

DESTINATION

ROT@RUA

ROTORUA DISTRICT  
COUNCIL

# The Annual Plan 2005/06



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# Introduction



# MIHI

E nga iwi whanui o Rotorua  
Tena Koutou Katoa

Ki nga mana ki nga ihi ki nga matua kua ngaro i te ra hei haere koutou  
Na koutou i waihanga nga maramatanga hei whaiwhai ake ma matou  
Ma matou e whakatutuki ake hei taonga ma nga uri

Hei tiroiro atu ma koutou ko te Kaupapa here tuatahi -  
*'Whakaritenga Mahi a Tau'*  
He huhua nga take me nga kaupapa kei te whakahaeretia e to Kaunihera a rohe  
Hei painga mo te iwi e hangai ai ki nga uri whakatipu hei tuapapa mo ratou.

Ko tetahi tiroiro whanui e hangai ana ki te Ohanga  
Whanaketanga mo Rotorua he kaupapa me ata poipoitia hei huarahi ma nga uri e whai ake nei.

Ko te rangahau i etahi tikanga i rere aho ai nga wai i roto i o tatou moana, awa huri noa.

He kaupapa tiketike enei i roto i to tatou rohe hei tiroiro hei whakaputa whakaaro ma koutou. Ma te mahi tahi ka tutuki.

*"Me tupu i a wivi i a wawa  
turia i te wera piri ki te rito o te rengarenga  
waiho me whakapakari  
ki te hua o te kawariki"*

To the Rotorua community,  
Greetings.

To those friends and family who have passed on, we recognise the legacy left behind – and the inspiration and the vision left for us to pass down to coming generations. We acknowledge you and bid you farewell.

We present the Annual Plan document. It contains many important issues that your district council has been charged with, to enhance achievements to date and to encourage well being for us, and for generations to come.

Some of the many important issues are community and economic development, and how we together are able to nurture the growth of our community and provide a platform for future generations.

The importance of water quality is not just about our lakes but also about our streams and rivers that have sustained our people for many years. The implementation of modern technology and traditional processes to help preserve the water quality for our community is paramount.

These are just some of the important issues and questions that together we need to address and collaborate on as community partners. By working together we will succeed.

*"We will grow up here,  
stand and die in the heat of the day,  
hide bloom and renew like the flowers  
of the rengarenga plant do at night,  
and mature like fruit of the kawariki plant."*



# MESSAGE FROM THE MAYOR



Kia ora koutou.

I am delighted to introduce the Annual Plan 2005/06, my first since becoming Mayor of Rotorua District late last year.

Rotorua has a newly elected council comprising a very representative cross-section of

the community. In a very short time since the elections, councillors have come up to speed with the issues and challenges that face us. We are working well together to achieve the best for our community. I am proud to lead a team of such hard working and dedicated people – supported by professional and experienced council management and staff.

The Annual Plan complements our important far reaching strategic document adopted last year – The Ten Year Plan 2004-2014 (more formally called a Long Term Council Community Plan, or LTCCP).

This Annual Plan demonstrates how we will operate and what we will do in the next financial year. This is part of continuing our journey along a clearly defined path to future growth and progress over the next ten years – the path to **Destination Rotorua**.

The plan takes into account the aspirations of residents, identified during the *Bright Future Rotorua* consultation programme – these are your ‘community outcomes’. Our plan sets out the role Rotorua District Council will play, in conjunction with our partners, in helping to achieve that collective community vision.

I believe that Council has made very responsible and progressive decisions in this plan, especially those related to preserving our lakes. We have had to carefully consider the need for our community to grow and to make real progress, and balance this with the community’s capacity to pay for our future needs. It means some hard calls have had to be made and I know that councillors have been particularly sensitive to the funding limitations of our community. The overall average rate increase of 4.98% is again amongst the lowest in the country.

Councillors are also aware of the need to provide for future generations in this community and that is why improving the water quality of our lakes is receiving significant attention. This issue needs the continued collective will, wisdom and resources of our partners: Te Arawa, Environment Bay of Plenty, the Government and the community, if we are to achieve real progress.

We are in a period of excellent economic growth with sound tourism development and increasing employment levels. We have effective action plans underway to secure the future of

our lakes and we are upgrading our airport. In partnership with the Rotorua Energy Charitable Trust and other partners, we are developing a new multi-purpose indoor events centre. These are just a few of the things happening now and referred to in our annual plan.

Kevin Winters  
Mayor

# REPORT OF THE CHIEF EXECUTIVE



## Introduction

It is with much enthusiasm that I provide this report to accompany the Annual Plan for 2005/2006. This is the first Annual Plan since we adopted The Ten Year Plan last year after much public consultation.

The Ten Year Plan was Council's response to the Community Outcomes that had been identified as part of a separate process earlier in 2004. The outcomes, whilst recorded elsewhere in this document, are worthy of being repeated here. They are, in general prioritised order:

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

The Ten Year Plan sets out Council's contributions towards these outcomes. This Annual Plan now shows what is proposed for 2005/2006 to contribute towards the outcomes. It is therefore important to be familiar with The Ten Year Plan which can be viewed on our website at [www.rdc.govt.nz](http://www.rdc.govt.nz), at the Rotorua Public Library, City Focus, or at the Council's Civic Centre in Haupapa Street.

The purpose of this report is to highlight some activities for this year and changes to The Ten Year Plan.

## Legislation

The Local Government Act 2002 requires Council to prepare a Ten Year Plan that shows how we propose to contribute towards the Community Outcomes. This Ten Year Plan is to be reviewed every three years. The next review is due in 2006/2007. In the intervening years Council is required to prepare an Annual Plan. This document provides:

- Budgets for the 2005/2006 year.
- Funding impact.
- Rating requirement.
- In essence this Annual Plan is a one year slice of The Ten Year Plan (for the 2005/2006 year).

## Consultation

To ensure we continue to make decisions that are in the best interest of the community, Council actively sought the community's perspective on key issues.

A summary of the draft Annual Plan key points was delivered to every household in the district for community feedback. The summary included a postage pre-paid submission form and was supported by radio and press advertising encouraging residents to comment. One hundred and thirty seven submissions were received, and around 50 individuals and organisations made further verbal submissions speaking directly to the mayor and councillors over a three day period. Council subsequently considered all submissions over three more days of meetings before adopting the 2005/06 Annual Plan on 27 June 2005.

Whilst much of this Annual Plan replicates information in the Ten Year Plan, there are some changes. The most notable being the increase in costs for the rural lakeshore settlement sewerage schemes.

## This year's emphasis

- Contribution towards the **community outcomes**
- Improving **lakes water quality** of the district's 14 lakes
- Contributing towards the district's **sustainable growth**
- Implementation of Rotorua Regional **Airport** plan
- Maintaining **service level** for all activities
- Development of community **facilities**
- Continuous improvement for **efficiency gains**
- Building on the district funding **partner relationships**

## Highlights for this year

- A 4.98% average increase in rates.
- Debt increasing by \$39 million in ten years, as compared to The Ten Year Plan, in the main due to increased costs of lakeshore sewerage schemes.
- A representation review will be commenced this year in anticipation of the 2007 local elections.
- This year a review of the Ten Year Plan will be undertaken for the ten year period commencing 1 July 2006 and will be audited by the Audit Office.
- Efficiency savings of \$200,000 are to be identified from Policy and Strategic Direction areas.
- A new Treasury policy to ensure the efficient management of Council's debt and short term investments.
- Acquisition and sale of property to ensure strategic roading networks can be developed in a timely manner.

- An overall review of user charges over the next 12 months with a greater emphasis on user pays.
- Acquisition of land for the development of a new cemetery over the next two years.
- Commence the implementation of the Bay of Plenty Civil Defence Emergency Management Group Plan.
- Commence implementation of the Community Safety Strategy including CBD cameras and safety lighting.
- Acknowledgement of Rotorua Energy Charitable Trust contribution of \$12.5 million to the Energy Events Centre and \$400,000 to city safety.
- Acknowledgement of a number of other organisations who have joined the Rotorua Partners Programme to support funding of the Energy Events Centre project, including Foundation Partners: Unison; Red Stag Timber; The Southern Trust; The Bay of Plenty Community Trust; RadioWorks/MoreFM and Lion Foundation.
- Adoption of a major Open Space Strategy.
- Construction of the 'historic' viewing platform for the Rotorua Museum of Art & History.
- Compliance with new Building Control Authority standards under the Building Act 2004.
- Preparation of an Environmental Statement to provide guidance for the District Plan review.
- Transfer lakes regulatory functions back to Environment BOP (currently delegated to Rotorua District Council).
- Increase car parking building and off-street parking charges.
- Funding of \$150,000 to continue the joint venture with Retail Rotorua to implement elements of the Retail Strategy.
- Support Film Volcanic initiatives ensuring location filming comes to the Rotorua district.
- Funding for the establishment of the BrightEconomy Board.
- Preparation of Financial and Developers' Contributions Policy to fund the effects of growth.
- Destination Rotorua Tourism Marketing developing Australia market strategies, tying in with potential Rotorua Regional Airport trans-Tasman services.
- Building the Rotorua Sustainable Tourism Charter.
- Establishment of a \$14.63 (including GST) separate rate, called "Lakes Enhancement Rate", over all properties to fund public benefit component (\$1,500 per property) of lakeshore sewerage schemes.
- Commissioning an improved land drainage system for Pohutukawa Drive.
- Continued engineering support for the Environment BOP Technical Advisory Group on lakes water quality strategies.
- Introduction of differential pricing for landfill charges.
- Design and designate Victoria Street expressway.
- Rural seal extension of 6.5km including Parsons Road, Tawhero East Road, Ashpit Road and Mangamingi Road.
- Designation and District Plan changes for Rotorua Regional Airport to allow expansion to the south.
- Continue with lakeshore settlement sewerage schemes and commissioning Eastern Trunk Main and Mourea/Okawa Bay in 2006.
- Adopt a water and waste water strategy.

- New toilets in Kauae and new toilets and lighting in Western Heights.
- Additional funding for the Safer Community programme.
- Castlecorp continuing to be a vital part of the high service delivery standards for Rotorua District Council.

## Rates increase

In order to achieve the contents of this Annual Plan, Council has been required to achieve a balance between an increase in rates and debt. It has been resolved to increase total rates and charges by 4.98% which will see debt relating to general rates activities at \$52 million in ten years time, and debt associated with separately funded activities at \$67 million in ten years time, a total of \$119 million.

Council has expressed the level of rate increase as an increase in all rates and changes revenue. That is, general rates, uniform annual general charge, and all separate (targeted) rates for water supplies, sewerage schemes and refuse collection, and the new Lakes Enhancement Rate, but excluding the new capital sewerage rate for three eastern areas. This is to ensure the community is not misled about the rate increase. However, it should be noted that this does not mean the total rates bill for each individual ratepayer will increase by 4.98%. For example, not all ratepayers receive a refuse collection service and they are not charged for this service

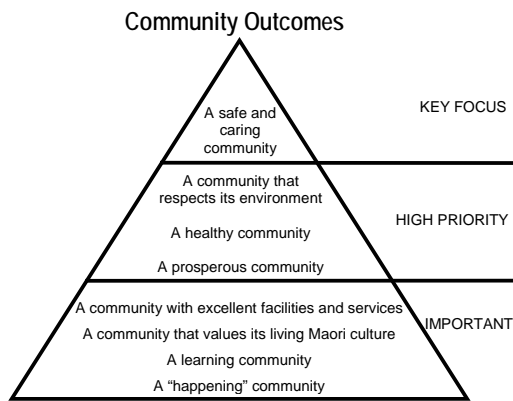
Some example properties are provided in the 'Indicative Rates for Representative Properties' section of this Plan to give a picture of the effect on individual properties.

## A safe and caring community

The key focus indicated by the community in respect of Community Outcomes is "a safe and caring community". Council continues to provide an emphasis on this outcome across a range of activities. It includes such things as changes in the way parks and reserves are managed. The limbing of trees in Kuirau Park to improve view shafts from both within the reserve and outside looking in to the reserve, is an example.

There are also various traffic safety improvements in the roading network. Destination Rotorua Tourism Marketing is encouraging its sector to use safer process and design, to ensure our visitors have a safe experience in the district, by using Crime Prevention through Environmental Design (CPTED).

An area of particular emphasis during the year will be an audit of the effectiveness of the CBD CCTV cameras and city safety lighting. This is part of a joint venture with the Rotorua Energy Charitable Trust.



## Long term environmental issue

Future improvement in water quality of our lakes is paramount in Council's mind. It has taken many decades of living in the lakes catchments for the problems we are experiencing today to develop. Council is taking every possible measure to work towards remedying these problems.

However, there is no quick fix and the processes will be expensive. The Council has worked strategically with Environment Bay of Plenty and the Te Arawa Maori Trust Board to develop the strategic initiatives. We believe the strong relationship with these partners will allow implementation of solutions to improve lake water quality.

Over the next ten years significant effort will be applied where:

- Environment BOP will spend some \$3 million per annum on research and science, projects and grants etc.
- Rotorua District Council will invest \$98 million on new sewerage schemes along with a range of other strategies, such as water conservation strategies and engineering expertise.
- Te Arawa will bring governance, knowledge and advocacy.
- There will need to be new innovative land use practices.
- Other organisations such as Lakes Water Quality Society, Te Arawa Federation of Maori Authorities, Federated Farmers, Department of Conservation, Waikato University and many other groups and individuals, will contribute significantly.

However the total cost of the solutions are beyond the capability of our communities' resources.

The Rotorua lakes represent a national heritage and need the support of the government. Te Arawa, Environment BOP and Council are working with government agencies and ministers to identify what level of support can be expected from the Crown.

## New sewerage schemes - funding

New community sewerage schemes to reduce nutrients entering the lakes have required Council to make some hard decisions. Robust plans to improve water quality of the lakes and making provision for future growth are critical for the district. The Eastern sewerage schemes will mean that many properties in the Eastern parts of the district (e.g. Mourea and Okawa Bay) will be linked to the Urban Waste Water Treatment Plant via the Eastern Truck Main. This will then replace existing septic tanks. These projects will be commissioned in 2006. Brunswick and Rotokawa areas will then be linked to the Eastern Truck Main over the following two to three years.

Reticulation and treatment plant design options for the Otaramarae, Whangamarino and Okere communities have commenced. Other areas where community sewerage schemes are proposed are: Okareka, Gisborne Point and Hinehopu, Hamurana, Lake Tarawera and Rotoma.

The Rotoma scheme, estimated at \$10.8 million and proposed to commence in 2011, was not included in The Ten Year Plan and will be new to some residents of that area. Again, like the other schemes, this is a vital part of lake water quality enhancement for Lake Rotoma.

These sewerage schemes do not come cheap, costing over \$98 million in total. A complex series of debates has been held by Council and in the community through a special consultative procedure last year. It has been agreed that residents receiving the new services should receive some support from the wider Rotorua community. Previously it was agreed that there would be a contribution of \$1,500 per property from the general rate. Council has now agreed to separately identify this contribution by establishing a new separate rate to be called the **Lakes Enhancement Rate** which will amount to \$14.63 including GST. This charge will be levied on all properties of the district that are subject to a Uniform Annual General Charge.

The table below shows the expenditure proposed for lakeshore sewerage schemes and the funding sources:

#### Lakeshore sewerage schemes

Sewerage schemes	\$'s in millions
Mourea/Okawa Bay	3.6
Treatment plan upgrade	1.9
Eastern Trunk	6.2
Brunswick/Rotokawa	5.8
Okareka	10.2
Rotoma	10.8
Gisborne Pt (Hinehopu)	11.9
Lake Tarawera	13.8
Okere/Otaramarae	14.4
Hamurana	15
Capital Overheads	3.9
	<b>97.5</b>
Cost of capital (over 25 years)	53.6
<b>Total cost of schemes</b>	<b>151.1</b>
<b>To be funded by</b>	
Sewerage capital rates	49.6
Ministry of Health subsidy	46.8
Environment BOP grant	1.1
Lakes Enhancement Rate	8.5
Lump sum contributions	6.3
	<b>112.3</b>
Development contributions	38.8
<b>Total capital cost to be funded</b>	<b>151.1</b>

## Te Arawa participation

Council continues to have a strong working relationship with Te Arawa through the standing committee that has members appointed from the Te Arawa whanui. This committee has met a number of times since the November 2004 elections and established some strategic priorities that include:

- Public relations/communication
- Governance
- Leadership
- Cultural awareness
- We together (Tatou Tatou)
- Operations
- Lakes environment

Council is also holding discussions with Iwi of the district about the establishment of memoranda of understanding (MOU). The first of these MOUs is with Tuhourangi Iwi. MOUs will provide a stronger mechanism for ensuring there is active consultation between Iwi and Council. They propose a two-way responsibility for communication and consultation.

There is a number of Treaty of Waitangi claims from Iwi and hapu of the district. The Central North Island Treaty Claim will have a significant effect on our district in terms of land ownership. As part of a monitoring process Council continues to report on the number of Treaty claims and the areas covered by them.

There are other formal and informal arrangements Council employs to ensure Maori are able to participate in the decision making process of local government such as:

- Kauae Cemetery
- Iwi Consultative Group
- Ngati Whakaue Gifted Lands Protocol
- Kaumatua Committee o Te Whare Taonga o Rotorua
- Pukaki Trust
- Waka Taua Trust
- Ngati Rangiteaore Trust Consultative Group

## Economic growth

The district's growth is a high priority for Council and is being encouraged through many areas, such as:

- Continuing to provide quality information, marketing services and implementation of events, visitor and retail strategies.
- Increasing marketing and economic development expenditure, to further develop the Australian market.
- Implementation of the many objectives in the "BrightEconomy" strategy including the establishment of an advisory board to encourage implementation of the strategy by the wider business and community sectors.
- Developing the Rotorua Regional Airport to meet the needs of the Bay of Plenty region.
- Addressing long term environmental issues, particularly the lakes, to ensure continued attractiveness of our city and district.
- Developing facilities such as the Energy Events Centre to attract more visitors to our district.
- Putting a greater emphasis on promoting a safer city.
- Preparation of an environmental statement and review of the District Plan to ensure sustainability.

### 'BrightEconomy'

Council has been working with the business community on the development of a strategy for the district's economy. This is being rolled out this year to the district, wider business sector, members of parliament, neighbouring authorities, government agencies and many other interested parties.

The strategy is called 'BrightEconomy' and builds on the Bright Future project that was used to identify community outcomes last year. It is a project that is supported by New Zealand Trade and Enterprise (NZTE), including with funding. The strategy provides a Rotorua community economic development framework aimed at creating future wealth and prosperity for its people. Following is the draft vision, targets, and the key themes. There are also some comments on the proposed advisory board that will be charged with ensuring implementation of the strategy.



## Strategy Vision

*The Rotorua community is keenly engaged in building a prosperous future for its people. Key elements to creating wealth include:*

- *Innovative and dynamic leadership*
- *Recognition that Tangata Whenua have been and will continue to be key and influential contributors*
- *Growth in population and businesses*
- *Innovative businesses and support for existing business activity*
- *Knowledge production and commercialisation*
- *Value added and high value opportunities are pursued across all sectors*
- *Thriving, engaged and fulfilled community.*

Sustainable economic development is the key to growing the economy. This involves achieving economic outcomes whilst also contributing to better social, environmental and cultural outcomes. It is based on a "quadruple bottom line" approach which recognises that economic, social, cultural and environmental outcomes must be mutually reinforcing.

## Ten Year Targets

1. Per capita GDP has grown faster than the national average
2. Average household income reaches the national average
3. There has been an improvement in community wellbeing in Rotorua
4. The labour force has the skills required by local businesses
5. Percentage of unemployed is the same or better than the national average
6. The visitor industry has a growth rate that is within the top 10% nationally
7. Other key industry sectors have grown faster than the national average
8. Growing perception that Rotorua is the place to live, do business, and relocate to
9. Increasing confidence and optimism within Rotorua as a place to do business
10. Population growth is within the top 10% of areas in New Zealand
11. New business start ups are within the top 10% of start ups nationally

## Key Themes

In order to get some structure into the strategy five key themes have been identified. They are:

1. Adding value to the economy
2. Dynamic place
3. Business environment
4. Education and skills
5. Building networks and growing capacity

## 'BrightEconomy' Advisory Board

The principles are to provide guidance on operation of the Board:

- implementation and further development of the BrightEconomy strategy
- co-operative and collaborative approach to implementation
- Implementation co-operation and consensus
- act in the collective interest of the Rotorua community.

