment

There is likely to be little noticeable effect from this amendment, however, it is anticipated that savings and operating efficiencies will be increased in the area of Treasury Management.

##### Amendment

Replace the existing Treasury Policy on pages 270 to 276 with the following:

# TREASURY POLICY

## Philosophy

Council has treasury risks arising from debt raising, investments and associated interest rate management activity. Council carries out its borrowing and investment (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;

- to comply with the Local Government Act 2002, amendments, and other relevant local authority legislation
- to develop and maintain professional relationships with the financial markets
- to manage all of Council's investments within its strategic objectives; invest surplus cash in liquid and credit worthy investments
- to raise appropriate finance, in terms of both maturity and interest rate
- to manage the overall cash position of Council's operations

Council's treasury policy is managed by the Treasury Management Group (TMG), being officers of Council with delegated authority.

## Liability Management Policy

### 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 processes. Projected debt levels are ascertained from cashflow forecasts prepared during the Long Term Council Community Plan and Annual planning processes.

Council raises borrowing for the following primary purposes:

- General debt to fund Council's Balance Sheet, including borrowing to fund Council Controlled Organisations (CCOs).
- 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 by accessing the capital markets directly.

In evaluating new borrowings (in relation to source, term, size and pricing) the TMG will take into account the following:

- The size and the economic life of the project as appropriate.
- The impact of the new debt on 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.
- Implied finance terms within any specific debt (e.g. project finance) to ensure these 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 will exceed gross annual interest expense by 2 times<sup>4</sup>**

### 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, manage its image in the market, and manage its relationships with bankers.

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 over a band of maturities. Council manages this specifically by ensuring that:

- **No more than \$40 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. Table 1 outlines the maximum unhedged or floating rate exposure requirements allocated into various time bands. The actual percentage will be determined and reviewed on a regular basis, by the TMG:

**Table 1: Percentage of Fixed Rate Borrowing**

These hedging percentages relate to total existing and forecast debt identified as "Core" debt by the TMG after reference to the current LTCCP and Annual Plans. The level of Core Debt used in determining policy compliance will be reviewed as appropriate, but at least on an annual basis.

<sup>4</sup> Net cashflow from operating activities = net cashflows from operating activities adding back non-cash items (e.g. depreciation, interest expense, and taxation).

Term of Exposure	Minimum Fixed Rate Exposure	Maximum Fixed Rate Exposure
0 - 1 year	60%	100%
1 - 3 years	40%	80%
3 - 5 years	20%	60%
5 – 10 years	0%	40%
10 years and over	Any hedging must be approved by Council	

The TMG 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, and managing these risks using approved risk management instruments.

### Security

In general 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.

### Contingent Liabilities

Council from time to time provides financial guarantees to recreation and service organisations pursuant to Council policy for such guarantees.

## 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 for cash flow management.

### Equity Investments and Loan Advances

Investments may include shareholdings in and advances to CCOs, charitable trusts, incorporated societies, residential and rural housing, and other long term investments which are consistent with Council's strategic plan and subject to legislation requirements.

### Property Investments

Council's overall objective is to only own property that is necessary to achieve its strategic objectives.

Council reviews the performance of its property investments on a regular basis.

### Treasury Investments

Council maintains treasury investments:

- to invest amounts allocated to special funds, sinking funds and reserves

- for short term Investment of proceeds from the sale of assets
- To invest surplus cash, and working capital funds

### Liquidity Management

The TMG sets overall investment strategy, but in general terms Council will use surplus funds to decrease its overall level of borrowings by proactive management of its bank facilities.

- Liquidity risk management is implemented by ensuring that cash investments are capable of being liquidated and in any case are for a term of less than twelve months. Committed bank facilities are also held to assist in the management of short term funding requirements as well as contributing to the funding of core debt.

### Interest Rate Risk Management

The TMG sets interest rate risk management strategy by monitoring the interest rate markets on a regular basis, evaluating the outlook, and determining the interest rate profile to adopt for investments.

### Sinking Funds

A statement of sinking funds is prepared annually by the sinking fund commissioners and reported to Council.

## Foreign Exchange Policy

Council may have foreign exchange exposure through the occasional purchase of foreign exchange denominated plant and equipment.