## The Board's Role

The BrightEconomy Advisory Board's primary role is to ensure BrightEconomy allocated actions are implemented by all agencies by:

- maintaining a strategic overview of the Rotorua economy
- adjusting the strategy and actions in collaboration with the strategy partners
- developing partnerships with the implementation agencies
- defining the actions where private investment will be required
- meeting regularly to lead the monitoring and implementation
- facilitating forums and encouraging business community
- facilitating the process for allocating strategy actions
- promoting sustainable economic development outcomes
- providing input reviews of regional and district plans, and other strategies
- being accountable for expenditure of any public funding.

## Energy Events Centre

This project was first announced in the Ten Year Plan. In June 2003 the Rotorua Energy Charitable Trust provided Council with a \$10 million grant towards the construction of a new multi-purpose events centre adjoining the Sportsdrome and subsequently increased the grant to \$12.5 million. The project had been contemplated the previous year and the generous contribution allowed Council to commence the project with confidence. Council agreed to contribute \$6.5 million toward the project and was seeking to raise a further \$2 million from other sources. The project costs have since increased to \$25.1 million and therefore the challenge is to find funding partners for the balance.

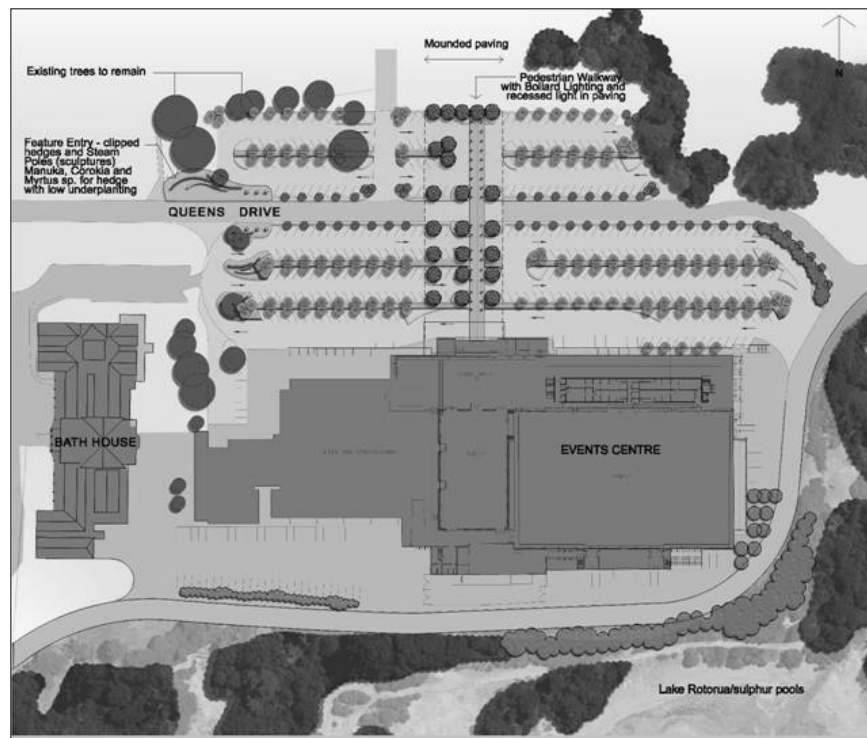
The basic components of the building, incorporating the Sportsdrome, will provide space for conference and exhibitions that are too large for the existing Rotorua Convention Centre. It will also cater for concerts and banquet functions that have never really had an indoor venue large enough in Rotorua. The Unison sponsored arena, which will be able to accommodate 4 full size netball courts, will also be capable of being set out in centre court mode with a seating capacity of 2500 to 3000.

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

## Energy Events Centre Exterior



## Landscape Concept Plan



With the assistance of Catalyst Solutions Ltd, a professional fundraiser, funding has been secured that has allowed the project to commence.

The funding partners at present are:

- Rotorua Energy Charitable Trust
- Unison Networks Ltd
- Bay of Plenty Community Trust
- Southern Trust
- Red Stag Timber.
- Lion Foundation.
- RadioWorks/MoreFM
- Daily Post
- Damar Industries
- Opus
- Sigma
- Star Appliances/Panasonic
- Canmap Hawley
- Davys Burton
- Lockwood
- PhotoArts

## Rotorua Regional Airport

The Rotorua Regional Airport is a vital infrastructural component of the wider Bay of Plenty/Waikato regions' economy and Council takes this responsibility seriously. During the past year:

- Work has been substantially completed on the new terminal that will provide a departure lounge with the "look and feel" of Rotorua.
- Work has continued on extension of aviation security fencing.
- There has been an expansion of the landside car parking.
- There has been commencement of two new aprons and taxiway to better accommodate the daily scheduled 737 jet service from Christchurch by Air New Zealand and Qantas.

This expenditure almost completes the trans-Tasman preparedness objective.

The next challenge is to complete the necessary designations and District Plan changes to allow the airport to extend to the south. The outcome of this process will determine the future of the airport, especially whether the expenditure necessary for trans-Tasman capability should be pursued further.

The infrastructural assets of the airport are being transferred to Council in order to:

- allow the airport company to focus on the business of growing airport related activities
- allow Council to bring its expertise of infrastructural asset management to bear on the airport assets
- ensure that the airport company continues to be a successful business.

The investment beyond trans-Tasman preparedness, necessary for trans-Tasman services, is estimated at some \$18 to \$22 million. This matter will be further considered when the required District Plan changes have been obtained (expected to be determined in the 2005/06 year) and demand analysis completed.

## Rotorua Energy Charitable Trust Partnership

The community continues to be extremely fortunate to have a community trust with such substantial assets that allow it to contribute in a very significant way towards the district's wellbeing. The Trust contributed \$10 million towards the Energy Events Centre last year and has now increased this to \$12.5 million. It was this confidence that allowed the Events Centre project to go ahead.

There is a strong relationship between the Trust and Council. It is pleasing to be able to acknowledge a further contribution from the Trust towards community safety. Over the next two years the Trust will contribute \$400,000 towards two city safety projects. The projects are a review and extension of the CBD cameras, and an extension of the city safety lighting. Both these projects will contribute significantly to enhancing the community outcome of "a safe and caring community".

During the year Council will work with the Trust to more formally recognise the key partnership that exists.

## Environmental Statement and District Plan Review

Council is planning to commence a review of the District Plan in 2005/2006. This is being preceded by a public consultative process to prepare an Environmental Statement. The statement will set a vision for the district on the environmental matters that are important to our residents and visitors. Work on this statement has already commenced and the following have already been identified as important to our district:

- Preservation of the natural look of the caldera of each of the district's lakes.
- Enhancing the lake water quality of each of our lakes.
- Ensuring that the environment is not compromised by economic development.
- Enhancing the sustainability of economic activities.
- Ensuring resources are sustainably managed, including geothermal and many others.

Over the coming year, Council will also be preparing Social, Cultural and Economic Statements to guide our plans and strategies. This will ensure community aspirations as expressed in the Bright Future Community Outcomes are progressed now and in the future.



## Community Outcomes update

Council was required to ensure there is a process that can be used to establish the community outcomes. This was completed in the 2003/04 year. Having identified the outcomes Council is then required to monitor and report on them every three years. A series of indicators has been identified that will give an indication of progress towards the outcomes. They are set out below:

### Progress Indicators

#### A safe and caring community

1. Reported burglaries of dwellings
2. Road traffic crashes resulting in death or injury
3. Public perceptions of community safety
4. Public perceptions of community spirit

#### A healthy community

5. Estimated life expectancy
6. Self-reported health status
7. Self-reported physical activity
8. Self-reported happiness

#### A community with excellent facilities and services

9. Public perceptions of pride in the look and feel of the district
10. Public perceptions of various facilities and services
11. Usage rates of facilities and services

#### A learning community

12. Children who attend early childhood education
13. School leavers who achieve a formal qualification
14. People involved in post-secondary education
15. Young people in accredited training programmes

#### A community that respects its environment

16. Volume of waste to landfill
17. Volume of waste to recycling centres
18. Schools' involvement in environmental initiatives
19. Public attitudes towards caring for the environment (e.g. attitudes towards recycling)
20. Number of people belonging to environmental care groups
21. Lake water quality

#### A prosperous community

22. Personal income
23. Business confidence
24. People registered on Unemployment Benefit
25. NZ Deprivation Index
26. Employment per industry

#### A community that values its living Maori culture

27. Public perceptions of the extent Rotorua values its living Maori culture
28. Maori perceptions of the extent they feel valued within the Rotorua community
29. Tikanga and Te Reo Maori in school curricula
30. Maori events on community arts, sports and cultural calendars

### Progress Indicators

#### A 'happening' community

31. Public perception of whether or not Rotorua is a 'happening' community
32. Attendance at key annual events
33. Visitor numbers
34. Number of events listed on the Rotorua Events Calendar

## Financial focus for 2005/06 to meet long-term objectives

### Operating Surplus:

#### Long Term Financial Objective

To have an operating surplus sufficient to ensure consistency with long-term debt objectives.

#### 2005/06 Focus to meet Financial Objective

Council has continued to balance the books this year and will continue in the foreseeable future.

### General Revenue:

#### Long Term Financial Objective

Ensure sufficient revenue to meet the operating surplus objective and to recover a fair share from users of services.

#### 2005/06 Focus to meet Financial Objective

Council is planning to generate income totalling \$89 million in the coming year and to spend \$79 million on operations. Of the total revenue, 55% will come from rates, and 45% from direct charges, user pays fees, grants and subsidies etc.

Every effort has been made to maximise revenue from sources other than rates and in accordance with the funding policy for each activity.

We are actively seeking external funding from other agencies to contribute to projects, such as the lakes water quality projects, and have been successful in securing significant additional funding for the Energy Events Centre.

In 2005/06 off-street parking fees, landfill fees, and regulatory fees for building, planning and animal control, are increasing.

A draft Development Contributions and Financial Contributions Policy is currently being developed and will be consulted on in 2005/06, subsequent to this Annual Plan process. The intention of this policy is to recover from developers, the capital expenditure incurred or to be incurred by Council as a consequence of new development. These contributions will reduce the Council's debt but the financial impact cannot be determined until the policy has been consulted on and adopted by the Council.

## Rating:

### Long Term Financial Objective

To have a long term consistent level of rating that keeps rates increases as close as possible to inflation after factoring in each generation's contribution towards major capital improvements

### 2005/06 Focus to meet Financial Objective

This increase takes into account an inflation figure of approximately 2.7% based on the 2004 December Consumer Price Index (CPI).

For budgeting purposes a 0.5% increase in the rating base has been allowed as part of the increase in rates revenue. This increase is calculated on the basis of new lots from subdivisions multiplied by the Uniform Annual General Charge and a notional land value for each new lot. In theory, by allowing for growth in the rate increase, there will be extra rates revenue from those new lots, but all other properties would remain the same.

A significant proportion of expenditure is on construction and maintenance of roads, waste water projects, buildings and other assets. Statistics NZ noted prices for construction were up 7.3% in the twelve months to December 2004. Council has allowed a further 2.28% increase to cover such increases. Efficiency gains will be required to maintain services at similar levels to the previous year and to undertake a range of new projects, whilst restricting the average rates increase to just 4.98%.

In summary, Council's rate increase after providing for growth and the new targeted rates, is \$2.37 million or 4.98%.

The rate increase calculation is as follows:

	<i>\$'s in thousands</i>	
Rates for 2004/05		47,402
Add:		
- Growth		230
- New Mourea/Okawa Bay sewerage rates		78
New rates revenue base		47,710
<b>New rate requirement</b>		<b>50,084</b>
<b>Increase over 2004/05</b>		<b>2,374</b>
		<b>4.98%</b>

### Increase on 2004/05

CPI Increase ( Dec 04)	2.70%	1,288
Increased capital/other costs	2.28%	1,086
<b>Total increase for inflation</b>	<b>4.98%</b>	<b>2,374</b>

## Infrastructure pricing:

### Long Term Financial Objective

To have long term stable pricing to ensure the infrastructure is provided with sufficient capacity and quality when needed.

### 2005/06 Focus to meet Financial Objective

The urban water, sewerage, airport and pensioner housing self funding accounts all require significant investment to maintain asset stock and networks.

Every year these self funding accounts are reviewed to ensure that over time revenue exceeds expenditure.

As we commence a period of significant investment in new sewerage schemes, consideration of the most equitable funding has taken a lot of Council's time. In summary the following has been achieved:

- All properties connected or connectable will receive a \$1,500 contribution from the general rates account. A new separate rate called the Lakes Enhancement Rate will be charged to all ratepayers of the district and used for the \$1,500 contribution.
- Okawa Bay, Mourea and Duxton Hotel properties will be charged a share of the capital costs of the Eastern Trunk Main, as will other areas that use the main.
- The charging for recovery of sewerage scheme costs is calculated to be recovered over a 25 year period from the date the scheme is commissioned.
- There is an opportunity for property owners to pay their capital charge in a lump sum at the time the scheme is commissioned.

Pensioner housing revenue has also been increased in line with Council policy. A review of the overall balance between housing stock quality and rentals will be undertaken during the year.

Revenue from Rotorua Regional Airport is dependent on passenger numbers and aircraft movements. We continue to monitor this.

## Expenses:

### Long Term Financial Objective

Ensure expenses are consistent with the operating surplus objective and provide the capacity to meet agreed levels of service

### 2005/06 Focus to meet Financial Objective

The Ten Year Plan consultation process confirmed the levels of service required by the community and this Annual Plan continues to deliver these. The lakes regulatory function (i.e. harbourmaster etc) is however being transferred back to the regional council.

There are unavoidable cost increases as a result of growth, inflation, additional legislative requirements, and extensive consultation now required by the Local Government Act.

## Debt:

### Long Term Financial Objective

Manage total debt at prudent levels. (Debt below \$120 million in 10 ten years, minimise interest below 15% of rates income and debt per rateable property below \$5,000). Council has also taken the view that by ensuring the total public debt is reducing over time, there will then be an opportunity for future generations to have some choices of projects and new services of their own.

### 2005/06 Focus to meet Financial Objective

Council maintains a spread of debt maturities to minimise the risk of refinancing substantial parts of the debt portfolio at any one time. Interest rate risk management by hedge agreement can be used to provide further certainty to future interest expense.

In ten years time Council general debt will be \$51m and self funding activities debt will be \$67m. A total of \$118 million. This is within the established policy parameters and is regarded as sound and prudent financial management – given that Council has assets valued in excess of half a billion dollars.

## Variations from the Ten Year Plan for 2005/06

This year there have been two major items that have had an impact on Council's financial position:

- A number of significant capital projects that were proposed to be completed by 30 June 2005 have been deferred or are still in progress. They are being carried forward to 2005/06. The major projects are the Energy Events Centre, and the Okawa Bay/Mourea and Eastern Trunk Main. Both projects were expected to be further advanced than what is now projected.

- The other sewerage projects now have more detailed design and with that has come greater accuracy in the financial projections. The increase in construction costs caused by a change in market rates has also added to these project costs compared to when The Ten Year Plan budgets were prepared for 2005/06.

In summary, the large variations are:

	\$'s in millions
<b>Change in Funding Requirements</b>	
<b>Increase in the cost of major capital projects net of any grants</b>	
Eastern Trunk Main and rural waste schemes	5.9
Energy Events Centre additional cost in 2005/06 to be recovered in future years	0.5
Further funds set aside for strategic roading properties	0.6
	<b>7.0</b>
<b>Reduction in targeted rates revenue</b>	
A major portion of the rates and developers' contributions for the Eastern Sewerage schemes in the Ten Year Plan to be collected in 2005/06, will now be collected in future years.	1.2
A change in timing of collection of the sewerage rates for the urban septic tank conversion has less income expected in 2005/06 than in the ten year plan	0.3
	<b>1.5</b>
<b>Projects carried forward to 2005/06</b>	
Energy Events Centre	4.5
Various water / waste / parks / other projects	11.4
	<b>15.9</b>
<b>Total expenditure</b>	<b>24.4</b>
<b>Additional Funding Sources</b>	
Additional loans raised	15.1
Savings in interest payable due to less loans raised in 2004/05	1.3
Working capital change in timing between years	8.0
<b>Total Additional funding</b>	<b>24.4</b>

While these changes are large, the net effect is that by 30 June 2006 Council has a decrease in fixed assets of \$2.2 million (including capital work in progress) and a debt of \$1.9 million in comparison to The Ten Year Plan.

## Ten Year Plan

Although Council is not required to revise The Ten Year Plan in order to prepare this Annual Plan, it was thought prudent to do so. This was to understand the impact of the new, more detailed design for the lakeshore sewerage schemes and the addition of a new scheme for the Rotoma community. These revised costs have a significant impact on Council's level of debt over the ten year period.

Council believes that, although the debt has increased to a point where in 2015 (ten years) debt will be \$118 million, it is still at a prudent level. The key performance indicators that have been used throughout The Ten Year Plan period are:

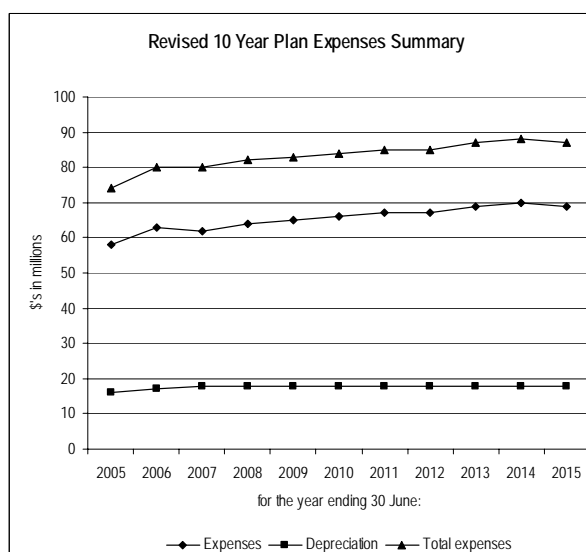
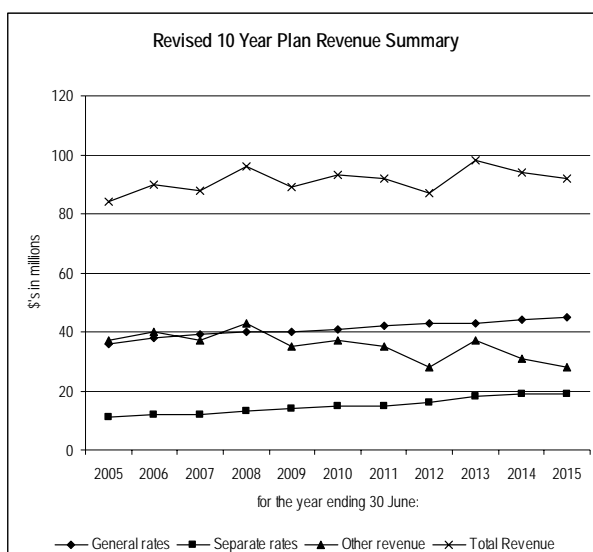
- Interest as a percentage of total revenue.
- Debt as a percentage of total revenue.
- Debt refinancing in any one year.

## Revised Statement of Financial Performance

for the year ending 30 June:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>\$'s in millions</i>	*	*	#	#	#	#	#	#	#	#	#
General rates	36	38	39	40	40	41	42	43	43	44	45
Separate rates	11	12	12	13	14	15	15	16	18	19	19
Other revenue	37	40	37	43	35	37	35	28	37	31	28
<b>Total Revenue</b>	<b>84</b>	<b>90</b>	<b>88</b>	<b>96</b>	<b>89</b>	<b>93</b>	<b>92</b>	<b>87</b>	<b>98</b>	<b>94</b>	<b>92</b>
Less:											
Expenses	58	63	62	64	65	66	67	67	69	70	69
Depreciation	16	17	18	18	18	18	18	18	18	18	18
<b>Total expenses</b>	<b>74</b>	<b>80</b>	<b>80</b>	<b>82</b>	<b>83</b>	<b>84</b>	<b>85</b>	<b>85</b>	<b>87</b>	<b>88</b>	<b>87</b>
<b>Net Surplus</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>14</b>	<b>6</b>	<b>9</b>	<b>7</b>	<b>2</b>	<b>11</b>	<b>6</b>	<b>5</b>

\* Years 2005 and 2006 are budgeted (forecast).