Significant commitments in excess of NZD50,000 are defined as an exposure. Foreign exchange dealings are hedged using foreign exchange contracts, once expenditure is approved by management and/or Council.

## Cash Management

Council maintains rolling daily, monthly and yearly cashflows. These cashflows determine Council's borrowing requirements and surpluses for investment. Cash investments are generally covered by Section 3 of this policy.

## 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 including the development of Key Performance Indicators (KPIs) by agreement with the Chief Executive.



## Delegated Authorities and Key Internal Controls

### Delegated Authorities

Delegated authorities are in place as per the Delegated Authority Manual.

### Key Internal Controls

Sound treasury procedures with appropriate controls are in place to minimise risks the Council may experience through unauthorised treasury activity or unintentional error, and such controls are outlined in the relevant treasury procedures documentation.



# AMENDMENT 6.

## Transfer of Lakewaters inspection functions back to Environment Bay of Plenty

Reason:

To reflect intended changes in policy, powers, duties or functions that would otherwise be in conflict with the plan.

### Part 4 Activity Groups

#### Pages 117, 118 of Ten Year Plan

##### Background

Over recent years lakewaters control (and matters relating to navigation and safety on waterways) activity has been carried out by Council under a delegation and contract for service from Environment Bay of Plenty. Environment Bay of Plenty intends to withdraw the delegation and associated transfer of powers and begin carrying out the service directly itself effective from 1 July 2005.

##### Effect of amendment

There will be no noticeable effect from this amendment as Environment BOP has undertaken to deliver the same level of service in carrying out this function as was provided by Rotorua District Council.

##### Amendment

Replace pages 117 to 121 with the following:

# 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) 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.

### ii) 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.

### iii) 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.

### iv) 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.

### v) 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

### 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

## Inspection 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	1,603	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
<b>Capital</b>											
<b>New For Improved Service</b>											
Patrol Vessel	101										
<b>Renewals</b>											
General	24	49	55	10	23	51	5	29	35	20	23
<b>Total Capital</b>	<b>125</b>	<b>49</b>	<b>55</b>	<b>10</b>	<b>23</b>	<b>51</b>	<b>5</b>	<b>29</b>	<b>35</b>	<b>20</b>	<b>23</b>

## 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
	<b>398</b>	<b>283</b>	<b>115</b>

## 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%

### 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%

## 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%

## 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%

# AMENDMENT 7.

## Provision for acquisition and disposal of assets within activities

Reasons:

To incorporate new policy or revisions to existing policy.

To provide improved clarity, or assist with interpretation of the plan.

### Part 4 Activity Groups

#### Page 60 of Ten Year Plan

##### Background

It is important to clarify that the disposal and acquisition of assets is part of Council's core business and consistent with undertaking the activities in The Ten Year Plan.

##### Effect of amendment

Improved operational efficiency.

##### Amendment

New heading and narrative on page 60 as follows:

##### Acquisition and Disposal of Assets

To effectively undertake the activities described in the following activity groups it is necessary to acquire and dispose of assets. Where this acquisition or disposal does not involve a strategic asset or a significant decision as described in Council's significance policy and where the acquisition or disposal is not contrary to an Asset Management Plan, such acquisition or disposal shall be deemed to be in accordance with this Long Term Council Community Plan.

# AMENDMENT 8.

## Typographical correction to Rates Relief Policy

Reason:

To correct errors of a minor or clerical nature.

### Part 5 Rates Relief Policy

#### Page 257 of Ten Year Plan

Proposed amendment

Replace page 257 with the following:

#### 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.

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# AMENDMENT 9.

## Minor changes to levels of service and targets

Reason:

To reflect intended changes in, powers, duties functions or levels of service that would otherwise be in conflict with the plan.

### Part 4 Activity Groups

### Pages referred to, in paragraph below, from Ten Year Plan

#### Background

During this budget round for the Annual Plan, Council considered all levels of service and is proposing the following changes.

#### Effect of amendment

These changes will improve accountability by ensuring performance targets accurately reflect Council's latest policy and levels of service.