# Years 2007 onwards are projections.

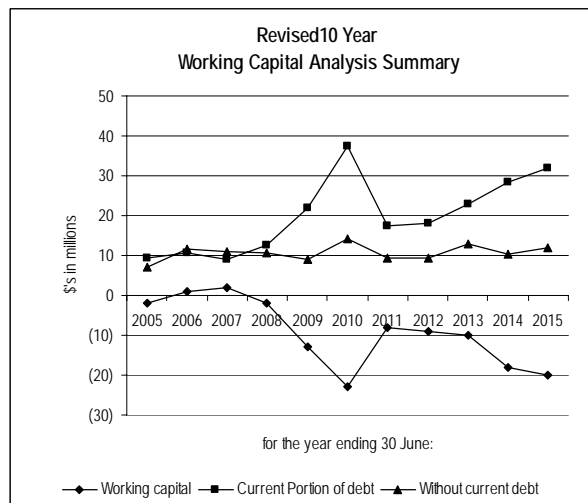
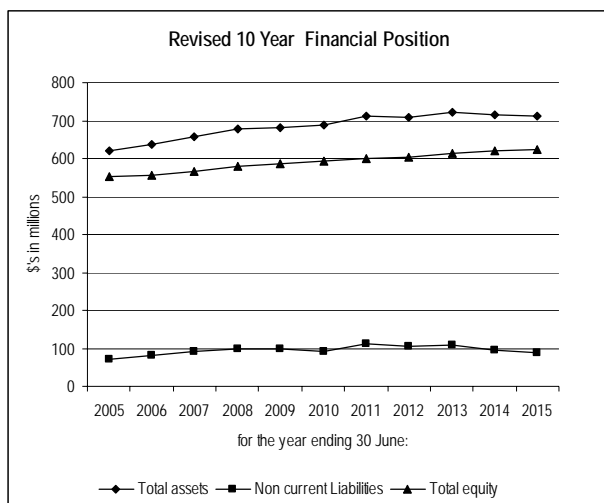


## Revised Statement of Financial Position

for the year ending 30 June:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>\$'s in millions</i>	*	*	#	#	#	#	#	#	#	#	#
Working capital	(2)	1	2	(2)	(13)	(23)	(8)	(9)	(10)	(18)	(20)
Investments	1	3	1	1	1	1	1	1	1	0	0
Fixed assets	623	634	653	679	694	709	719	717	732	734	733
Total assets	622	638	656	678	682	687	712	709	723	716	713
Non current Liabilities	71	81	91	99	97	93	111	106	108	95	88
Total equity	551	557	565	579	585	594	601	603	615	621	625

\* Years 2005 and 2006 are budgeted (forecast).

# Years 2007 onwards are projections.



Main reasons for the change in financial position and performance are:

- Rate increases for general and separate activities.
- Revised costs of new waste water schemes.
- Fine-tuning of operating budgets.
- New capital expenditure.
- Changes in working capital.
- Some fine-tuning of the levels of service delivery through the performance indicators.

## 10 Year Debt

The level of debt is a complex decision with two main drivers. They are:

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

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

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

- The need to maintain assets in a sustainable manner.
- Community ability to pay.
- Prudent financial management – risk.
- Benefits of doing the project now versus waiting – timing
- Council priorities
- Community expectations
- Influence of external agencies

**Sustainability** - This criterion relates to ensuring there is opportunity for both the present community, and for the future. How to determine this is difficult as there is also a need to ensure intergenerational equity of services from assets, which are in part funded from debt.

**Ability to Pay** - The deprivation index for our district is extreme – from very high to very low.

**Risk** - The table at the conclusion of this report provides a matrix for managing the risk of borrowing and shows that Council can maintain a total debt of \$119 million in 10 years.

Given that the main reason for the increase in debt is the sewerage schemes for improving lakes water quality, there is inevitability in the increased level of debt. However, Council is

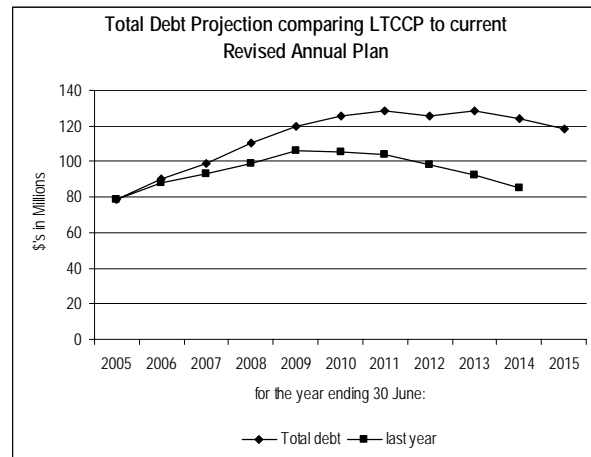
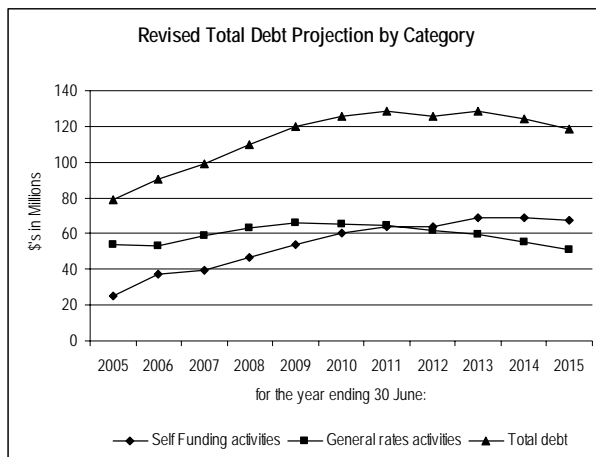
satisfied that the debt is still at a prudent level and will not exceed the indicators contained in the treasury policy.

for the year ending 30 June:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
\$'s in millions	*	*	#	#	#	#	#	#	#	#	#
<b>2014 10 Year Plan</b>											
Self Funding activities	25.9	28.2	29.3	32.3	36.6	37.1	35.4	33.1	29.7	27.4	
General rates activities	52.8	60.0	63.5	66.9	69.4	68.4	68.2	64.7	62.6	57.4	
<b>Total debt</b>	<b>78.7</b>	<b>88.2</b>	<b>92.8</b>	<b>99.2</b>	<b>106.0</b>	<b>105.5</b>	<b>103.6</b>	<b>97.8</b>	<b>92.3</b>	<b>84.8</b>	
<b>2015 10 Year Plan</b>											
Self Funding activities	25.0	37.2	39.7	46.6	53.9	60.4	63.8	63.7	68.9	68.7	67.4
General rates activities	53.8	53.0	59.1	63.5	66.0	65.3	64.7	61.6	59.7	55.4	50.9
<b>Total debt</b>	<b>78.8</b>	<b>90.2</b>	<b>98.8</b>	<b>110.1</b>	<b>119.9</b>	<b>125.7</b>	<b>128.5</b>	<b>125.3</b>	<b>128.6</b>	<b>124.1</b>	<b>118.3</b>

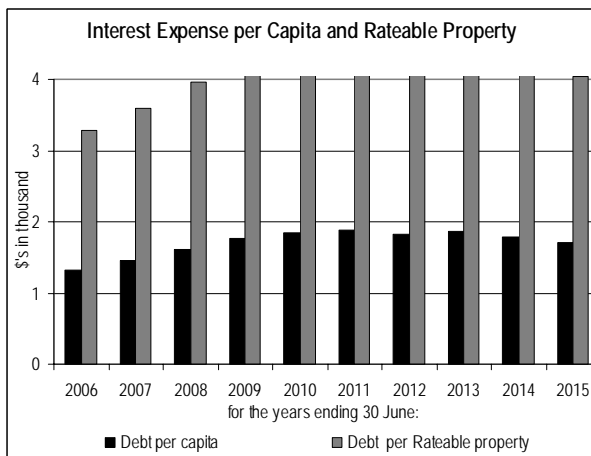
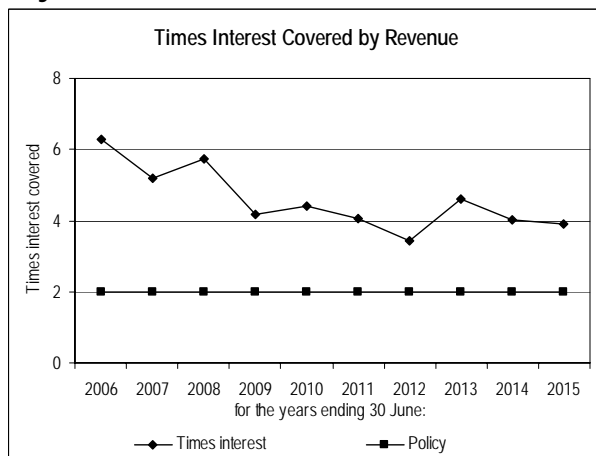
\* Years 2005 and 2006 are budgeted (forecast).

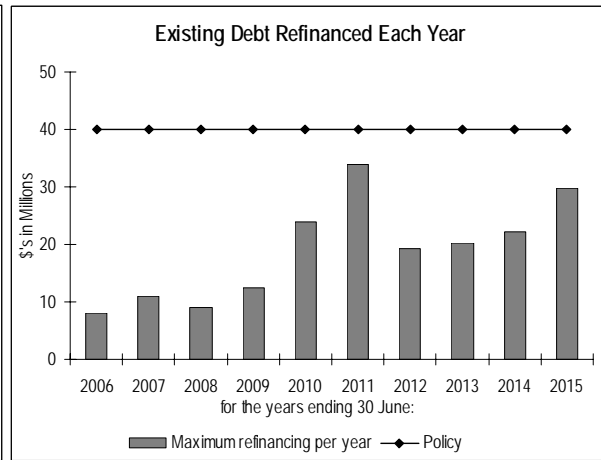
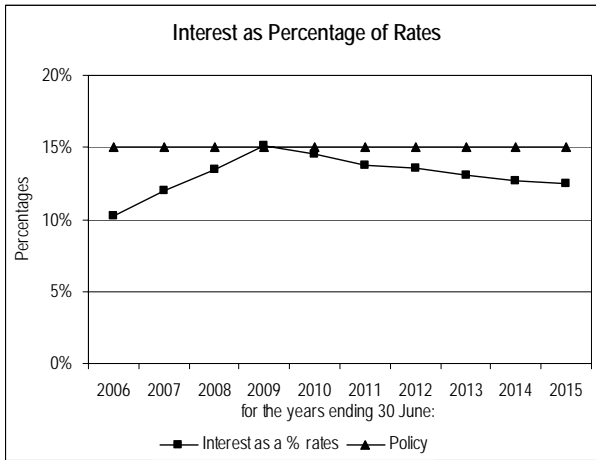
# Years 2007 onwards are projections.

The graphs below show the change between the Ten Year Plan and what is now proposed, along with the performance indicators over the ten year period to 2015.



### Key Performance Indicators





## Staff

As with all service based organisations, people are our most important asset. A culture of high performance is vital if we are to deliver our services consistently at a high level. I am very proud to be part of Rotorua District Council where we have people that are so committed to high performance. This is validated by the 2004 National Research Bureau survey which showed that 72% of residents thought staff performance was very/fairly good, 10% above our peer group.

I use this opportunity to thank all staff for their major contributions to last year and in anticipation of another big year ahead.



## Conclusion

This Annual Plan covers the second year of the Ten Year Plan. There are significant changes to the debt in 10 years i.e. 2015. The main reason for this is the updated costs of the lake shore settlement sewage schemes and the inclusion of a new scheme for Rotoma. There are many highlights in this plan. I commend them to you and encourage you to make a submission on both the areas you support and on those areas where you think there should be some change.

P J Guerin  
Chief Executive

# GUIDING ROTORUA TO THE FUTURE

**Our Guiding Principles**

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

Council's mission, vision and guiding principles help Council to link its aims, goals and

## The Community Outcomes to help promote a Bright Future



**Our Mission for the District**

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

**Council's Vision**

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

# ELECTED MEMBERS



Standing (left to right): Peter Guerin (Chief Executive), Cr Mike McVicker, Cr Mark Gould, Cr Cliff Lee, Mayor Kevin Winters, Cr Charles Te Kowhai, Cr Charles Sturt, Cr Glenys Searancke, Cr Geoff Kenny, Cr Janet Wepa. Seated (left to right): Cr Maureen Waaka, Deputy Mayor Trevor Maxwell, Cr Russell Judd, Cr Bob Martin

For up to date information on Governance, check the 'About Your Council' document available from Council or on our website [www.rdc.govt.nz](http://www.rdc.govt.nz).



## TE ARAWA STANDING COMMITTEE



Back row (left to right): Peter Guerin (Chief Executive), Hawea Vercoe, Piwiri Heke, Mayor Kevin Winters, Bella Tait (Policy Analyst and Iwi Research Officer), Hamuera Mitchell  
 Front row (left to right): Piki Thomas, Deputy Mayor Trevor Maxwell, Cr Bob Martin, Rene Mitchell, Mauriora Kingi (Director Kaupapa Maori), Sam Hahunga,

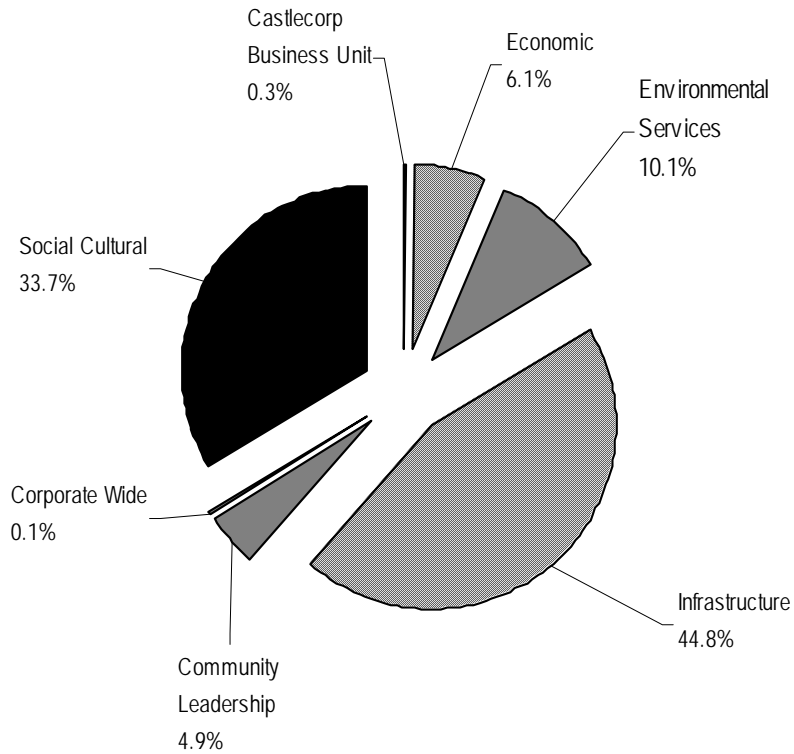
## MANAGEMENT TEAM



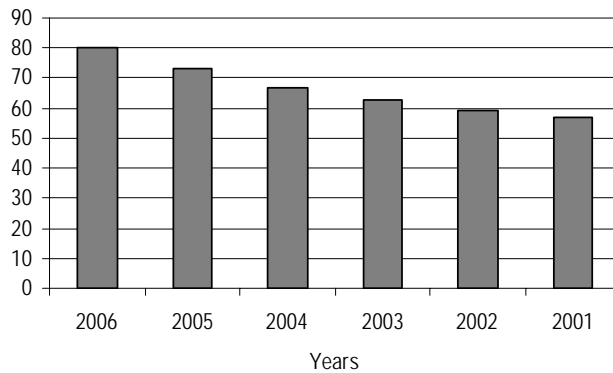
Left to right: Nigel Wharton, Director Environmental Services; Jack Shallard, Director Corporate Services; Peter Guerin, Chief Executive; Nico Claassen, District Engineer; Charles Roberts, Director Community Services

# EXPENDITURE AND REVENUE BY ACTIVITY GROUP

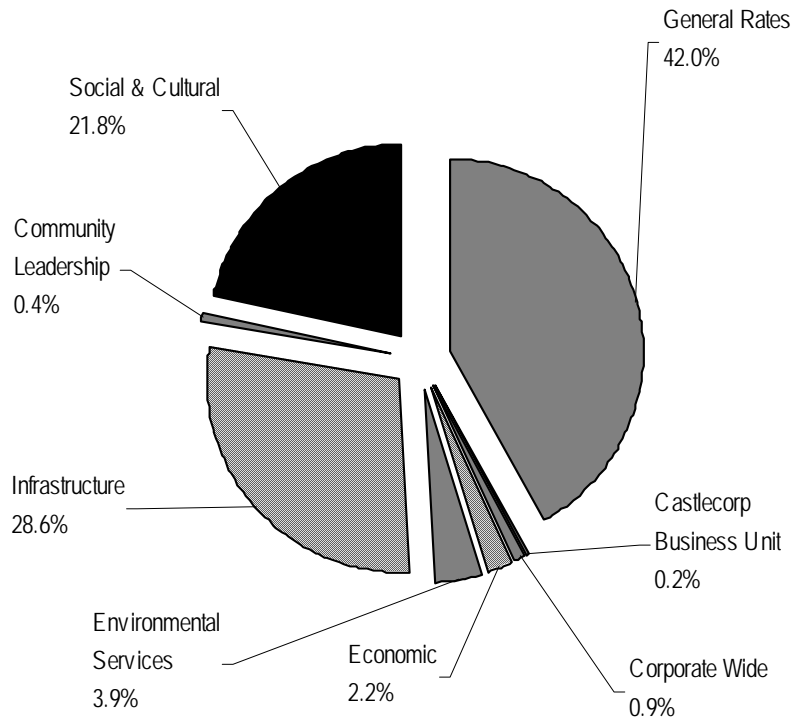
Total Operating Expenditure (\$79m) 2005/06



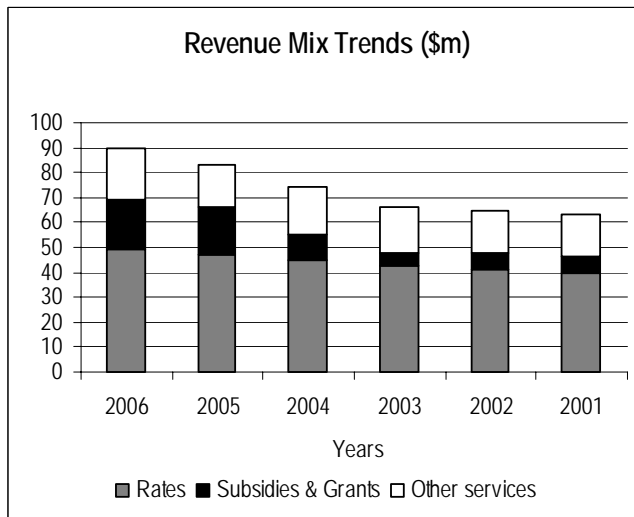
Operating Expenditure Trends (\$m)



Total Revenue (\$89m) 2005/06



Revenue Mix Trends (\$m)



# THE PLANNING PROCESS

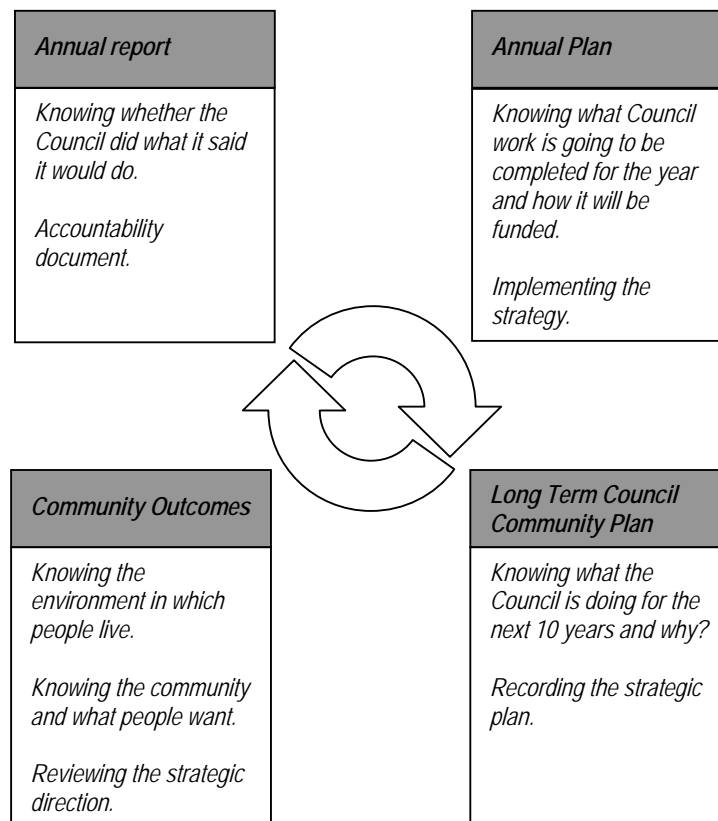
Council's Ten Year Plan (LTCCP) details activities and related financial information for a ten year period and is reviewed and updated every three years. In the intervening years when the Ten Year Plan is not reviewed, Council produces a separate Annual Plan with the purpose of:

- Supporting the Long Term Council Community Plan (LTCCP) in providing integrated decision-making and co-ordination of the resources of the local authority.
- Identifying any variances from the funding and financial information in the LTCCP for that year.
- Extending the opportunity for public participation in decision-making processes relating to costs and funding.
- Contributing to the Council's accountability to its community.
- Detailing the annual budget and funding impact statement.