#### Amendments

Replace the following Key Result Areas as indicated:

### Democracy (page 64 of Ten Year Plan)

Amend row five as follows:

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Ensuring that the basis for the triennial elections is consistent with the wants of the community.	Review and determine the basis for the 2007 triennial election in accordance with the provisions of the Local Government Act.	N/A	To determine the basis of the 2007 triennial elections in accordance with relevant legislation.	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.

### Civil Defence Emergency Management (page 82 of Ten Year Plan)

Delete the row three which relates to "Prepare a Civil Defence Emergency Management Group Plan and have approved by Minister of Civil Defence/Emergency Management".

### Public Gardens/General Reserves (page 99 of Ten Year Plan)

Delete rows one and two with the Key Result Area of "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."

Amend the row three as follows:

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 parks, reserves, sportsfields and playgrounds (Communitrak survey).	90% satisfaction	91% satisfaction	92% satisfaction	High satisfaction levels maintained.

### Animal Control (page 110 of Ten Year Plan)

Amend the row three as follows:

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
	Maintain an acceptable level of community satisfaction with dog control services.	66% NRB Survey	66% NRB Survey	66% NRB Survey	66% NRB Survey

### Destination Rotorua Tourism Marketing (page 127 of Ten Year Plan)

Delete the row three which refers to "Co-ordinate public relations/media activities which will result in equivalent advertising value to Rotorua."

Delete the row seven which refers to "Conduct, facilitate and engage discussion from industry representatives through the marketing portfolio groups on a regular basis."

### Destination Rotorua Tourism Marketing (additional Service Levels and Performance Targets)

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Creating awareness of Rotorua as New Zealand's premier visitor destination to international agents, airlines, inbound agents, media, industry and visitors.	Attend international consumer travel shows, trade missions and sales missions.	10 attended.
	Co-ordinate the visits of international travel agents.	10 Tourism Rotorua visits co-ordinated.
	Attend the annual Tourism NZ Roadshow.	Attendance completed.
Maximising Rotorua's domestic and international exposure in all media and communications channels.	Host media visits to Rotorua for the purposes of media exposure by year end.	10 media visits completed
Facilitating and encouraging conferences and conventions to develop and expand in Rotorua as a means of expanding visitor arrivals to Rotorua.	Produce assistance/bids for conferences during programmed year.	30 domestic bids produced. 3 international bids produced.
Enhancing and promoting Rotorua's market position as a conference and incentive destination.	Attend international/ convention meeting shows during programmed year.	3 attended.
Conducting market research into Rotorua visitor patterns that provide the basis for ongoing decision marketing.	Obtain and analyse monthly visitor arrival statistics for both the domestic and international markets.	12 analyses completed.
Providing a robust measurement of Key Result Areas involving Tourism Rotorua Marketing.	Review present Performance Measures to better reflect progress being made across growing: <ul style="list-style-type: none"> <li>• Visitor Numbers</li> <li>• Visitor Length of Stay</li> <li>• Visitor Expenditure</li> </ul> Impact on Rotorua Economy	1 analysis per year.

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Provision of a variety of written and visual materials to assist in all marketing areas within Destination Rotorua Tourism Rotorua.	Update and reprint motivational destinations brochure within budget.	Completed upgrade process of visual material within budget.
	Ensure update and relevant maintenance is carried out on the Official Rotorua Website on at least a monthly basis.	12 monthly updates of site and ongoing review of website capabilities.

## Economic Development (page 130 of Ten Year Plan)

Amend row one as follows:

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> <li>• Maintain a relevant Rotorua Business database</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.

Amend row two as follows:

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
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 and Central Government.</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.

### Economic Development (page 131 of Ten Year Plan)

Amend row two as follows:

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Project Management of Strategic Economic Development Projects that enhance the capability of the region's economy	Project manage the development of the Rotorua Economic Development Strategy – BrightEconomy.	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.

### Economic Development (additional Service Levels and Performance Targets)

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Project Management of Strategic Economic Development Projects that enhance the capability of the region's economy	Project manage and facilitate the implementation of the Rotorua CBD Retail Strategy	Monitoring of the delivery of the Ready 2 Retail, retail promotion contract.  Monitor the implementation of at least one strategy outcome over and above the Ready 2 Retail contract.
	Project manage Rotorua's contribution to the regional film initiative – Film Volcanic	Monitor the delivery of the Film Volcanic business plan through financial contributions and attendance at 90% of the management committee meetings.

### Airport (page 138 of Ten Year Plan)

Amend row six as follows:

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Business relationship with RRAL	Maintain an asset transfer agreement 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

### Engineering Support (page 141 of Ten Year Plan)

Amend row four as follows:

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
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	Assist with inputs to the CDEM Group Plan	N/A	N/A

Amend row eight as follows:

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
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.	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.

### Land Drainage (page 143 of Ten Year Plan)

Amend row three as follows:

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Upgrading of the urban drainage system.	Complete upgrading in compliance with Building Act and Council policy requirements.	Pohutukawa Drive	Lynmore/ Ngapuna Mamaku	Fenton/ Seddon/ Lytton Street area	To be confirmed.

### Waste Management (page 162 of Ten Year Plan)

Amend row six as follows:

Key Result Areas	What We Will Do	How We Will Measure			
		2004/05	2005/06	2006/07	2007/08 to 2013/14
Management of inner city and landfill recycling facilities.	Operate inner city and landfill recycling facilities to achieve target volumes.	1,500 tonnes p.a.	2,000 tonnes p.a.	1,700 tonnes p.a.	1,800 tonnes p.a.

# AMENDMENT 10.

## Inclusion of Revised 10 Year Financial Forecasts to reflect other Amendments

Reason:

To incorporate new policy or revisions to existing policy.

### Part 5 Financial Statements

#### Background

The various amendments to The Ten Year Plan and variances described in the Annual Plan have resulted in a new 10 year financial forecast. It is included as an amendment to The Ten Year Plan so readers can readily see the overall impact of Council's latest policies and levels of service.

#### Effect of amendment

By including the latest financial forecasts, Council can report against these rather than against outdated information.

#### Amendment

Revised financial forecasts to reflect other amendments, as follows:

**Page 186 of Ten Year Plan – Statement of Financial Performance**

**Page 188 of Ten Year Plan – Statement of Financial Position**

## Page 186 of Ten Year Plan

## STATEMENT OF FINANCIAL PERFORMANCE

(thousands)	Annual Plan	2006	2007	2008	2009	2010	2011	2012	2013	2014
	2005	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
–										
General Rates	36,658	38,501	39,050	39,791	40,474	41,243	41,952	42,750	43,484	44,310
Lakes Enhancement Rate	0	347	347	347	347	347	347	347	347	347
Water Rates	2,333	2,476	2,522	2,593	2,644	2,718	2,770	2,849	2,904	2,986
Sewerage Rates	7,060	7,335	7,335	7,405	7,405	7,476	7,476	7,547	7,547	7,620
Refuse Rates	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351
Waste Water Schemes	0	74	172	1,339	1,617	2,979	4,687	4,687	6,256	7,482
Less Rates Paid By Council	(737)	(774)	(774)	(725)	(725)	(725)	(725)	(725)	(725)	(725)
<b>Total Rates</b>	<b>46,665</b>	<b>49,310</b>	<b>50,003</b>	<b>52,101</b>	<b>53,113</b>	<b>55,389</b>	<b>57,858</b>	<b>58,806</b>	<b>61,164</b>	<b>63,371</b>
Castlecorp Bus Unit	188	219	219	219	219	219	219	219	219	219
Corporate Wide	1,650	800	800	800	800	800	800	800	800	800
Economic	1,449	1,961	1,961	1,961	1,961	1,961	1,961	1,961	1,961	1,961
Environment	3,123	3,467	3,481	3,486	3,477	3,457	3,456	3,458	3,458	3,458
Infrastructure	14,398	14,148	17,820	28,329	17,674	20,474	19,737	13,694	22,587	16,460
Community Leadership	1,415	376	424	356	292	308	366	221	154	190
Social and Cultural	14,491	19,584	13,212	9,078	11,139	10,676	8,069	8,044	8,077	8,067
<b>Total Other Revenue</b>	<b>36,714</b>	<b>40,555</b>	<b>37,917</b>	<b>44,229</b>	<b>35,562</b>	<b>37,895</b>	<b>34,608</b>	<b>28,397</b>	<b>37,256</b>	<b>31,155</b>
<b>Total Revenue</b>	<b>83,379</b>	<b>89,865</b>	<b>87,920</b>	<b>96,330</b>	<b>88,675</b>	<b>93,284</b>	<b>92,466</b>	<b>87,203</b>	<b>98,420</b>	<b>94,526</b>
<b>OPERATING EXPENDITURE</b>										
Castlecorp Bus Unit	188	220	219	219	220	220	220	219	220	219
Corporate Wide	1,000	1,000	800	800	800	800	800	800	800	800
Economic	3,721	4,872	4,887	4,888	4,894	4,849	4,696	4,702	4,800	4,702
Environment	7,269	8,057	7,492	7,482	7,458	7,381	7,216	7,207	7,199	7,172
Infrastructure	32,242	35,649	36,106	37,986	38,940	40,841	42,574	42,664	44,020	45,255
Community Leadership	5,084	3,911	3,995	4,069	3,950	3,853	4,030	3,806	3,702	3,790
Social and Cultural	24,740	26,821	27,110	27,206	27,370	27,160	26,899	26,954	26,969	26,934
Less Internal Charges In Operating Expenses	863	908	910	861	861	861	861	861	862	862
<b>Total Operating Expenditure</b>	<b>73,381</b>	<b>79,622</b>	<b>79,699</b>	<b>81,789</b>	<b>82,771</b>	<b>84,243</b>	<b>85,574</b>	<b>85,491</b>	<b>86,848</b>	<b>88,010</b>
<b>Operating Surplus</b>	<b>9,998</b>	<b>10,243</b>	<b>8,221</b>	<b>14,541</b>	<b>5,904</b>	<b>9,041</b>	<b>6,892</b>	<b>1,712</b>	<b>11,572</b>	<b>6,516</b>
Taxation	96	0	0	0	0	0	0	0	0	0
<b>SURPLUS FOR THE YEAR</b>	<b>9,902</b>	<b>10,243</b>	<b>8,221</b>	<b>14,541</b>	<b>5,904</b>	<b>9,041</b>	<b>6,892</b>	<b>1,712</b>	<b>11,572</b>	<b>6,516</b>
(thousands)	Annual Plan	2006	2007	2008	2009	2010	2011	2012	2013	2014
	2005	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
–										
Opening Equity	541,867	546,428	556,671	564,892	579,433	585,337	594,378	601,270	602,982	614,554
Net Surplus for the Period	9,902	10,243	8,221	14,541	5,904	9,041	6,892	1,712	11,572	6,516
<b>CLOSING EQUITY</b>	<b>551,769</b>	<b>556,671</b>	<b>564,892</b>	<b>579,433</b>	<b>585,337</b>	<b>594,378</b>	<b>601,270</b>	<b>602,982</b>	<b>614,554</b>	<b>621,070</b>

Note: Years 2007 onwards are projections

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## STATEMENT OF FINANCIAL POSITION