If there are significant changes from the Ten Year Plan, or changes of a particular type, it may be necessary to amend The Ten Year Plan as well as produce an Annual Plan. Such changes could include decisions to:

- significantly alter service levels of significant activities
- transfer ownership or control of a strategic assets
- construct, replace or abandon strategic assets; or
- that would have a significant direct or indirect impact on either the capacity of a local authority to deliver on an activity or on the cost of undertaking that activity.

This year, Council has made several amendments to its Ten Year Plan.



# INDICATIVE RATES FOR REPRESENTATIVE PROPERTIES

This schedule provides a representative selection of examples of rates movements by different rating groups. The comparison shown is between the actual 2004/2005 rates and proposed 2005/2006 rates using the new differential rating groups.

Note that the schedule does not include: a) rates for the capital costs of new sewerage schemes; and b) rates for metered water; and c) Environment Bay of Plenty rates.

Land value	Uniform Annual General Charge	General Rate	Water Charge[s]	Sewerage Charge[s]	Refuse Charge[s]	Environment Enhancement rates	Total RDC Proposed rates 2005/06	Total RDC rates 2004/05	Increase / (decrease) in total RDC rates	% increase / (decrease) in total RDC rates
<b>Group 1 Residential - general - urban</b>										
308,000	400	3,120	144	274	57	15	4,009	3,807	202	5.30%
248,000	400	2,512	144	274	57	15	3,401	3,230	171	5.29%
200,000	400	2,026	144	274	57	15	2,915	2,769	146	5.28%
150,000	400	1,520	144	274	57	15	2,409	2,288	121	5.27%
100,000	400	1,013	144	274	57	15	1,902	1,807	95	5.25%
75,000	400	760	144	274	57	15	1,649	1,567	82	5.24%
60,000	400	608	144	274	57	15	1,497	1,423	74	5.23%
50,000	400	507	144	274	57	15	1,396	1,326	69	5.22%
40,000	400	405	144	274	57	15	1,294	1,230	64	5.21%
30,000	400	304	144	274	57	15	1,193	1,134	59	5.20%
20,000	400	203	144	274	57	15	1,092	1,038	54	5.19%
<b>Group 2 Residential - general - rural</b>										
520,000	400	3,687	-	-	59	15	4,161	3,945	216	5.48%
390,000	400	2,765	-	-	59	15	3,239	3,069	169	5.52%
310,000	-	2,198	-	-	-	15	2,213	2,087	126	6.03%
300,000	400	2,127	-	-	59	15	2,601	2,464	137	5.57%
250,000	400	1,773	-	-	59	15	2,246	2,127	119	5.61%
200,000	400	1,418	-	-	59	15	1,892	1,790	101	5.66%
150,000	400	1,064	-	-	59	15	1,537	1,454	83	5.74%
100,000	400	709	-	-	59	15	1,183	1,117	65	5.86%
66,000	400	468	-	-	-	15	883	829	53	6.43%
50,000	400	355	-	-	59	15	828	781	48	6.09%
<b>Group 3 Residential - vacant - urban</b>										
360,000	400	3,283	72	137	-	15	3,907	3,501	406	11.60%
293,000	400	2,672	72	137	-	15	3,296	3,123	173	5.54%
200,000	400	1,824	72	137	-	15	2,448	2,318	130	5.59%
155,000	400	1,414	72	137	-	15	2,037	1,928	109	5.64%
100,000	400	912	72	137	-	15	1,536	1,452	83	5.72%
75,000	400	684	72	137	-	15	1,308	1,236	71	5.78%
50,000	400	456	72	137	-	15	1,080	1,020	60	5.87%
25,000	400	228	72	137	-	15	852	803	48	6.00%
10,000	400	91	72	137	-	15	715	674	41	6.12%
<b>Group 4 Residential - vacant - rural</b>										
300,000	400	1,974	-	-	-	15	2,389	2,260	128	5.68%
250,000	400	1,645	-	-	-	15	2,060	1,948	112	5.75%
205,000	400	1,349	-	-	-	15	1,764	1,666	97	5.83%
150,000	400	987	-	-	-	15	1,402	1,323	79	5.98%
105,000	400	691	-	-	-	15	1,106	1,041	64	6.17%
75,000	400	494	-	-	-	15	908	854	54	6.36%
51,000	400	336	-	-	-	15	750	704	46	6.60%
25,000	400	165	-	-	-	15	579	541	38	7.00%
10,000	400	66	-	-	-	15	480	447	33	7.36%
<b>Group 5 Residential - two unit</b>										
275,000	400	3,064	289	547	113	15	4,427	4,215	212	5.03%
220,000	400	2,451	289	547	113	15	3,814	3,633	181	4.98%
175,000	400	1,950	289	547	113	15	3,313	3,157	156	4.93%
150,000	400	1,671	289	547	113	15	3,035	2,893	142	4.90%
120,000	400	1,337	289	547	113	15	2,700	2,576	125	4.85%
100,000	400	1,114	289	547	113	15	2,478	2,364	114	4.81%
75,000	400	836	-	547	113	15	1,910	1,824	87	4.76%
50,000	400	557	289	547	113	15	1,921	1,835	86	4.66%
40,000	400	446	289	547	113	15	1,809	1,729	80	4.62%
30,000	400	334	289	547	113	15	1,698	1,624	74	4.58%

Land value	Uniform Annual General Charge	General Rate	Water Charge[s]	Sewerage Charge[s]	Refuse Charge[s]	Environment Enhance-ment rates	Total RDC Proposed rates 2005/06	Total RDC rates 2004/05	Increase / (decrease) in total RDC rates	% increase / (decrease) in total RDC rates
<b>Group 6 Residential - multi-unit</b>										
300,000	400	12,906	-	1,368	283	15	14,971	14,060	912	6.48%
260,000	400	11,185	-	1,368	283	15	13,250	12,425	826	6.64%
184,000	400	7,916	578	1,094	226	15	10,228	9,748	481	4.93%
150,000	400	6,453	-	2,462	509	15	9,839	9,060	779	8.60%
100,000	400	4,302	-	3,009	623	15	8,348	7,435	912	12.27%
76,000	400	3,270	-	1,094	226	15	5,005	4,782	223	4.66%
50,000	400	2,151	578	1,094	226	15	4,464	4,271	193	4.51%
21,000	400	903	433	821	170	15	2,742	2,625	116	4.44%
<b>Group 7 Farming - general</b>										
7,800,000	400	51,324	-	-	-	15	51,739	49,141	2,598	5.29%
4,363,000	400	28,709	144	-	170	15	29,437	27,878	1,560	5.60%
3,050,000	400	20,069	-	-	-	15	20,484	19,450	1,034	5.32%
2,100,000	400	13,818	-	-	-	15	14,233	13,512	721	5.34%
2,000,000	400	13,160	-	-	170	15	13,744	13,064	681	5.21%
1,500,000	400	9,870	-	-	-	15	10,285	9,761	524	5.36%
1,000,000	400	6,580	-	-	-	15	6,995	6,636	359	5.41%
750,000	400	4,935	-	-	-	15	5,350	5,073	277	5.45%
500,000	400	3,290	-	-	-	15	3,705	3,510	194	5.53%
250,000	400	1,645	-	-	-	15	2,060	1,948	112	5.75%
100,000	400	658	-	-	-	15	1,073	1,010	63	6.19%
<b>Group 8 Business - Inside CBD</b>										
2,000,000	400	75,920	-	1,094	113	15	77,542	73,686	3,856	5.23%
1,000,000	400	37,960	-	9,846	113	15	48,334	44,221	4,113	9.30%
750,000	400	28,470	-	2,188	679	15	31,752	29,919	1,832	6.12%
500,000	400	18,980	-	821	113	15	20,328	19,327	1,001	5.18%
400,000	400	15,184	-	547	113	15	16,259	15,455	804	5.20%
300,000	400	11,388	-	1,915	113	15	13,830	12,899	931	7.22%
200,000	400	7,592	-	274	340	15	8,620	8,203	417	5.08%
150,000	400	5,694	-	1,368	453	15	7,929	7,378	551	7.47%
100,000	400	3,796	-	547	57	15	4,814	4,580	234	5.12%
75,000	133	2,847	-	274	113	15	3,382	3,212	169	5.28%
<b>Group 9 Business - urban outside CBD</b>										
260,000	400	11,318	-	4,923	57	15	16,712	15,874	838	5.28%
250,000	400	10,883	-	547	57	15	11,901	11,311	589	5.21%
215,000	-	9,359	-	-	-	15	9,374	8,890	483	5.43%
215,000	400	9,359	72	137	-	15	9,983	9,477	505	5.33%
170,000	400	7,400	-	6,017	57	15	13,888	12,153	1,735	14.28%
140,000	400	6,094	-	1,915	57	15	8,480	7,813	666	8.53%
135,000	400	5,877	866	2,735	396	15	10,289	9,453	836	8.85%
105,000	400	4,571	-	821	57	15	5,862	5,581	281	5.03%
85,000	400	3,700	-	5,197	57	15	9,368	8,000	1,368	17.10%
66,000	400	2,873	-	547	57	15	3,891	3,703	188	5.09%
58,000	400	2,525	-	821	57	15	3,816	3,638	179	4.91%
56,000	400	2,438	-	547	57	15	3,456	3,289	167	5.07%
55,000	400	2,394	-	547	113	15	3,469	3,304	164	4.98%
53,000	-	2,307	-	-	-	15	2,322	2,192	130	5.94%
34,000	400	1,480	-	1,641	-	15	3,536	3,148	388	12.33%
15,000	-	653	-	-	-	15	668	620	47	7.63%
<b>Group 10 Business - rural</b>										
2,500,000	400	65,800	-	-	768	15	66,983	64,074	2,908	4.54%
1,000,000	400	26,320	-	-	-	15	26,735	25,388	1,347	5.30%
900,000	400	23,688	-	-	184	15	24,287	23,065	1,222	5.30%
755,000	400	19,872	-	10,120	709	15	31,115	27,845	3,270	11.74%
600,000	400	15,792	-	-	-	15	16,207	15,387	820	5.33%
500,000	400	13,160	-	-	118	15	13,693	13,005	688	5.29%
330,000	400	8,686	-	-	118	15	9,218	8,754	464	5.30%
250,000	400	6,580	-	-	-	15	6,995	6,636	359	5.41%
240,000	400	6,317	-	-	118	15	6,850	6,504	346	5.32%
200,000	400	5,264	-	-	59	15	5,738	5,445	293	5.38%
100,000	-	2,632	-	-	-	15	2,647	2,500	146	5.85%
50,000	400	1,316	-	-	118	15	1,849	1,753	95	5.45%
25,000	400	658	-	-	-	15	1,073	1,010	63	6.19%
8,000	400	211	-	-	-	15	625	585	40	6.87%

# Strategic Direction



# ROTORUA BRIGHT FUTURE– COMMUNITY OUTCOMES



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

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

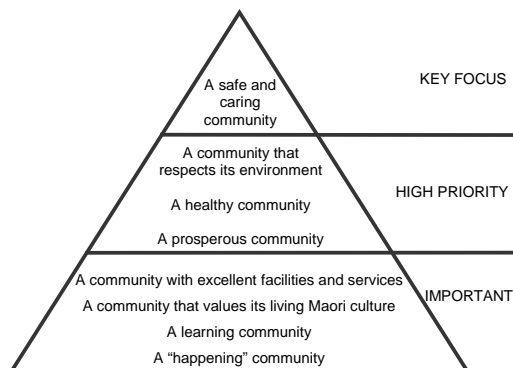
This Annual Plan details how Rotorua District Council will implement Year Two of its current Ten Year Plan.

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

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

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

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



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

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

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

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

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

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


**A Community that values its living Maori culture** – The history of Te Arawa in the district and the value of Maori culture are recognised and fostered.

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

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



# Implementation of Strategic Direction



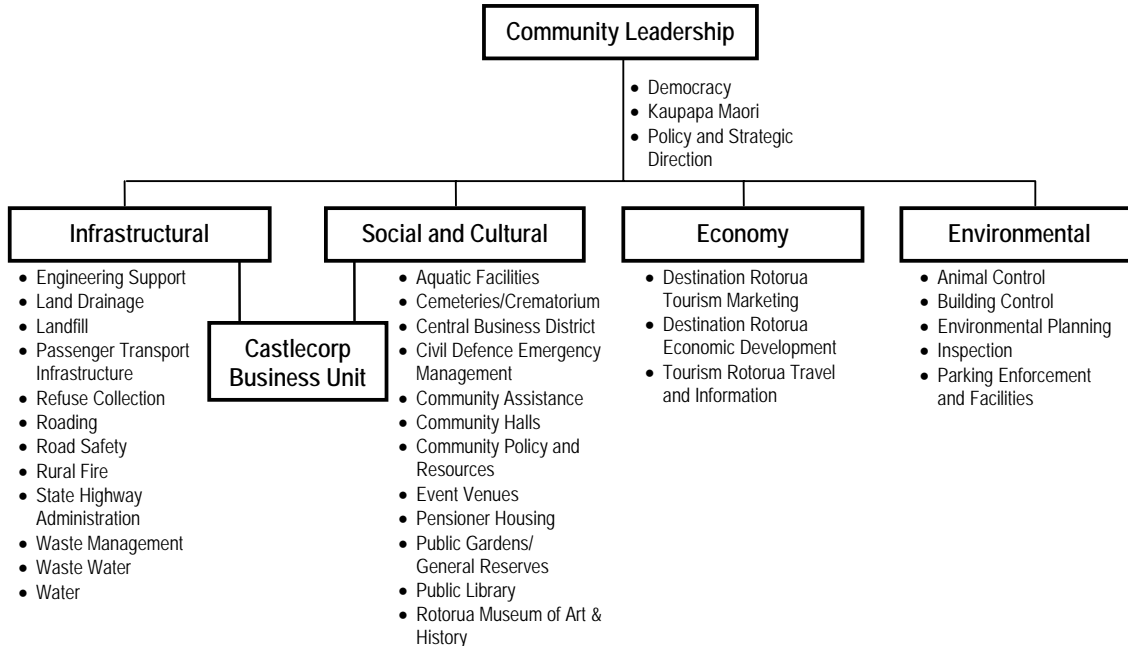
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# GROUPS OF ACTIVITIES

This section outlines all of the activities of the Council and includes information so that the community can see how we

plan, manage, deliver and fund Council's activities. This section has been divided into six activity groups, which are:



## Community Leadership Group

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

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

## Infrastructural Group

Activities included in this group provide many of the traditional key services associated with councils such as water, sewerage, roads and refuse collection. In this area Council owns and manages many large and complex assets on behalf of the community.

## Social and Cultural Group

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

## Economy Group

Rotorua District has a thriving tourism industry contributing to a strong economy, supported by several other sectors. The activities in this group ensure that we maintain and grow the district's prosperity for the benefit of all.

## Environmental Group

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

## Castlecorp Business Unit

Castlecorp is a separate business unit within the Rotorua District Council. Its purpose is to provide infrastructural services to the residents of the district 365 days per year for:

- Water
- Waste water
- Refuse
- Land drainage
- Parks and reserves
- Sports fields
- Public gardens
- Fleet maintenance

# COMMUNITY LEADERSHIP GROUP

## Contribution to outcomes

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

## Overview of Group

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

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

## Summary of Group Net Cost of Service

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
Democracy	2,344	2,270	2,446
Kaupapa	227	210	226
Support Services and Interest Received	10,353	10,605	12,171
Interest Expense	4,598	5,734	5,256
Less Internal Recoveries	(15,029)	(16,266)	(17,699)
Policy & Strategic Direction	1,176	1,163	1,134
<b>Net Cost Of Service</b>	<b>3,669</b>	<b>3,716</b>	<b>3,534</b>

## Key Strategic Decisions

- Review of representation arrangements for the 2007 elections.
- Shared services with other organisations and local authorities, or authorities of similar size.
- Joint statutory committee between Environment BOP, Te Arawa Maori Trust Board and Council to provide strategic oversight for Rotorua lakes.
- The increase in overall level of corporate debt to fund lakes sewerage schemes, Rotorua Regional Airport Ltd and other new capital works. Council is confident that it has provided a financially prudent balance between debt, intergenerational equity, the community's ability to pay and growth provisions.

## Assets Used in Activity Group

Asset Type	Cost	Accumulated	Book Value
(thousands)		Depreciation	30 June 2004
Aerial Maps Collection	286	97	189
Buildings	19,977	1,254	18,722
Computer Hardware	2,726	2,079	647
Computer Software	3,458	2,358	1,100
Furniture & Fittings	1,357	1,019	338
Land	10,431		10,431
Office Equipment	424	376	47
Plant & Machinery	836	372	464
Roading	237		237
	<b>39,731</b>	<b>7,556</b>	<b>32,175</b>

# Democracy

## Overall aim of the activity

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

## Why we provide the service

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

The political structure which provides a representative local government for the people of the Rotorua District is a Council consisting of a mayor and 12 councillors, representing four wards. The Te Arawa Standing Committee has three representatives from Council and six representatives from Te Arawa, and is a full standing committee of Council.

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

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

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

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

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Public approval for Council's policies and performance.	Ensure that all council meetings have a quorum of members at the beginning, and for the duration of all meetings.	100% compliance
	Councillors will attend all full council meetings, with absences for officially sanctioned council business taken into consideration.	95% attendance
	Councillors will attend all committee meetings of which they are members, with absences for officially sanctioned Council business taken into consideration.	95% attendance
	Where members have attended conferences as council representatives, a written or verbal report will be provided at the next appropriate committee meeting.	All conferences reported back to appropriate committee.
	Use a community survey as a method to gauge public approval for the performance of the Mayor and councillors.	NRB 75% Fairly good/very good rating or higher. Satisfaction with Mayor and councillors is higher than average for peer authorities
Ensuring that transparency and accountability in the decision making process is maintained at all times	Members will provide full disclosure of any conflict of interest where issues are being debated, and where they may have an interest greater than the public at large.	Members Interest Register kept current, and maintenance of database for audit purposes
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.	To determine the basis of the 2007 triennial elections in accordance with relevant legislation.

### Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	2,424	2,270	2,466
Revenue	80	0	20
<b>Net Cost</b>	<b>2,344</b>	<b>2,270</b>	<b>2,446</b>
<b>Capital</b>			
<b>Renewals</b>			
General	12	6	9
Electronic Agenda Software			30
<b>Total Capital</b>	<b>12</b>	<b>6</b>	<b>39</b>

### Activity Highlights for 2005/06

- The review of representation arrangements.

### Councillors by Wards

#### West Ward



Left to right: Deputy Mayor Trevor Maxwell, Cr Geoff Kenny, Cr Janet Wepa

#### East Ward



Left to right: Cr Cliff Lee, Cr Maureen Waaka, Cr Mark Gould

#### North Ward



Left to right: Cr Russell Judd, Cr Bob Martin, Cr Charles Sturt

#### South Ward



Left to right: Cr Charles Te Kowhai, Cr Mike McVicker, Cr Glenys Searancke

# Kaupapa Maori

## Overall aim of the activity

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

## Why we provide the service

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

- Policy development which explicitly addresses issues of greatest importance for Tangata Whenua and Maori of the district.
- Enhancement of the social, cultural and economic well-being of Tangata Whenua and Maori in the district.
- Provision of expert advice and assistance in the development of appropriate policies to promote and enhance the efficient employment and management of Tangata Whenua resources, and consistent with the

environmentally prudent development of all district resources.

- Ensuring that the specific interests of Tangata Whenua and Maori are included in relevant areas of the Council's core business.
- Ensuring that the specific needs and values of Tangata Whenua and Maori are taken into account in the formulation of Council policy.
- Fostering positive partnership between Tangata Whenua and Maori and the Council; and
- Encouraging and improving the awareness and understanding of appropriate Maori perspectives within Council.
- Assisting the facilitation of Council and Te Arawa relationships through appropriate protocols.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
The inclusion of a Maori perspective in existing Council policies.	Have all new relevant Council policies assessed from a Maori perspective.	100% compliance
Understanding of Maori cultural values in areas of Council core business, including Te Reo Maori and Tikanga Maori, will be encouraged.	Have management approved training programmes in Te Reo Maori and Tikanga Maori, including Waiata, available to staff and councillors each year.	Available by 31.12.06
Working with Maori of the district to facilitate appropriate policies.	Iwi Management Plans will be supported and approved where requested.	Plans supported and completed when requested by 30.06.06.