(thousands)	Annual Plan 2005	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget	2014 Ten Year from Ten Year	Change Ten Year
<b>CURRENT ASSETS</b>												
Bank and Short Term Investments	6,950	5,564	5,246	5,413	5,601	5,799	6,009	6,232	6,751	6,742	5,647	1,095
Stock on Hand	1,263	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,263	(151)
Sundry Debtors	6,748	6,726	6,726	6,726	6,726	6,726	6,726	6,726	6,726	6,726	6,748	(22)
Prepayments	212	217	217	217	217	217	217	217	217	217	212	5
Capital Work in Progress	6,551	12,795	12,795	12,795	12,795	12,795	12,795	12,795	12,795	12,795	6,551	6,244
<b>TOTAL CURRENT ASSETS</b>	<b>21,724</b>	<b>26,414</b>	<b>26,096</b>	<b>26,263</b>	<b>26,451</b>	<b>26,649</b>	<b>26,859</b>	<b>27,082</b>	<b>27,601</b>	<b>27,592</b>	<b>20,421</b>	<b>7,171</b>
<b>Less CURRENT LIABILITIES</b>												
Sundry Creditors	9,626	9,906	9,906	9,906	9,906	9,906	9,906	9,906	9,906	9,906	9,626	280
Accrued Expenses	4,548	5,492	5,492	5,492	5,492	5,492	5,492	5,492	5,492	5,492	4,548	944
Current Portion of Term Liabilities	9,211	10,614	9,007	12,507	24,007	33,932	19,249	20,343	22,261	29,824	31,968	(2,144)
<b>TOTAL CURRENT LIABILITIES</b>	<b>23,385</b>	<b>26,012</b>	<b>24,405</b>	<b>27,905</b>	<b>39,405</b>	<b>49,330</b>	<b>34,647</b>	<b>35,741</b>	<b>37,659</b>	<b>45,222</b>	<b>46,142</b>	<b>(920)</b>
<b>WORKING CAPITAL</b>	<b>(1,661)</b>	<b>402</b>	<b>1,691</b>	<b>(1,642)</b>	<b>(12,954)</b>	<b>(22,681)</b>	<b>(7,788)</b>	<b>(8,659)</b>	<b>(10,058)</b>	<b>(17,630)</b>	<b>(25,721)</b>	<b>8,091</b>
<b>NON-CURRENT ASSETS</b>												
Investments	896	1,359	1,215	1,080	951	823	695	572	449	326	285	41
Properties Intended for Resale	1,173	1,638	138	138	138	138	138	138	138	138	0	138
Fixed Assets	622,445	634,292	653,101	678,937	694,526	709,304	718,965	717,310	731,911	734,002	675,574	58,428
<b>TOTAL NON-CURRENT ASSETS</b>	<b>624,514</b>	<b>637,289</b>	<b>654,454</b>	<b>680,155</b>	<b>695,615</b>	<b>710,265</b>	<b>719,798</b>	<b>718,020</b>	<b>732,498</b>	<b>734,466</b>	<b>675,859</b>	<b>58,607</b>
<b>Less NON-CURRENT LIABILITIES</b>	<b>69,542</b>	<b>79,566</b>	<b>89,799</b>	<b>97,626</b>	<b>95,870</b>	<b>91,752</b>	<b>109,286</b>	<b>104,925</b>	<b>106,432</b>	<b>94,312</b>	<b>52,911</b>	<b>41,401</b>
Less Employee Gratuities	1,542	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,542	(88)
<b>TOTAL NET ASSETS</b>	<b>551,769</b>	<b>556,671</b>	<b>564,892</b>	<b>579,433</b>	<b>585,337</b>	<b>594,378</b>	<b>601,270</b>	<b>602,982</b>	<b>614,554</b>	<b>621,070</b>	<b>595,685</b>	<b>25,385</b>
<b>Represented By:</b>												
<b>RATEPAYERS EQUITY</b>												
General Reserve	391,639	409,950	421,047	442,264	455,311	470,646	480,696	482,100	498,697	504,964	439,105	65,859
Self-funding Reserves	(25,119)	(37,240)	(39,785)	(46,622)	(53,945)	(60,429)	(63,790)	(63,697)	(68,951)	(68,687)	(27,408)	(41,279)
Council Created Reserves	41	36	36	36	36	36	36	36	36	36	46	(10)
Restricted Reserves	308	1,039	708	869	1,049	1,239	1,442	1,657	1,886	1,871	41	1,830
Sinking Fund Reserves	999	0	0	0	0	0	0	0	0	0	0	0
Share Of Airport Reserves	8	8	8	8	8	8	8	8	8	8	8	0
Asset Revaluation Reserve	183,893	182,878	182,878	182,878	182,878	182,878	182,878	182,878	182,878	182,878	183,893	(1,015)
<b>TOTAL RATEPAYERS EQUITY</b>	<b>551,769</b>	<b>556,671</b>	<b>564,892</b>	<b>579,433</b>	<b>585,337</b>	<b>594,378</b>	<b>601,270</b>	<b>602,982</b>	<b>614,554</b>	<b>621,070</b>	<b>595,685</b>	<b>25,385</b>

**In Summary by the year 2014**

	Millions
Assets will be higher by	<u>58.4</u>
Debt will be higher by	<u>39.3</u>
Additional funding from the government and other agencies over the ten years	32.1
Increased Depreciation over the ten years	-13.6
Other Operating changes over the ten years	<u>0.6</u>
	<u>58.4</u>

Note: Years 2007 onwards are projections