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	227	210	226
Revenue	0	0	0
<b>Net Cost</b>	<b>227</b>	<b>210</b>	<b>226</b>
<b>Capital</b>			
<b>Renewals</b>			
General		8	
<b>Total Capital</b>	<b>0</b>	<b>8</b>	<b>0</b>

## Activity Highlights for 2005/06

- This unit will continue with its work on developing better understanding of Maori issues for the district.

## Policy and Strategic Direction

### Overall aim of the activity

*To guide the organisation with inspiring competent leadership and direction.*

### Why we provide the service

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

The Local Government Act (LGA 2002) requires rigorous decision-making processes for policy development. Coupled with this is the long list of policy areas that both Council and Management have requested. The areas exceed our resources in the short term and therefore some prioritisation is required.

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

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

To do this in an integrated way is important. This will ensure a greater likelihood of compliance with the LGA 2002, more efficiency and effectiveness, and a transparent prioritisation system. It is believed that by centralising the overview of policy development and giving greater attention to allocating the necessary resources, more informed decisions can be made.

It will be important to make distinction between:

- Policy
- Delegations
- Procedures
- Guidelines

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Community participation in setting strategic direction.	Identify and review Community Outcomes on behalf of community.	Re-identify Community Outcomes
	Consult with public on draft LTCCP.	N/A
	Facilitate Integrated Outcomes Plan.	Plan completed and publicly available 30.08.05.
Community informed and consulted on major policies, decisions, projects and activities.	Publication of Council/Community news.	At least 4 issues per year.
	Question residents on approval/disapproval of Council decisions/actions.	Less than 35% of NRB respondees disapprove of recent decisions/ actions.
	Report to community on progress towards Community Outcomes.	Report to community by 01.12.05.
	Report to the public against LTTCP and Annual Plan financial and non financial targets in accordance with the Local Government Act.	Report adopted by 30.10.2005.
Council performance monitored and reported back to community.		Unqualified Audit opinion.
	NRB survey used to gauge public perception of Council performance.	Survey completed and reported by 31.08.06.



## Budget for 2005/06

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	2,433	2,355	1,218
Revenue	1,335	1,119	356
Net Cost	1,098	1,236	862
<b>Capital</b>			
<b>Renewals</b>			
Civic Administration Building	60	20	85
Core Hardware/Software	710	390	647
Cost of Aerial Photography		260	260
Financial System	300		
Data Integration	130	130	130
Depot Plant		12	12
Intranet Renewals	100		
General	513	407	311
<b>New For Improved Service</b>			
Request for Service System		100	100
Web Development	200	200	200
Rating Database	110		
Servers		30	30
Server Room Fire Protection		25	25
Imaging		700	700
<b>Growth</b>			
Strategic Property	964		1,000
<b>Total Capital</b>	<b>3,087</b>	<b>2,274</b>	<b>3,500</b>

## Activity Highlights for 2005/06

- Preparation of the second Ten Year Plan, which is to be audited.
- Savings to be found through operational efficiency of \$200,000.
- An additional \$1 million set aside for potential property purchases that will aid Council's achievement of its long term strategy.
- The increase in core hardware/software is mainly due to the telephone system initially budgeted for in 2004/05 now to be acquired in 2005/06 at a higher cost than initially budgeted for.



# SOCIAL AND CULTURAL GROUP

## Contribution to outcomes

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

## Overview of Group

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

## Key Strategic Decisions

- Planning for Library expansion.
- Planning for Rotorua Museum of Art & History building extensions.
- Construction of 30 units at the Rawhiti pensioner housing complex.
- Construction of the Rotorua Energy Events Centre.
- The acquisition and disposal of reserves as a result of the implementation of the Open Space Strategy.
- Implementation of safety initiatives in the redevelopment of Kuirau Park.
- Lakefront wharf/pavilion upgrade proposal process.
- New regional framework for emergency management planning purposes and the management of hazards and disasters.

## Summary of Group Net Cost of Service

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
Aquatic Facilities	1,232	1,241	1,323
Cemeteries/Crematorium	181	181	155
Central Business District	1,364	1,384	1,453
Parking CBD Operations	(953)	(960)	(1,014)
Civil Defence Emergency Management	224	219	257
Community Assistance	1,018	1,045	1,216
Community Halls	228	234	239
Community Policy & Resources	835	823	1,046
Event Venues	(5,071)	(199)	(7,381)
Pensioner Housing	148	188	(1,394)
Public Gardens/General Reserves	6,699	7,079	6,924
Public Library	2,850	2,756	3,122
Rotorua Art & History Museum	1,494	1,464	1,291
<b>Net Cost Of Service</b>	<b>10,249</b>	<b>15,455</b>	<b>7,237</b>

## Assets Used in Activity Group

Asset Type (thousands)	Cost	Accumulated Depreciation	Book Value 30 June 2004
Art & History Collection	5,716	9	5,708
Bridges	77	2	76
Buildings	41,825	2,279	39,546
City Focus	230	65	166
Computer Hardware	790	617	174
Computer Software	232	203	30
Database/Reports	19	8	10
Furniture & Fittings	2,861	2,253	608
Land	77,052	0	77,052
Library	3,514	1,040	2,474
Minor Wastewater Treatment System (Waikite Pools)	94	9	85
Nursery	2	1	1
Office Equipment	792	658	134
Parks & Reserves	14,485	1,354	13,131
Plant & Machinery	3,417	2,358	1,059
	<b>151,108</b>	<b>10,855</b>	<b>140,253</b>

# Aquatic Centre

## Overall aim of the activity

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

## Why we provide the service:

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

The Rotorua Aquatic Centre is a recreational and competitive swimming and aquatic leisure facility, open 7 days per week from 6.00am to 9.00pm. Adequate supervision is provided

through the employment of 21 fulltime equivalent staff, plus a number of casual staff to cover peak periods, ensuring the safety of patrons and the effective operation of the aquatic centre. Each year over 315,000 admissions are predicted. The water quality is to New Zealand Standards and supervision levels are as promoted by Water Safety NZ.

The centre has five fulltime equivalent staff to provide a "Learn to Swim" school (using the franchise Swimsation) that is available to all members of the public. This is demand driven, with water safety and swimming being particularly important in the lakes district. Predictions are for 35,000 individual lessons for the 2005/06 year.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Maintaining and actively promoting the Rotorua Aquatic Centre for health and recreation.	Provide an Aquatic Centre facility within budget whilst achieving the targeted community satisfaction level.	77% NRB Fairly good/very good rating or higher. 85% User Survey
Enhancing the core philosophies that "Learn to Swim" is within the reach financially and physically for all residents of Rotorua District.	Provide a quality Learn to Swim teaching service at the centre that is available to users of the facility.	97% programme availability. User survey undertaken first and third terms. 95% satisfaction user survey.

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	2,205	2,214	2,366
Revenue	973	973	1,043
<b>Net Cost</b>	<b>1,232</b>	<b>1,241</b>	<b>1,323</b>
<b>Capital</b>			
<b>Renewals</b>			
Aquatic Centre	42	133	14
<b>New For Improved Service</b>			
Aquatic Centre Upgrade	60	60	181
<b>Total Capital</b>	<b>102</b>	<b>193</b>	<b>195</b>

## Activity Highlights for 2005/06

- To break the \$1 million revenue mark in one financial year for the first time ever.
- To provide a range of new X-ite (Get Active, Stay Active) activity programmes.
- To actively promote and grow the corporate wellness programmes provided by the centre.

# Cemeteries/Crematorium

## Overall aim of the activity

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

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

## Why we provide the service:

Council provides this service for legislative compliance reasons and to enhance community health and safety, and because the activity is significant, and involves management of strategic assets.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Providing for the burial and cremation of deceased persons of Rotorua and the surrounding district in a manner that is appropriate to the needs of the public.	Provide a burial and cremation booking service responding to all requests promptly.	<ul style="list-style-type: none"> <li>• 24 hour service.</li> <li>• 30 minutes response time.</li> </ul>
	Have cremated remains ready for dispatch in a timely manner.	Within 16 working hours of accepting the body for cremation.
	Acquire and develop additional cemetery land to provide for future needs.	Development plan completed by 30.06.06.

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	330	331	323
Revenue	149	150	168
Net Cost	<b>181</b>	<b>181</b>	155
<b>Capital</b>			
<b>Renewals</b>			
Crematorium - Plant/Equipment	45	13	13
Cemetery Development	250	230	350
Land Acquisition	300		
Total Capital	<b>595</b>	<b>243</b>	363

## Activity Highlights for 2005/06

- Purchase and programme development of land for a new Rotorua public cemetery.
- Public toilets to be provided at Kauae Cemetery.

# Central Business District

## Overall aim of the activity

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

## Why we provide the service

Council is the service provider, asset manager and provides regulatory assistance.

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

- City Focus
- Central business district

- Government Gardens
- Lakefront
- Parking building
- CBD off-street parking lots
- Meter parking facilities
- Public conveniences
- Tourism kiosks and signage
- Street banners and decorative lighting features
- Crime prevention camera network

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

## Service Levels and Performance Targets

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

## Budget for 2005/06

### Central Business District

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	1,372	1,392	1,461
Revenue	8	8	8
Net Cost	1,364	1,384	1,453
<b>Capital</b>			
<b>Renewals</b>			
General	14	64	36
Total Capital	14	64	36

### Parking CBD Operations

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	546	539	578
Revenue	1,499	1,499	1,592
Net Cost	(953)	(960)	(1,014)
<b>Capital</b>			
<b>Renewals</b>			
Parking Meter Acquisition	30	30	30
General	9	63	60
Total Capital	39	93	90

# Civil Defence Emergency Management

## Overall aim of the activity

*To provide for the maintenance and operation of a Civil Defence organisation suitable for the needs of the district and contributing to the needs of the region in accordance with the Bay of Plenty Civil Defence Emergency Management Plan.*

## Why we provide the service

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

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

The CDEM 2002 Act was passed by Government on December 1st 2002. It is a requirement of the act that all territorial local authorities belong to one and only one Regional Civil Defence Emergency Group. Rotorua chose to join the Bay of Plenty CDEM Group. The CDEM Group is, over a two year period commencing 1 June 2003, developing a Regional Civil Defence Emergency Management Plan. This plan must be approved by the Minister. Local authorities remain responsible for civil defence emergency management within their boundaries.

The budget provides for some additional funding to provide Rotorua's contribution to the CDEM Group which has been assessed at 13% of the total cost (approximately \$32,000). Rotorua District Council will also be seeking to increase its reimbursement from the Ministry of Civil Defence Emergency Management for approved expenditure. To date claims for reimbursement by Rotorua have been at the lower end of the scale.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Maintenance of efficient and effective Civil Defence operations to standards necessary to provide adequate protection in terms of the Bay of Plenty CDEM Group Plan.	Hold a major internal (district) Civil Defence exercise involving the full mobilisation and exercising of the Rotorua District Council Civil Defence Headquarters, and to participate fully in a regional Civil Defence exercise as required by the Civil Defence Emergency Management Group Plan.	1 internal exercise 1 joint exercise
	Identify the status of home preparedness for a civil defence emergency and mount a campaign to reinforce this.	Status monitored and reported.

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	244	239	277
Revenue	20	20	20
Net Cost	224	219	257
<b>Capital</b>			
<b>Renewals</b>			
General	9	19	23
Total Capital	9	19	23

## Activity Highlights for 2005/06

- First year activation of the group Civil Defence Emergency Management (CDEM) Plan for the Bay of Plenty region.
- Development of the Rotorua CDEM delivery systems to meet the needs of the Rotorua community and integration with the regional plan.
- Improve CDEM awareness and preparedness for self-reliance in emergency situations.
- Rotorua District Council to increase funding to reflect an apportionment of 15.1% of CDEM Group costs - \$38,900 for 2005/06 year.

# Community Assistance

## Overall aim of the activity

*To improve community well-being.*

## Why we provide the service

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

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

- Facility provision and support through Community House, the Rotorua Arts Village
- Community Grants scheme
- Community Asset Fund
- Contracts with the not-for-profit sector;
- Council's annual and rates grants;
- Creative Communities Rotorua Fund (on behalf of Creative NZ).
- Funding for Neighbourhood Support.
- Funding for Rotorua Healthy Homes insulation retrofit project.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Community funding management to support local community initiatives which improve wellbeing.	Administer all of Council's Community Assistance policies within budget and timeframes and prepare an annual report.	By 30.06.06
Administration of Creative New Zealand funding	Administer funding within budgets and within agreed guidelines and timeframes.	Funding rounds completed. 100% compliance with guidelines.
Consolidate policy and action plans around assisting the not for profit social and community services sector on the basis of pilots begun in 04.	Review current local and national policies and practices and develop new policy and action plans for adoption.	Implement action plans and report by 30.06.06

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	1,182	1,089	1,260
Revenue	164	44	44
<b>Net Cost</b>	<b>1,018</b>	<b>1,045</b>	<b>1,216</b>
<b>Capital</b>			
Total Capital	0	0	0

## Activity Highlights for 2005/06

- Increase funding for community safety.
- Funding for Rotorua Healthy Homes insulation retrofit project.

## Community Halls

### Overall aim of the activity

*To provide access to quality rural halls.*

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

### Why we provide the service

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

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

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
The management of Council's community halls	Manage Council's rural halls within Council policy and budget and to monitor and report annually on the activity.	100% policy compliance within general rate. Activity report presented by 30.06.06
Active support to community halls to increase community use of halls with vacant capacity.	Develop and maintain promotional material about the rural hall facilities, and assist halls administrators to plan for increasing use.	Update material by 30.06.06
Establish and implement a robust monitoring programme about the level of use of rural halls	Develop and implement systems for documenting the level and type of community use of rural halls.	Report on usage levels and patterns by 30.06.06

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	243	250	254
Revenue	15	16	15
<b>Net Cost</b>	<b>228</b>	<b>234</b>	<b>239</b>
<b>Capital</b>			
Total Capital	0	0	0



# Community Policy and Resources

## Overall aim of the activity

*To improve community well-being.*

## Why we provide the service

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

These include:

- Facilitating community consultation, research and activities around local social and cultural issues as directed by Council.
- Monitoring Rotorua social and cultural trends and keeping Council and the community informed.
- Developing policy through which Council can effectively address local issues and needs (e.g. community assistance policies, ICT Strategy).
- Implementing action plans within policies adopted by Council (e.g. Youth Policy and action plans).

- Establishing and maintaining relationships with a wide range of organisations and groups with a commitment to Rotorua's community and social fabric (e.g. community safety forums).
- Facilitating planning, events, activities and services relevant to Council priorities (e.g. Anzac Day Civic Service, the development of comprehensive arts sector databases).
- Providing support to Council and the community's relationships with our sister cities including with Beppu (Japan), Lake Macquarie (Australia), Klamath Falls (Oregon USA) and Wuxian City (China); and international programmes to which RDC is committed, including 'People to People'.
- Advising Council on social policy issues and matters in support of Council's advocacy and leadership roles.
- The division also undertakes the management of resources and services which enhance community wellbeing, including Council's community halls, Pensioner Housing and Community Assistance policies (various grant and loan schemes, community contracts and community group facilities including the Arts Village and Community House).

## Service Levels and Performance Targets

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

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June: (thousands)	Ten Year Plan Budget	Ten Year Plan Budget	Annual Plan Budget
<b>Operations</b>			
Expenses	835	823	1,113
Revenue	0	0	67
<b>Net Cost</b>	<b>835</b>	<b>823</b>	<b>1,046</b>
<b>Capital</b>			
<b>Renewals</b>			
General	10	7	
<b>Total Capital</b>	<b>10</b>	<b>7</b>	<b>0</b>

## Activity Highlights for 2005/06

- Safer Communities – Upgrade the central city closed circuit TV (crime prevention cameras) and commence Stage 2 of the central city under verandah lighting project.
- Youth Transitions – Within the networks of the Youth Transition programme, support new solutions enabling young people to be employed locally in the industries with the greatest skill shortage.



## Event Venues

### Overall aim of the activity

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

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

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

This activity covers the operation of the Rotorua Convention Centre, Civic Theatre, Ticketek, Te Runanga Tea House, Soundshell and Sportsdrome, the development of the Energy Events Centre, International Stadium (including Number 2 field) and community sports and events in terms of Council policy. Funding is required to cover operations, maintenance and caretaking costs for the buildings in order to obtain optimum return. Current usage varies for each centre. The Convention Centre was opened in March 1995 and the 2005/06 financial year will be its eleventh full year of operation.

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

This activity employs eleven staff in total plus three cleaning staff for all facilities.

### Why we provide the service

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

### Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Provision of venue operations that meet the needs of customers in all aspects.	Undertake client surveys and achieve required satisfaction levels.	90% satisfaction
Attracting events to benefit the Rotorua District economically.	Obtain national/international conferences/events of significance size (that could not be held without Event Venues).	18 conferences/ events
Provision of facilities for community use.	Ensure that community bookings are at least 40% of total bookings.	community bookings to be 40% or more
	Increase community functions at Te Runanga Tea House.	5% increase
	Increase weekday use of Te Runanga Tea House.	5% increase
	Introduce new events at the Soundshell.	4 events
	Increase audience attendance of theatre shows.	5% increase
Increasing and enhancing community events and sports activities.	Instigate new community events.	5 events
	'Revamped' community events.	N/A
Diversifying marketability of facilities.	Increase diversity of use of the International Stadium by attracting:	
	a) cultural events	a) 2
	b) new events other than rugby	b) 5

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June: (thousands)	Ten Year Plan Budget	Ten Year Plan Budget	Annual Plan Budget
<b>Operations</b>			
Expenses	3,518	3,948	4,171
Revenue	8,589	4,147	11,552
Net Cost	(5,071)	(199)	(7,381)
<b>Capital</b>			
<b>Renewals</b>			
Convention Centre	553	1,531	1,589
Sportsdrome	78	114	33
General	99	128	211
<b>New For Improved Service</b>			
Event Centre	11,900	4,000	16,006
Carving		80	80
Bar Upgrade		40	
<b>Total Capital</b>	<b>12,630</b>	<b>5,893</b>	<b>17,919</b>

## Activity Highlights for 2005/06

- Energy Events Centre – Event Venues staff to be closely involved in the construction programme of the new Rotorua Energy Events Centre, ensuring identification and monitoring of any operational issues, procedures and policies are addressed so that the usage levels of the Sportsdrome and customer satisfaction can be maximised, and operational costs minimised from its opening.
- Marketing
  - Develop marketing packages to launch the Energy Events Centre.
  - Establish strong relationships with stakeholders to maximise usage of the Energy Events Centre in the face of increasing competition from both within the Bay of Plenty region and nationally.
- Civic Theatre – Investigate options and commission design work for the Stage House upgrade, programmed for 2006/07 financial year.
- Increase in the Energy Events Centre project in 2005/06 relates to the centre now being constructed in 2005/06 instead of 2004/05 as originally budgeted.
- The grants received and receivable have been recognised this year to match with construction costs.



## Pensioner Housing

### Overall aim of the activity

*To provide quality pensioner housing*

### Why we provide the service

For over four decades Council has provided housing for older people within a "social housing" philosophy. Currently 146 units are owned and managed by Council. Of these, 20 are double units having one separate bedroom and there are 126

single units, 105 of which are bed-sitter units, with the remaining 21 having one separate bedroom.

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

### Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
The management of Council's pensioner housing.	Manage Council's pensioner housing within Council policy and budget and monitor and report annually on the activity.	100% policy compliance. Within budget. Activity report presented by 30.06.06.
To redevelop and retrofit units at the Rawhiti Complex over the coming decade.	Seek funding partnerships and plan and implement the redevelopment in stages within budgets set by Council.	In partnership with Housing NZ and others, plan the progressive upgrading over five years of all units at Rawhiti and complete the construction of Phase I (30 units) and report on progress by 30.06.06.

### Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	653	730	696
Revenue	505	542	2,090
Net Cost	148	188	(1,394)
<b>Capital</b>			
<b>Renewals</b>			
Building Upgrades	1,303	100	3,072
Total Capital	1,303	100	3,072

### Activity Highlights for 2005/06

- In partnership with Housing NZ complete the construction of 30 new pensioner units.
- The construction of the pensioner housing units now to be completed in 2005/06, initially budgeted in the previous year.

## Public Gardens/General Reserves

### Overall aim of the activity

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

### Why we provide the service

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

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

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

Activities include:

- Legislative compliance in development and management of parks assets.
- Policy implementation, compliance and review.
- Planning and implementation of parks' capital works and replacement of parks' assets.
- Scheduling and implementation of parks maintenance and capital works contracts.
- The maintenance of high profile parks, gardens and lawns.
- The maintenance of all sports fields, urban and rural reserves, street trees, local purpose reserves, drainage easements and traffic islands

- The maintenance of structures on and bordering reserves including buildings, fences, playgrounds, jetties, boat ramps, furniture.
- Reserves amenity lighting and water supply to reserves.
- Janitorial services for reserves' amenities.
- The management of the Tokorangi forest ensuring continued public access to at least the current level.

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

### Nursery

Council undertakes this activity in order to:

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

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

This activity employs seven full time staff.

### Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
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).	91% satisfaction
	Measure public satisfaction with beautification and landscaping of the District.	95% satisfaction

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Ensure the safety and security of parks, reserves and facilities.	Undertake a safety audit for all Council's playgrounds to meet approved criteria.	97% compliance by 30.06.06.
Financial sustainability of nursery operation.	Ensure nursery operations are self-funding.	100% self-funding.
High quality plants provided at a competitive price.	Maintain plant costs at market competitive rates.	Prices maintained at competitive level.

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	7,895	8,099	8,326
Revenue	1,196	1,020	1,402
<b>Net Cost</b>	<b>6,699</b>	<b>7,079</b>	<b>6,924</b>
<b>Capital</b>			
<b>Renewals</b>			
Kuirau Park	300	300	630
Parks & Reserves Development	858	593	379
Nursery	6		
<b>New For Improved Service</b>			
City Entrance Ways	125	125	258
Ngongotaha CBD Development	80	640	320
New Wharf	200	300	490
Westbrook Pavilion & Cricket Wicket	500	535	1,035
Rotorua Tree Trust Road		50	165
Parks & Reserves Capital Development	524	66	1,300
<b>Growth</b>			
Hanahs Bay Wetland Development			120
Lake Okere Toliets		150	150
Reporoa Skate Park & Puhutukawa Reserve			30
<b>Total Capital</b>	<b>2,593</b>	<b>2,759</b>	<b>4,877</b>

## Activity Highlights for 2005/06

- Completion of the Okareka Walkway (Stage 2) including provision of toilet facility at Silver Beach, all utilising funding from Environment BOP Environmental Enhancement Fund grant.
- Implementation of the Rotorua Tree Trust Project involving construction of a sealed internal roadway network, provision of public toilet and picnic facilities, utilising funding from Rotorua Energy Charitable Trust.
- Upgrading of the carpark and toilet facilities at Trout Pool Road, Rotoiti.
- Adoption of Open Space Strategy by Council after extensive consultation process.
- Design and construction of city entranceway feature at locations identified in City Entranceway Strategy.
- Complete review of the Rotorua District Recreation Plan.
- Adoption by Council of the Township Reserve Management Plan.
- Completion of the International Stadium, Westbrook Reserves Management Plan once the issue of remaining land in Rotorua Rugby Sub-Union ownership is resolved.
- Construction of new sportsfields at Westbrook Reserve.
- Completion of Hannahs Bay Wetlands Project utilising funding from Environment BOP Environmental Enhancement Fund grant.
- Development of a Landscape Development Concept Plan for Wrigley Road Reserve.
- Develop a Landscape Plan for Karenga Park wetlands development for work to be funded from sale of excess reserve land and external funding.
- Provide public toilets at the Western Heights Shopping Centre.
- Develop a tree plan for Rotorua District Council.
- Develop Lake Rotoma roadside walkway.



## Public Library

### Overall aim of the activity

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

### Why we provide the service

The library employs 30.5 full time equivalent employees. The library is staffed for 62 hours per week, Monday to Saturday and is open for 55.5 of those hours as follows:

Monday to Friday 9.30am to 8.00pm  
Saturday 9.30am to 12.30pm

The library has 41,700 cardholding members (64% of the population) and surveys indicate an average of 7,500 users per week. Services available to library users include a lending range of children's and adults fiction and non-fiction books in normal and large print, magazines, not for loan reference books, special collections of NZ books for loan and not for loan, an historical collection of newspapers on microfiche, talking books, music cassettes, CDs, CD-ROMs, videos and DVDs. The library houses the Community Toy Library, a collection of material belonging to the Rotorua Branch NZ Society of Genealogists, the Te Rangikaheke Papers (which are held in trust for Ngati Rangiwewehi) and a variety of Maori

Land Court minute books. All of these are available to the public. The library also maintains the Community Contacts Database which contains information on more than 1,000 clubs and organisations.

The library also maintains a website ([www.rotorualibrary.govt.nz](http://www.rotorualibrary.govt.nz)) which provides free access to the library's catalogue and a number of government, education and research databases.

The library goes out into the community to serve borrowers via the Mobile Library, Monday to Friday – and the Housebound Service which is delivered fortnightly by volunteer drivers. Community training groups and 'Polytechnic' classes are encouraged to visit the library for orientation tours. Holiday programmes are held for children during the school holidays and teachers are encouraged to bring their classes into the library. The library's mascot, Fletcher Tuatara, visits schools with the staff, and new entrants are provided with special packs to encourage them to join the library. Every year there are special programmes for teens including FRESH (Fun, Reading, Enjoyment, Sport and Health) – a teens' reading initiative.

There is space available for exhibitions and displays.

### Service Levels and Performance Targets

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



## Budget for 2005/06

For the year ending	2005	2006	2006
30 June: (thousands)	Ten Year Plan Budget	Ten Year Plan Budget	Annual Plan Budget
<b>Operations</b>			
Expenses	3,170	3,076	3,442
Revenue	320	320	320
Net Cost	2,850	2,756	3,122
<b>Capital</b>			
<b>Renewals</b>			
Renewal Books	406	406	418
General	106	231	234
Total Capital	512	637	652

## Activity Highlights for 2005/06

- Cost analysis and funding options sought, to progress work on the library extension, proposed for the 2006/07 financial year.
- Extend weekend opening hours.
- Greater development of programmes for children and teens, especially "Summer Reading Programme", "FRESH" and the launch of the "Fletcher Club".



# Rotorua Museum of Art & History

## Overall aim of the activity

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

## Why we provide the service

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

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

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

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

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

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

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

The museum is in the middle of important developments. Aided by funding from the Rotorua Energy Charitable Trust, a theatre experience detailing the stories of Rotorua was added to the museum's attractions in 1998. A cafe has also been established at the museum and major new permanent exhibitions featuring the 1886 eruption of Mount Tarawera, and the story of B Company of 28 Maori Battalion, have been developed. The North Wing Art Galleries underwent a significant redevelopment in late 2001 enabling the museum to host important art exhibitions for the first time.

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

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

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Provision of an outstanding museum both for Rotorua residents and for visitors to Rotorua.	Operate the museum 364 days a year, open to the public during advertised opening hours.	100% compliance.
	Achieve targeted levels of community satisfaction.	NRB 70% Fairly good/very good rating or higher.
	Achieve targeted levels of visitor patronage.	105,000
	Meet all Ministry of Education contract requirements.	All met 100%
	Achieve targeted levels of admission revenue inclusive of museum, school and Blue Baths.	\$600,000

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	2,547	2,468	2,554
Revenue	1,053	1,004	1,263
<b>Net Cost</b>	<b>1,494</b>	<b>1,464</b>	<b>1,291</b>
<b>Capital</b>			
<b>Renewals</b>			
Film Upgrade	200		
General	53	79	92
<b>New For Improved Service</b>			
Centennial Development	37	500	250
Viewing Platform & Video Surveillance Upgrade		200	370
<b>Total Capital</b>	<b>290</b>	<b>779</b>	<b>712</b>

## Activity Highlights for 2005/06

- Restoration and reinstatement of the historic viewing promenade on the north end of the museum building.
- Completion of detailed design for the major building extension and completion project.



# ENVIRONMENTAL GROUP

## Contribution to outcomes

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

## Overview of Group

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

## Key Strategic Decisions

- Development of lake catchment action plans (in association with Environment Bay of Plenty).
- Integration of regional and district RMA functions and LGA planning and decision making processes.
- Management of impacts should "leaky building" eventuate as an issue in the district.
- The increasing use of the district's lakes leading to a need for increased regulatory presence.
- New legislative requirements (e.g. breed specific dog control legislation).
- The Bay of Plenty, South Waikato and Taupo councils are currently investigating the possibility of sharing building expertise, knowledge and systems. This is in anticipation of the new Building Act requiring all councils to become accredited. A number of options are being considered in lieu of duplicating services and reducing costs, particularly in the case of the smaller councils' building sections.

## Summary of Group Net Cost of Service

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
Animal Control	314	310	337
Building Control	342	341	267
Environmental Planning	2,609	2,522	3,310
Inspection	1,036	1,047	1,013
Parking	(155)	(144)	(337)
<b>Net Cost Of Service</b>	<b>4,146</b>	<b>4,076</b>	<b>4,590</b>

## Assets Used in Activity Group

Asset Type	Cost	Accumulated	Book Value
(thousands)		Depreciation	30 June 2004
Buildings	1,590	127	1,463
Computer Hardware	270	208	62
Computer Software	79	72	6
Environmental	2	1	1
Furniture & Fittings	193	175	18
Land	1,669	0	1,669
Office Equipment	80	76	4
Parking	934	137	798
Plant & Machinery	170	98	72
	<b>4,987</b>	<b>893</b>	<b>4,094</b>

# Animal Control

## Overall aim of the activity

*To ensure the safety of the public by the control of nuisance dogs and stock wandering in public places.*

## Why we provide the service

Council provides this service in order to meet a statutory requirement and to meet community expectations. The activity involves the following:

### Control Function

This involves registration of dogs, inspection of kennelling standards, investigation/resolution of nuisances/complaints and impounding of wandering/stray dogs and other animals. Also provided is an educational programme on dog control to

be shown on a demand basis to primary and intermediate schools in the Rotorua District.

### Pound Keeping Function

Impounded dogs are kept in humane conditions, with those not claimed by their owners after seven days from the date of the impounding of each individual dog, disposed of.

Stray stock are impounded and kept with ample pasture feed until their disposal to owners, or by way of public auction.

Six full time staff work in this activity.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Provision of an animal control service.	Take appropriate action to respond to complaints about dogs within 1½ working days based on a 7 day a week service provision.	92% response rate
Maintenance of an up-to-date register of all known dogs.	Achieve registration of known dogs by 30 June.	95% compliance
	Maintain an acceptable level of community satisfaction with dog control services.	66% NRB Survey
Provision of a service for the control and impounding of stock found wandering on roads in the district.	Respond to all complaints immediately.	100% compliance

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	724	720	759
Revenue	410	410	422
Net Cost	314	310	337
<b>Capital</b>			
<b>Renewals</b>			
General	9	3	2
<b>New For Improved Service</b>			
Pound Extension	60		0
Total Capital	69	3	2

## Activity Highlights for 2005/06

- Extensions to Dog Pound to be completed to provide improved kennelling facilities.

## Building Control

### Overall aim of the activity

*To ensure the safety of people occupying buildings, and that buildings remain safe and sanitary.*

The primary goal of this activity is to ensure the health and safety of persons occupying various categories of buildings, by the enforcement of the provisions of statute and bylaw.

Workload is dependent upon public generated demand.

12 staff are currently involved in this activity.

### Why we provide the service

Council provides this service in order to meet a statutory requirement and to enhance community health and safety.

### Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Processing all building consents.	Process consents within the legislative timeframe as required by the Building Act and to a standard set by the Building Act.	100% compliance
Processing all Project Information Memoranda.	Process PIMs within the timeframes and criteria imposed by the Building Act.	100% compliance
Ensuring the safety of people occupying buildings.	Complete all inspections to enable issue of Code Compliance Certificates within 10 working days of notification.	100% compliance
	Issue Statement of Fitness and Compliance Schedules within 10 working days of notification.	100% compliance
	Site review current Building Warrants of Fitness.	60% of Warrants of Fitness sites reviewed 100%
Respond to general complaints.	Take appropriate action on all complaints within 2 working days of notification.	100% compliance
Provide public information on building matters.	Have a technical officer available during office hours.	100% of the time

### Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	1,138	1,137	1,409
Revenue	796	796	1,142
Net Cost	342	341	267
<b>Capital</b>			
<b>Renewals</b>			
General	32	11	16
Total Capital	32	11	16

### Activity Highlights for 2005/06

- Preparation of an application to become a Building Consent Authority as required by the Building Act 2004.
- Continuation of Building Control staff undertaking Diploma of Building Surveying.
- Continuing development of shared services with Bay of Plenty local authorities.

# Environmental Planning

## Overall aim of the activity

*To develop, manage, implement and monitor primary environmental and land use policies so that quality of the district's environment is maintained or improved for current and future generations.*

## Why we provide the service

Council provides this service in order to comply with its statutory responsibility. Functions of the Planning Division are derived primarily from the Resource Management Act (RMA). Council's policies on the environment are set out in the Rotorua District Plan.

A growing focus will be to monitor changes in the environment and to identify where changes in environmental policy may have merit. Implementation of current policy remains a key function.

Policy activities include:

- Progressive development of the Council's District Plan. Commence next District Plan review cycle in 2005/06.

- Monitoring the state of the environment and reporting of environmental outcomes in the Long Term Council Community Plan (Ten Year Plan).
- Advice to Council on environmental issues.
- Consultation with the public, interest groups and affected parties where changes to policy are contemplated.
- Collaborative approach to environmental issues through strategic partnerships with other resource management agencies.
- Responding to central and regional government policy proposals where these affect resource management within the District.

Implementation and administration of the District Plan includes activities such as:

- processing land use and subdivision resource consents
- providing information about the District Plan in response to public enquiries
- monitoring compliance with resource consent conditions
- enforcement of provisions of the District Plan and RMA.

Council currently employs 16 permanent staff in its Planning Division.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
The District Plan is updated regularly through changes and reviews.	Progress Plan Changes.	Programme reported to Council each Planning and Bylaws Committee meeting.
Monitoring the state of the natural and physical resources of the Rotorua District and the effectiveness of the District Plan.	Prepare the Annual Highlights Report.	Annual Highlights Report by 01.12.05.
Administration of the District Plan in an effective and efficient manner.	Process non-notified land use consent applications within 20 working days of receipt of adequate information.	90% compliance
	Process non-notified subdivision consent applications within 20 working days of receipt of adequate information.	90% compliance
	Respond to all complaints within three working days of receiving a complaint and where necessary carry out a site visit.	100% compliance
Monitoring compliance with resource consent conditions.	Report to Planning and Bylaws Committee on level of compliance with resource consent conditions.	By 30.09.2005 for 2004/05 year
Monitoring complaints.	Report to Council on any trends evident from complaints.	Six monthly.
Advocate policy changes that assist resource management in the District.	Respond to relevant central and regional government policy proposals by lodging submissions in time.	100% compliance



## Budget for 2005/06

For the year ending	2005	2006	2006
30 June: (thousands)	Ten Year Plan Budget	Ten Year Plan Budget	Annual Plan Budget
<b>Operations</b>			
Expenses	2,866	2,779	3,574
Revenue	257	257	264
<b>Net Cost</b>	<b>2,609</b>	<b>2,522</b>	<b>3,310</b>
<b>Capital</b>			
<b>Renewals</b>			
General	27	18	18
<b>Total Capital</b>	<b>27</b>	<b>18</b>	<b>18</b>

## Activity Highlights for 2005/06

### Planning Policy

- Undertaking historic heritage study of existing heritage building and CBD area.
- Development of Rotorua Lakes Recreation Strategy in conjunction with Te Arawa Maori Trust Board and Environment Bay of Plenty.
- Developing the Environment Statement which will be the guiding document for shaping the district's environment, and that will have impact on all operations of Council.
- Beginning of the process for the District Plan review.
- Landscape assessment and biodiversity projects.
- Lakes A Zone communication strategy delivered to the community.
- Implementing outcomes of Eastern Structure Plan exercise.
- Beginning the process for the Western Structure Plan exercise.

### Planning Implementation

- Continued improvement in responsiveness to statutory timelines.
- Continued focus on quality customer service and delivery.
- Improving templates and brochures for internal and external customers.





# Inspection

## Overall aim of the activity

*To ensure the health, safety, comfort and well-being of inhabitants and visitors within the District, with reference to wise use and protection of the environment and sustainable resource management.*

## 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, in public places and private dwellings.

### 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 and other bylaws. 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 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.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Minimising noise nuisance within the district.	EHOs will respond to noise complaints within two hours.	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
Controlling health nuisances within district.	Respond to health complaints within 1½ working days.	98% compliance
Ensuring compliance of premises/activities with statutory requirements.	Conduct at least one annual inspection of all licensed premises.	100% compliance

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	1,695	1,706	1,411
Revenue	659	659	398
Net Cost	1,036	1,047	1,013
<b>Capital</b>			
<b>Renewals</b>			
General	49	55	51
<b>Total Capital</b>	<b>49</b>	<b>55</b>	<b>51</b>

## Activity Highlights for 2005/06

### Lakewaters Control

- Successful commissioning and first season operation of patrol vessel MV Marama.
- Transitional transfer of lakewaters navigational safety function to Environment BOP.

### Health

- Further implementation of electronic signage advising lake water quality conditions of each lake in conjunction with Environment BOP and Toi Te Ora Public Health.

## Parking Enforcement

### Overall aim of the activity

*To provide an effective parking enforcement service within the CBD and peripheral areas to maximise availability of parking.*

Enforcement is undertaken during the following hours:

Monday to Friday	9.00am to 5.00pm
Saturday	9.00am to 12.00 noon

This section employs five full-time and one part-time staff, plus a supervisor to whom staff are responsible.

### Why we provide the service

This activity is undertaken to ensure availability of parking and to support efficient use of the roading infrastructure.

### Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Provision of an effective parking enforcement service within the CBD and peripheral areas to maximise availability of parking.	Provide a 5½ day week surveillance of CBD and peripheral areas.	100% compliance
	Complete initial administrative action of 100% of infringement notices within two working days of issue.	100% compliance

### Budget for 2005/06

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	846	858	903
Revenue	1,001	1,002	1,240
Net Cost	(155)	(144)	(337)
<b>Capital</b>			
Total Capital	0	0	0

# ECONOMY GROUP

## Contribution to outcomes

### Activities within this Group

	Community Outcomes							
	A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
Destination Rotorua Economic Development	✓	✓		✓	✓	✓	✓	
Destination Rotorua Tourism Marketing		✓		✓	✓			✓
Tourism Rotorua Travel and Information	✓	✓			✓			

## Overview of Group

Rotorua District has a thriving tourism industry contributing to a strong economy supported by several other sectors. The activities in this group ensure that we maintain and grow the District's prosperity for the benefit of all.

## Key Strategic Decisions

- Development and implementation of the Rotorua Economic Development Strategy – BrightEconomy.
- Development and implementation of the Rotorua Employment Skills Project.
- The implementation of Destination Rotorua as a brand.
- Review of the LGNZ Act and implications for the RTO, in terms of targeted rating, revenue focussed business ventures and destination management.
- Development of the Australian market with a view to establishing trans-Tasman direct air services into Rotorua.
- Development and implementation of Retail Strategy.

## Summary of Group Net Cost of Service

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
Destination Rotorua			
Economic Development	541	525	859
Destination Rotorua Tourism Marketing	1,365	1,457	1,657
Tourism Rotorua Travel & Information	366	374	395
<b>Net Cost Of Service</b>	<b>2,272</b>	<b>2,356</b>	<b>2,911</b>

## Assets Used in Activity Group

Asset Type (thousands)	Cost	Accumulated Depreciation	Book Value 30 June 2004
Computer Hardware	279	220	59
Computer Software	48	44	4
Furniture & Fittings	52	10	42
Office Equipment	46	32	14
Plant & Machinery	44	8	36
	<b>468</b>	<b>313</b>	<b>155</b>



# Destination Rotorua Economic Development

## Overall aim of the activity

*Destination Rotorua Economic Development actively works alongside the wider Rotorua business and government community (both local and central) with the aim of creating an environment that encourages and stimulates economic growth.*

## Why we provide the service

Council provides this service as part of its role to provide community leadership and to meet ratepayers' expectations.

Destination Rotorua Economic Development actively works on all levels alongside individuals, businesses, government and key community organisations to stimulate the process of sustaining, attracting and growing business within the Rotorua region.

We encourage economic activity to create an environment that stimulates sound investments, encourages and embraces

economic growth, more employment opportunities, higher incomes and a greater lifestyle quality for residents.

The four main areas of operation for the unit are:

1. Provision of relevant Rotorua economic and business information.
2. Facilitation of business-to-business and business-to-government (local and national) interaction.
3. Marketing of the region as a place to live, work, invest and do business in.
4. Project management of strategic level economic development projects:
  1. Rotorua Economic Development Strategy – BrightEconomy
  2. Rotorua Employment Skills Strategy
  3. Regional film initiative – Film Volcanic
  4. Implementation of Retail Strategy
  5. Infrastructure development particularly industrial land

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
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 and 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.
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>	Respond to requests for facilitation 80% within 3 working days, 100% within 10 working days.
Marketing of Rotorua locally, nationally and internationally as a great place to do business, invest, live and work in	Facilitate the development, production and dissemination of relevant up to date marketing material based around the promotion of Rotorua as a destination for: <ul style="list-style-type: none"> <li>• Living, working and playing in</li> <li>• Investing in</li> <li>• Doing business in</li> <li>• Sector specific business development.</li> </ul>	Produce at least 4 generic and 2 sector specific marketing campaigns. Ensure relevance and functionality of the websites.

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 the implementation of the Rotorua Employment Skills Strategy.	Facilitate Year One of the Rotorua Cluster Development Project. Report on the progress of the strategy by 30 June.
	Facilitate the development of the capability of the Maori business community within Rotorua	Provide support for the Te Arawa Economic Forum and Te Arawa Economic Development.
	Project manage the development of the Rotorua Economic Development Strategy - BrightEconomy	Facilitate implementation of at least one of the elements identified in the strategy.
	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.
	To provide support to the Radi Centre initiative	Attend 90% of all board meetings
	Project manage and facilitate the provision of suitable industrial land in the Rotorua District.	Provide support for the development of industrial land projects within the Rotorua District

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
Operations			
Expenses	641	625	1,019
Revenue	100	100	160
Net Cost	541	525	859
Capital			
Renewals			
General	5	3	8
Total Capital	5	3	8

## Activity Highlights for 2005/06

- Facilitating the implementation of the BrightEconomy Strategy:
  - Establishment of BrightEconomy Advisory Board
  - Monitoring of strategy implementation
  - Hosting of Rotorua Economic Forum
- Establishment of the following five employment skills clusters:
  - Health and other social services
  - Professional and business services
  - Wholesale and retail
  - Personal, government, communications, recreation and media
- The implementation of the domestic and international elements of the marketing strategy.

# Destination Rotorua Tourism Marketing

## Overall aim of the activity

*A visitor sector that is making a maximum contribution to Rotorua's economic, social, cultural and environmental well-being by continually improving and promoting Rotorua to new and repeat visitors as an exciting, vibrant and high quality destination.*

carried out across the areas of international, domestic, retail and event marketing, as well as conference and incentive promotion.

An emerging function of this department is supporting the development of new product and infrastructure as well as the management of growing the visitor industry and therefore contributing toward the Rotorua District Council 'Growth Strategy' and prioritised 'Community Outcomes'.

## Why we provide the service

The primary function of this department is focussed on promotional activity through the tourism industry networks, specifically targeting trade, media and consumer. This is

## 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.	Produce a bi-annual Rotorua tourism product and information update newsletter for the inbound industry.	2 newsletters produced (In Essence)
	Produce the Rotorua Visitors Guide.	160,000 printed.
	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.	Co-ordinate the visits of international media to Rotorua in accordance with Tourism NZ's international media plan.	40 visits co-ordinated
	Prepare and distribute industry newsletters for local tourism industry.	10 Tourism bullet reports prepared and distributed.
	Produce the "It's On" event publication and website.	3 per year.
	Host media visits to Rotorua for the purposes of media exposure by year end.	10 media visits completed
	Facilitating and encouraging events to develop and expand in Rotorua as a means of expanding visitor arrivals to Rotorua.	Provide general marketing support and guidance to major event prospects.
Enhancing and promoting Rotorua's market position as a conference and incentive destination.	Produce the Rotorua Trade and Convention Planner.	3,000 printed.
	Attend international/ convention meeting shows during programmed year.	3 attended.
Communication of marketing activities to local industry to communicate/maximise marketing impact.	Conduct industry forums.	2 forums per year.

Key Result Areas	What We Will Do	How We Will Measure 2005/06
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.
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.
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.

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	1,825	2,037	2,399
Revenue	460	580	742
Net Cost	<u>1,365</u>	<u>1,457</u>	<u>1,657</u>
<b>Capital</b>			
<b>Renewals</b>			
General	31	13	17
Total Capital	<u>31</u>	<u>13</u>	<u>17</u>

## Activity Highlights for 2005/06

- New marketing structure – developing a strong marketing team with increased emphasis on communications, stakeholder relationships and increasing visitor numbers from key market segments of conference and incentive, domestic, events and international.
- Australian market – investigate the establishment of an in-market presence to better promote Rotorua as a short break destination.
- Rotorua Sustainable Tourism Charter – successfully manage the joint venture industry partnership with the objective of providing a better service to existing members and developing new membership.

# Tourism Rotorua Travel and Information

## Overall aim of the activity

*First contact for information and bookings of things to see and do around Rotorua and the rest of New Zealand.*

## Why we provide the service

Council undertakes this activity to meet community expectations and support other activities.

The Tourism Rotorua Travel Office operates 364 days a year and employs 14 fulltime and one part-time staff.

The office is active not only in information provision but also offers a comprehensive domestic travel reservation service available to local residents and visitors. Commercial returns are earned through commissions on sightseeing and travel sales.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Maintaining the highest level of customer service within a fixed budget.	Operate a seven day information and ticketing centre within general rates requirement.	Within general rates.
	Carry out a counter customer study over Christmas/New Year period.	94% visitor satisfaction

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	1,255	1,263	1,454
Revenue	889	889	1,059
Net Cost	366	374	395
<b>Capital</b>			
<b>Renewals</b>			
General	48	51	68
Total Capital	48	51	68



# INFRASTRUCTURAL GROUP

## Contribution to outcomes

Activities within this Group	Community Outcomes							
	A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
Engineering Support		✓			✓			
Land Drainage	✓	✓						
Landfill	✓	✓	✓	✓	✓			
Passenger Transport Infrastructure	✓							
Refuse Collection	✓	✓	✓					
Roading	✓	✓			✓		✓	✓
Road Safety	✓		✓					
Rotorua Regional Airport								
Rural Fire	✓							
State Highway Administration	✓				✓			
Waste Management		✓						
Waste Water	✓	✓		✓	✓			
Water	✓	✓	✓		✓			

## Overview of Group

Activities included in this group provide many of the traditional key services associated with councils such as water, sewerage, roads and refuse collection. In this area Council owns and manages many large and complex assets on behalf of the community.

## Key Strategic Decisions

- Maintain and review the District Road Safety Plan, Strategy and Safety Management System.
- Build relationships with Land Transport Safety Authority, neighbouring local authorities and both regional councils to ensure consistency and co-ordination occur in road safety regionally.
- Speed limit reviews – Council will be undertaking reviews of all limits in line with legislation.
- Tauranga Direct Rd potential, S.H. project development and promotion.
- The development of the landfill as an energy source.
- Introduction of differential charge at the landfill.
- Rural lakeside settlements' wastewater solutions (Mourea/Okawa Bay in the next two years and then commence work on Hinehopu and Okareka).
- \$4.0 million over 2003/04 and 2004/05 to upgrade the Wastewater Treatment Plant.
- \$9.75 million over 2004/05 and 2005/06 for Mourea/Okawa Bay sewage collection.
- \$5.8 million over 2004/05 to 2006/07 for Brunswick/ Rotokawa sewerage collection.
- \$14.4 million over 2006/07 to 2008/09 for Okere Falls/Otaramarae and Whangamarino sewerage collection.

- \$10.21 million in 2004/05 onwards for Okareka Sewage Treatment.
- \$11.90 million from 2005/06 to 2009/10 for a sewerage scheme at Gisborne Point/Hinehopu.
- \$13.75 million from 2009/10 to 2012/13 for a sewerage scheme at Tarawera.
- \$14.95 million from 2007/08 to 2010/2011 for a sewerage scheme at Hamurana.
- \$10.75 million in 2010/11 to 2013/14 for a sewerage scheme at Rotoma.
- Approximately \$3 million in 2005/06 onwards for implementation of a water supply strategy and Eastern water supply.
- Requirement to service areas east of the city in response to development following the Mourea sewerage pipeline.

## Summary of Group Net Cost of Service

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
Engineering Support	2	517	0
Land Drainage	2,551	0	2,656
Landfill	(790)	2,638	(126)
Refuse	(15)	(839)	44
Road Safety	67	(16)	69
Roading	6,927	7,234	7,740
Rotorua Regional Airport	(86)	66	732
Rural Fire	115	104	139
State Highways	2	1	1
Waste Management	1,246	1,057	1,270
Waste Water	(3,070)	(3,504)	(2,623)
Water	151	207	17
<b>Net Cost Of Service</b>	<b>7,100</b>	<b>7,465</b>	<b>9,919</b>

## Assets Used in Activity Group

Asset Type (thousands)	Cost	Accumulated Depreciation	Book Value 30 June 2004
Bridges	13,597	459	13,138
Buildings	3,227	225	3,002
City Focus	269	65	204
Computer Hardware	634	513	121
Computer Software	410	368	42
Database	245	98	147
Engineering	136	0	136
Footpaths	18,159	562	17,597
Furniture & Fittings	138	130	8
Land	3,027	0	3,027
Landfill	3,404	994	2,410
Office Equipment	219	193	26
Plant & Machinery	648	460	188
Road Reserves	19,366	0	19,366
Roading	143,457	5833	137,624
Stormwater Drainage	59,014	2157	56,857
Street signs, signs, Lights, Markings	5,194	578	4,616
Vehicles/ Plant Equipment	279	132	147
Waste Mngt rural Bin Sites	653	9	644
Wastewater Reticulation	58,048	2,944	55,104
Wastewater Treatment Plant	33,556	2,287	31,269
Waterworks	49,722	2,473	47,248
	<b>413,401</b>	<b>20,481</b>	<b>392,920</b>
Bridges	13,597	459	13,138



# Engineering Support

## Overall aim of the activity

*To provide support to both the Engineering Department and corporate-wide in an efficient and effective manner.*

*To ensure assets transferred to Council (roading, water supply, stormwater and sewerage) are to a standard that is sustainable by Council upon transfer.*

## Why we provide the service

This section provides services to all departments within Council, within the following two broad areas:

- a)
  - Overview of all asset management plans. This part of our service focuses on ensuring AMPs are up to a robust standard and assist the Asset Managers to improve them.
  - Monitoring of strategic policies that may affect Council utility operations. This includes reviewing regional plans, advising on effects, and recommending submissions. Also includes representing Council at Regional Council hearings.
- b)
  - The project management and implementation of the Rotorua Engineering Lifelines Project
  - Implementing SNZ HB4360 Risk Management for Local Government, in the role of Council's risk management coordinator.

- c)
  - Undertaking corporate wide high level strategic projects.
  - Managing the update of all Engineering Department bylaws
- d)
  - Database manager of the Hansen Database
  - Management of the As-Built update and production process
- e)
  - Project management of Rotorua Airport development projects

Council undertakes this activity to provide accurate, efficient and sustainable consent processing, engineering compliance and permitting, and graphical services to internal and external customers.

The Resource Engineering Section provides three main areas of service:

- i) Asset transfer control on behalf of the Engineering Department for infrastructure to be vested in Council Engineering Compliance and Street Opening/Licences to Occupy;
- ii) Consents processing; and
- iii) Graphic Solutions provides design, draughting and image manipulation services to all Council departments.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Strategic Policy	Policy documents produced to agreed format and content: <ul style="list-style-type: none"> <li>– Policy on risk implemented in accordance with agreed programme.</li> <li>– Bylaws updated for utilities.</li> </ul>	100% compliance
Monitoring relevant policy from local or central government	Significant policy is noted and a submission document is sent. No relevant submissions are missed. <ul style="list-style-type: none"> <li>– EBOP Water and Land Management Plan.</li> <li>– EBOP Regional Land Transport Strategy</li> </ul>	100% compliance
Asset Management Plans	Asset management plans are updated or reviewed annually to ensure quality. <ul style="list-style-type: none"> <li>– Overview parks and reserves</li> <li>– Overview buildings (museum, library)</li> <li>– Overview miscellaneous</li> <li>– Stormwater</li> <li>– Wastewater</li> <li>– Water Supply</li> <li>– Roading</li> </ul>	All updated or reviewed at 30.06.06.
Emergency Plans	Engineering emergency plans are updated or reviewed by 30 June each year.	30.06.06.
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

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Project management of Rotorua Airport development projects.	Manage the projects to agreed target programme, budget and quality.	100% compliance
Processing Land Use, Subdivision, LIM and PIM applications with relation to engineering infrastructure issues and requirements.	Process applications within the legislative timeframes required by the relevant acts.	100% compliance
Administer the transfer of infrastructure assets to Council	Carry out audits to confirm compliance with consent conditions and the Rotorua Civil Engineering Industry Standard.	Minimum 10% audit.
Provision of efficient and effective design and draughting services to the Council.	Produce draughting in accordance with the formal Draughting Office Standard.	Contract drawings, peer reviewed and checked. 100% compliance.
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.

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	85	43	53
Revenue	83	43	53
Net Cost	2	0	0
<b>Capital</b>			
<b>Renewals</b>			
General	138	165	206
<b>Total Capital</b>	<b>138</b>	<b>165</b>	<b>206</b>

## Activity Highlights for 2005/06

- Implement and administer the Stormwater Bylaw.
- Identify low lying areas with potential for development restrictions.

# Land Drainage

## Overall aim of the activity

*To protect property from flood damage and maintain the environmental conditions of the District's lakes and rivers.*

## Why we provide the service

Council has a responsibility under the Health Act, where directed by the Chief Medical Officer of Health, to provide drainage works to ensure a healthy community. Council therefore proactively provides this service.

There is also a community expectation of provision of stormwater and drainage services that provides for a low level of risk and efficient drainage of surface water.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Maintaining existing drainage systems.	Manage the land drainage activity within operating budget.	Within budget.
	Respond to blockages within 24 hours of notification.	95%
Upgrading of the urban drainage system.	Complete upgrading in compliance with Building Act and Council policy requirements.	Lynmore/ Ngapuna. Mamaku
Renewing of the urban drainage system.	Replace components of the drainage system to ensure the design function is maintained.	Ranolf St/ Seddon St Area

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	2,656	2,743	2,761
Revenue	105	105	105
<b>Net Cost</b>	<b>2,551</b>	<b>2,638</b>	<b>2,656</b>
<b>Capital</b>			
<b>Renewals</b>			
Stormwater - Renewals	604	329	329
<b>New For Improved Service</b>			
Stormwater - Upgrades	550	450	626
<b>Total Capital</b>	<b>1,154</b>	<b>779</b>	<b>955</b>

## Activity Highlights for 2005/06

- Commissioning of Pohutukawa Drive system.
- Starting to address drainage issues in central part of the city.
- Lakes water quality projects.

## Landfill

### Overall aim of the activity

*Providing a proper disposal of wastes in modern, well engineered and controlled landfill, in an environmentally sustainable manner.*

### Why we provide the service

The landfill activity is undertaken in order to provide cost effective waste disposal facilities for the community. There is a community expectation that Council provides the service and the Local Government Act allows Council to operate such a facility.

### Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Provision of an environmentally acceptable landfill to meet the needs of the District.	Ensure operation within the conditions of the Management Plan.	100% compliance
	Ensure the landfill management contractor achieves his performance targets for compaction (based on annual average).	1.3 t/m <sup>3</sup>
	Ensure compliance with all consent conditions.	100% compliance

### Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	910	861	1,723
Revenue	1,700	1,700	1,849
<b>Net Cost</b>	<b>(790)</b>	<b>(839)</b>	<b>(126)</b>
<b>Capital</b>			
<b>Renewals</b>			
Landfill Development	60	712	712
<b>New For Improved Service</b>			
Rural Transfer Station Development	100		
<b>Total Capital</b>	<b>160</b>	<b>712</b>	<b>712</b>

### Activity Highlights for 2005/06

- Implementation of a gas recovery system.
- Resource consent for next cell.
- Majority of the increase in expenditure is due to revising depreciation so that it is based on the realistic lives of the assets.

# Refuse Collection

## Overall aim of the activity

*To provide a collection of domestic refuse in an efficient and environmentally sound manner.*

## Why we provide the service

Council has a responsibility under the Health Act, where directed by the Chief Medical Officer of Health, to ensure there is a refuse collection service to guard against adverse environmental impacts that could result from domestic refuse. Council therefore provides the service to ensure public health is not compromised.

There is also a community expectation that Council provides for such a service.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Provision of a refuse collection service.	Collect refuse from specified area on each day by 4.30pm.	99% compliance
	Ensure any non-delivery of bags is resolved in the urban area.	3 days
	Ensure any non-delivery of bags is resolved in the rural areas.	5 days

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	1,555	1,545	1,620
Revenue	1,570	1,561	1,576
Net Cost	(15)	(16)	44
<b>Capital</b>			
Total Capital	0	0	0

# Roading

## Overall aim of the activity

*To provide and maintain a network of roads for the movement of vehicles, goods and people in a safe, efficient manner throughout the district in accordance with Council and Land Transport NZ (funding) standards, and to provide the infrastructure for an accessible, safe and effective public passenger transport service to meet the transport needs of the Rotorua community.*

## Why we provide the service

Management of the roading network is undertaken as a statutory requirement of the Local Government and Land Transport Management Acts.

There is also community and commercial expectation of a safe and efficient roading network for the transport of people, goods and services.

The roading network also provides a corridor for the installation and management of utility services inclusive of telecommunications, power services, water, sewerage and stormwater.

This activity includes footpath and verge maintenance and construction in both the urban and rural areas, along with the undertaking of non-subsidised roading improvements works, such as extension of seal in the rural area and the provision of kerbing and channelling and footpath construction in both the urban and rural areas.

To provide shelters and facilities for bus services, including maintenance and capital investment, for the Rotorua District.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Enhancement and expansion of the roading and footpath network.	Complete the rural seal extension programme within Council's policy and budget.	7km
		Parsons 2.7
		Tawhero East 0.2
		Ashpit 1.6
		Mangamingi <u>2.0</u>
		6.5
	Carry out a programme of urban street improvements.	Graham Rd Link Rd Ngongotaha Rd Mokoia Drive Part 1 Block 13 Hinemoa Street Part 1
	Provide footpaths to all urban streets.	Hilda St Maide Vale St
	Carry out upgrades of rural communities.	Tarawera Stage 4 Mamaku
	Complete Maori roadlines programme and Marae entranceways programme.	Hoko Road Parawai Marae Marae entranceways within budget.
	Carry out upgrades for urban areas.	N/A
	Carry out the programme of rural road widening.	Dansey Rd.
Maintenance of the roading asset to acceptable standards.	Undertake general maintenance, reseals and shape correction in urban and rural areas in accordance with Land Transport NZ and Council maintenance standards.	68.5km of resealing and second coat seals
		2.2km of sealed pavement rehabilitation
	Undertake a specified inspection programme.	100%
	Maintain all bridges to Land Transport NZ standards.	100%



Key Result Areas	What We Will Do	How We Will Measure 2005/06
Capital improvement programme for the roading asset.	Minor safety improvements in accordance with Land Transport NZ and Council policy.  Road re-alignment.	Rerewhakaaitu School Tarawera Road right turn bay Pukeroa Rd hospital entrance Hall Rd traffic calming Spencer Rd sight benching Parsons Rd sight benching Dansey Rd sight benching Within budget. Within budget.
Manage the contract for the provision of passenger transport services in Rotorua.	Subject to 40% Land Transport NZ funding, to maintain existing passenger transport shelters for the Rotorua District.  Subject to 40% Land Transport NZ funding, to build new passenger transport shelters as required.	100% provision as appropriate  6 new shelters completed within budget.

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	11,307	11,458	12,120
Revenue	4,380	4,224	4,380
<b>Net Cost</b>	<b>6,927</b>	<b>7,234</b>	<b>7,740</b>
<b>Capital</b>			
<b>Renewals</b>			
Minor Safety Projects - Subsidised	547	547	550
Rehabilitation Renewals- Subsidised	790	700	672
Road Reseals - Subsidised	1,781	1,487	1,636
Bus Shelter Renewals	52	59	59
Culvert, Footpath, Channel and Kerb Renewals	166	166	166
Non subsidised Maori Roads	50	84	80
Urban Street Light Renewals - Subsidised	150	150	150
General	357	93	140
<b>New For Growth</b>			
Transit Designation - Subsidised		100	50
Advance Land Purchase		400	
<b>New For Improved Service</b>			
Urban Undergrounding/ Streetlight			
Undergrounding	180	65	65
Urban Street Improvements	483	423	483
Great West Road	65		
Tryon Street Area Upgrade	200		
Rural Street Improvements	352	352	352
Rural Seal Extension	840	840	840
Seal Widening	300	300	300
Minor Safety Improvements	31	31	30
Land Acquisition	48	48	48
Road Reconstructions	70		
<b>Total Capital</b>	<b>6,462</b>	<b>5,845</b>	<b>5,621</b>

## Activity Highlights for 2005/06

- Designation of the urban road network including the proposed Victoria Street expressway.
- Regional Rail/Transportation Strategy.
- The New for Growth projects are lower than estimated in The Ten Year Plan as some have been deferred to following years.
- Street cleaning – Western Heights Shopping Centre.
- Lighting system for Western Heights Shopping Centre.

# Road Safety

## Overall aim of the activity

*To reduce the incidence and severity of crashes in the Rotorua District through advocacy, encouragement, education and provision of road safety resources to the community.*

## Why we provide the service

This activity is in response to community expectations and the need for Council to provide a leadership role. Additionally, the Crown provides funds for road safety initiatives that can be brought to the district with Council in this facilitator role. This activity provides for the delivery, co-ordination and facilitation of road safety programmes and initiatives in the district. Council employs a fulltime Road Safety Co-ordinator to co-ordinate, facilitate and manage local efforts to address identified road safety problems.

20% of a further officer's time is committed to this area in a supervisory capacity. Examples of programmes in operation are Safe with Age, Safe Cycling, Speed and Kidz in Cards.

Council has a draft District Road Safety Strategy. This outlines the key issues in terms of road safety in the district, who will be involved, and how. This involves community groups, government agencies and regional authorities.

Each year specific land transport safety resources in the district will be agreed between the NZ Police, Land Transport NZ (LTNZ) and Council, for delivery at the local level.

These resources are identified in the following outputs:

### NZ Police

For all roads in the district, both highway and local roads:

- Speed control
- Drinking or drugged driver control
- Restraint device control
- Visible road safety enforcement

Network-wide road policing:

- Commercial vehicle investigation and road user charges
- Crash attendance and investigation
- Traffic management

General road policing support:

- Police community services
- School road safety education
- Resolutions

### LTNZ

- Policy advice
- Safety information and promotion
- Driver licensing
- Grants
- Safety auditing
- Vehicle impoundment

Council aims to work with and alongside LTNZ and the NZ Police to achieve its aim.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Preparation, management and delivery of an annual Road Safety Programme for Rotorua.	Liaise and negotiate annually with LTNZ and Police for land transport safety resources.	100% compliance.
Contribution to regional road safety issues.	Attend Regional Road Safety Group meetings and deliver regional projects.	100% compliance.
Facilitation of community road safety initiatives and development.	Respond in a timely manner with advice, support or resources to all contacts.	100% compliance.
Ensuring road safety programmes meet with District Road Safety Strategy.	Report to Works Committee and Drivewise on a regular meeting basis.	100% compliance.
To equal or better crash rates of other similar districts.	Number of crashes per 100M VKT in LTNZ Annual Road Safety Report.	Within 15% or below peer group average 100%.

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June: (thousands)	Ten Year Plan Budget	Ten Year Plan Budget	Annual Plan Budget
<b>Operations</b>			
Expenses	167	158	161
Revenue	100	92	92
Net Cost	67	66	69
<b>Capital</b>			
<b>Renewals</b>			
General		3	2
Total Capital	0	3	2



# Rotorua Regional Airport

## Overall aim of the activity

*To provide a user friendly, attractive airport hub which meets the regional need for domestic and trans-Tasman airline services and is a safe, commercially viable operation optimising social and economic benefits to the community shareholder.*

## Why we provide the service

Rotorua District Council owns the land and buildings, runways, taxiways/aprons, carparks and roading, security fencing etc. A licence to operate the airport business is held by Rotorua Regional Airport Ltd (a 100% Council owned company). The company also owns the necessary chattels, plant, equipment, computers etc in order to operate the business. The company provides the management of the airport to ensure scheduled air services are provided for the region. Council is responsible for planning and maintaining the infrastructural assets and the company responsible for the airport business operations.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Asset management	Prepare and maintain an asset management plan.	Updated or renewed at 30.06.06
	Annual maintenance undertaken.	In accordance with asset management plan
Capital improvements	Capital expenditure completed in line with programme.	Aprons, security, carparking, roading.
Airport designation	Necessary designation and changes to District Plan to provide for runway extension.	Completed and approval granted by 30.06.06
Business relationship with RRAL	Maintain an asset transfer agreement and leases with RRAL in order to operate a successful business.	Licences and leases reviewed 30.06.06
	Indemnities and insurance.	Reviewed 30.06.06
	CCA audit undertaken.	Successfully completed each year
	RRAL Draft SOI received by due date.	Before 01.03.06
	Council responses to Draft SOI.	Before 01.04.06
	Adopted SOI received by due date.	Before 30.05.06

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005	2006	2006
	Ten Year Plan Budget	Ten Year Plan Budget	Annual Plan Budget
<b>Operations</b>			
Expenses	836	1,519	1,685
Revenue	922	1,002	953
<b>Net Cost</b>	<b>(86)</b>	<b>517</b>	<b>732</b>
<b>Capital</b>			
<b>New For Improved Service</b>			
Assets Transferred from RRAL	9,298		
Airport	12,365	1,600	2,321
<b>Total Capital</b>	<b>21,663</b>	<b>1,600</b>	<b>2,321</b>

## Activity Highlights for 2005/06

- Designation of the Rotorua Airport obstacle limitation surfaces and land for construction.
- Design of the southern extension of the Rotorua Airport.
- Conclude the appeals on the Environment Waikato and Environment BOP regional plans.

## Rural Fire

### Overall aim of the activity

*Working in partnership with rural communities to provide protection for people, property and the environment from the hazards of fire and other emergencies.*

### Why we provide the service

Council undertakes this activity in order to meet legislative requirements and community expectations.

Administration of Rural Fire responsibilities includes:

- Issuing of fire permits.
- Operative fire plan.
- Budgeting and administration of rural fire units for Lake Okareka, Lake Tarawera, West Rotoiti and Castlecopp Response Unit.
- Equipment maintenance and operational budgets.
- Training.
- Statutory requirements i.e. Rural Fire Management Code of Practice.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Provision and update of Rotorua District Council Rural Fire Plan.	Fire plan to be updated and certified by Central North Island Regional Rural Fire Committee for distribution.	Fire plan to be updated and certified by Central North Island Regional Rural Fire Committee for distribution no later than 31 August 2006.
Provision of administration for issue of fire permits.	Fire permits are issued where "appropriate" within 24 hours of request.	100%
Administration of rural fire units at Lake Okareka, Lake Tarawera and West Rotoiti.	Equipment is supplied/maintained. Subsidies are requested. Training is provided.	3 courses per year.

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	121	110	145
Revenue	6	6	6
Net Cost	115	104	139
<b>Capital</b>			
<b>Renewals</b>			
General	6	36	36
<b>New For Improved Service</b>			
Okareka Fire Truck	15	15	
Total Capital	21	51	36

# State Highway Administration

## Overall aim of the activity

*To plan, develop and maintain the district state highway system as the asset manager in a way that contributes to an integrated, safe and responsive network for the district.*

## Why we provide the service

The management and administration of the state highway network within the Rotorua District is undertaken by Council. This is normally the role of Transit NZ. Council has been delegated the role of asset manager for state highways which

allows a co-ordinated overview of the district's roading network. While working within the National Transit NZ system, the delegation allows for the development and promotion of Rotorua projects and maintenance needs locally. This cost centre includes 20% of the District Engineer's time/salary plus one further officer. Much of this function is undertaken by consultants via professional services contracts with the Council. Council receives 1% of the value of all state highway works and professional services expenditure in return for providing this service.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Undertake and oversee network maintenance on delegated highways within the District.	Meet Transit NZ/Land Transport NZ standards criteria and guidelines for SH5, 30, 30A, 33, 38.	100% compliance
Provision of effective and efficient management of the Rotorua District highway network.	Advance and promote safety and efficiency improvements on the network, meet requirements of the TNZ Act, National Roading Programme budgets and Council policy subject to TNZ Authority approval.	National Land Transport Programme complete.
	Report to Works Committee	100% compliance.
Monitoring and evaluation of all consultants and maintenance contractors engaged on the network via performance monitoring systems.	Meet requirements of Transit, Land Transport NZ and Council policy including contractual obligations.	100% compliance.

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	100	120	120
Revenue	98	119	119
Net Cost	2	1	1
<b>Capital</b>			
Total Capital	0	0	0

## Waste Management

### Overall aim of the activity

*To provide a litter free environment within the District and promote resource recovery.*

The activity involves litter control in all public places including walkways and special events, hazardous waste management, control of illegal dumping, promotion and education inclusive of the Keep Rotorua Beautiful Committee, and recycling operations.

### Why we provide the service

The activity of waste management is provided because of community expectation. The Local Government Act permits Council to run and operate litter control, recycling and waste disposal services.

The activity aims at waste minimisation through waste management.

### Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Management of solid wastes within the district.	Service all urban litter bins daily.	100% compliance
	Service all litter bins within rural areas at least twice weekly, and every day from mid-December to mid-February.	100% compliance
	Respond to all litter complaints within two hours of receipt in the Rotorua Basin, and four hours outside of this area.	99% compliance
Management of hazardous waste.	Meet national waste targets as per the Ministry for the Environment's Waste Strategy.	As applicable per NZ Waste Strategy.
	Provide storage facilities and dispose of hazardous wastes, with no preventable incident.	100% compliance
Management of inner city and landfill recycling facilities.	Operate inner city and landfill recycling facilities to achieve target volumes.	2,000 tonnes p.a.

### Budget for 2005/06

For the year ending	2005	2006	2006
30 June:	Ten Year Plan	Ten Year Plan	Annual Plan
(thousands)	Budget	Budget	Budget
<b>Operations</b>			
Expenses	1,306	1,117	1,270
Revenue	60	60	0
<b>Net Cost</b>	<b>1,246</b>	<b>1,057</b>	<b>1,270</b>
<b>Capital</b>			
<b>New For Improved Service</b>			
Rural Transfer Station	140		230
<b>Total Capital</b>	<b>140</b>	<b>0</b>	<b>230</b>

# Waste Water

## Overall aim of the activity

*To provide an environmentally safe and efficient collection, treatment and disposal of water-borne waste and by-products in a sustainable operation to safeguard public health.*

*To provide accurate, efficient and sustainable monitoring, sampling, testing and scientific services to Council's internal clients.*

## Why we provide the service

The services under the waste water activity area are provided because the community expects Council to make provision for the removal of sewage and liquid trade wastes from communities, to enhance public health and minimise the impact of communities on the environment.

The waste water activity includes the operation and maintenance of over 400 kilometres of gravity sewers and rising mains and also includes 53 pumping stations. The total underground asset has an estimated replacement value in excess of \$85M.

This division is also responsible for the operations and maintenance of the wastewater treatment plant and forest disposal system. The operation needs to comply with or

surpass the standards of nutrient removal and monitoring required under Council's resource consent to discharge. Treatment plant effluent is discharged via spray irrigation into Whakarewarewa Forest. The estimated replacement value of the treatment and disposal system is in excess of \$50M.

Another important aspect of this cost centre is pollution control. This activity aims to educate, encourage and enforce regulatory compliance of commerce, trade premises and the community's use of and discharge into Council's stormwater and sewerage drainage assets.

The majority of sampling, monitoring, testing and scientific advisory services provided are related to client legislative and consent monitoring requirements, primarily for the wastewater treatment plant.

The laboratory provides services to other areas of Council's operation including Parks and Reserves, the Aquatic Centre, water supply and trade wastes.

The laboratory also provides a cost recovery service to outside customers and a scientific advisory service to all clients.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Maintenance of the continuous operation of the wastewater reticulation system at present and into the future.	Process applications for new connections within 5 working days and notify applicants.	98% processed within 5 working days
	Implement and manage operations contracts through regular auditing, meetings and correspondence as specified in Council policy and contract documents.	All following deliverables completed within specified timeframe: - Monthly contract meeting and minutes. - Programmed audits recorded.
Undertaking research and investigations on needs and possible solutions for sewage schemes at lakeside settlements, and implement solutions.	Complete the year's programmed investigations, and progress capital works as programmed.	Investigations and capital works completed to programme and budget.
Ensuring management of the wastewater treatment and pumping system in a cost-effective manner, meeting the requirements of the resource consent or approved variations.	That no overflows occur from the WWTP or pump stations except due to power failure or extreme weather conditions.	Zero overflows



Key Result Areas	What We Will Do	How We Will Measure 2005/06
Maintenance of the wastewater reticulation system and treatment assets to acceptable standards.	Advance contracts for the works described in the AMP outputs and Annual Three Year Work Projection. The works and contracts to be managed according to market movements and budgets.	Reticulation renewal and capital works outputs advanced within budget.
Capital improvement programme for the wastewater treatment system in accordance with the conditions of relevant resource consents.	Advance through contracts, the works described in the AMP.	Capital works WWTP upgrade outputs advanced within budget.
Undertake monitoring programmes for water right consents (forest and landfill).	Undertake water quality monitoring as prescribed by the resource consent within the stated timeframe.	All monitoring undertaken. Timeframes met 100% where stated.
Maintaining and operating the laboratory to approved standards.	Participate in the IANZ water test inter-laboratory testing programme and perform to a high standard.	Participation programme completed 100%. Rating maintained or exceeded.
	Maintain IANZ registration.	Registration maintained.
Undertaking analysis of samples in the laboratory.	Samples analysed and reported within the time period specified by the clients.	95% compliance.

## Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	8,453	8,570	9,139
Revenue	11,523	12,074	11,762
<b>Net Cost</b>	<b>(3,070)</b>	<b>(3,504)</b>	<b>(2,623)</b>
<b>Capital</b>			
<b>Renewals</b>			
Land Treatment Renewals	253	138	277
Pump Station Renewals	555	275	789
Sewer Renewals	807	556	545
Treatment Plant Renewals	1,033	310	1,063
General	38	19	21
<b>New For Growth</b>			
Septic Tank Reticulation		300	524
WWTP Upgrade & Pump Station Improvements	1,831		500
Development Reticulation		500	
<b>New For Lakes Water Quality</b>			
Okere/Otaramarae Sewerage			376
Gisborne Pt (Hinehopu) Sewerage	18	135	200
Okareka Sewerage	631	3,352	445
Eastern Trunk	3,988		6,350
Okawa Bay/Mourea	1,252	680	260
Hamurana Sewerage		370	
Brunswick/Rotokawa	361		3,265
Capital Overheads	169		559
<b>New For Improved Service</b>			
Reticulation Extension (Rotorua Basin Waste Water)	137	444	110
<b>Total Capital</b>	<b>11,073</b>	<b>7,079</b>	<b>15,284</b>

## Activity Highlights for 2005/06

- The implementation of several lakeside sewerage schemes will continue to progress as follows:
  - Eastern Trunk Main – programmed for completion early 2006.
  - Mourea/Okawa Bay – operational in early 2006.
  - Okere/Otaramarae – completion of consultation on options and preliminary design.
  - Okareka – completion of resource consent applications and detailed design.
- The last stage of the waste water treatment plant upgrade is programmed to be completed.
- Waste Water Strategy programmed to be completed and adopted.
- The changes in capital and operation reflect the changes required to put into effect amendments 1 to 4 in the accompanying statement of proposal to amend the Rotorua District Council Long Term Council Community Plan 2004-2014 (The Ten Year Plan).

# Water

## Overall aim of the activity

*To provide, in a cost-effective manner, an adequate supply of water of sufficient quality to satisfy the needs of communities within the District.*

## Why we provide the service

Water activity services are provided because the community expects Council to make provision for a safe supply of water to communities for drinking and, where appropriate, fire fighting, to enhance public health and provide for farming and other commercial activities.

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Ensuring that all supplies have sufficient water at the source, and within the system to provide appropriate levels of service to consumers.	Provide connections within the urban fence capable of delivering a minimum flow of 30 l/min and having a minimum residual head of 30 metres at the boundary stopcock under normal demand conditions.	95% of connections
	Provide hydrants within the urban fence meeting the requirements of the NZ Fire Service Code of Practice for Fire Fighting Water Supplies.	95% of hydrants
Ensuring that all supplies comply with the current Drinking Water Standards of NZ.	Permanently chlorinated supplies achieving compliance with the microbiological criteria of DWSNZ 2000.	All permanently chlorinated supplies 100% compliance achieved.
	Unchlorinated supplies achieving compliance at the source with the monitoring requirements of DWSNZ 2000.	All unchlorinated supplies 100% compliance achieved.
	To initiate the prescribed response to microbiological contamination events as per the DWSNZ 2000.	100% within a maximum of 4 hours from notification
Maintaining the appropriate level of service to the consumer with a minimum of disruption and inconvenience to the public.	Implement and manage operations contracts through regular auditing, meetings and correspondence as specified in Council policy and contract documents.	All following deliverables completed within specified timeframes <ul style="list-style-type: none"> <li>- monthly contract meetings and minutes</li> <li>- contractor performance evaluation reports</li> <li>- programmed audits recorded</li> </ul>
	Time taken for applications for new water connections to be processed, and the result sent to the applicant.	95% processed within 5 working days

## Budget for 2005/06

For the year ending	2005	2006	2006
30 June: (thousands)	Ten Year Plan Budget	Ten Year Plan Budget	Annual Plan Budget
<b>Operations</b>			
Expenses	4,746	4,932	4,852
Revenue	4,595	4,725	4,835
Net Cost	151	207	17
<b>Capital</b>			
<b>Renewals</b>			
Urban - Renewal Works	909	1,030	1,213
General	349	99	385
<b>New For Growth</b>			
Urban - Eastern Water		300	150
Urban - Reticulation Upgrade	765	830	1,858
<b>New For Improved Service</b>			
Urban - Reticulation	390	125	161
Reporoa-Capital Improvements	178		207
<b>Total Capital</b>	<b>2,591</b>	<b>2,384</b>	<b>3,974</b>

## Activity Highlights for 2005/06

- Water Supply Strategy programmed to be completed and adopted.
- Majority of the increase in capital expenditure is due to projects expected to be completed in 2004/05, now to be undertaken in 2005/06.





## Contribution to outcomes

	Community Outcomes							
	A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
Castlecorp Business Unit	✓	✓			✓			✓

## Overview of Group

Castlecorp is a separate business unit within the Rotorua District Council. Its purpose is to provide infrastructural services to the residents of the district 365 days per year for:

- water
- wastewater
- refuse
- land drainage
- parks and reserves
- sports fields
- public gardens
- fleet maintenance

Castlecorp is dedicated to continuing to develop innovative ways to deliver services to the community, while improving the timeliness, quality and cost effectiveness of core services. Castlecorp is a significant component of the district council representing 25% of the RDC workforce and 20% of the annual expenditure.

Its brand represents the organisational values of reliability, honesty and integrity. The strap line 'Keeping Rotorua' can be used in Keeping Rotorua Beautiful, Keeping Rotorua Clean, Keeping Rotorua Services, or in the more traditional meaning of the word "keep", being to guard, protect or look after.

The logo features:

- a stylised mirror of a letter "R".
- cogs of a wheel in motion, representing the work ethic.
- fronds of a ponga, representing the environmental aspects of our role.
- turrets of a castle, linking the "keep" and "castle" themes.

## Overall aim of the activity

*Improving the quality of life for residents and visitors through the provision of quality services and the maintenance of essential infrastructure, through sound business practises based on continuous improvement that meet or exceed the quality and cost effectiveness of the private sector.*

## Why we provide the service

Council undertakes this activity to ensure delivery of services to meet legislative requirements and community expectations.

Castlecorp is a Business Unit within Council and earns its income from regularly reviewed and negotiated contracts, and service level agreements for in-house services provided to other departments within Council. These services include:

- Refuse collection
- Litter clearance
- Footpath and verge maintenance
- Stormwater system maintenance
- Water supply reticulation maintenance
- Water supply pump stations and reservoir operation and maintenance
- Water supply leak detection, meter reading, and water sampling
- Wastewater reticulation maintenance including forest irrigation
- Cemeteries
- Sportsfield and reserve maintenance
- Public garden and horticultural maintenance
- Purchasing and maintenance of small plant and fleet vehicles

## Service Levels and Performance Targets

Key Result Areas	What We Will Do	How We Will Measure 2005/06
Provision of efficient and quality services to RDC in accordance with sound commercial standards and principles.	Meet the standards of service as per contract.	Contract standards 100% met. No demerit points incurred by year end.
	Employ and retain consistently high performing staff who enjoy their working environment.	To have less than 10% staff turnover of permanent positions by year end.
	Operate within budget (plus 2% or minus 1% of turnover).	Within budget plus 2% or minus 1% of turnover.
Provision of leadership and involvement of all staff.	Establish unity of purpose and involve all levels of the organisation for the benefit of the community.	Monthly meetings with all staff enabling input at all levels.
Maintenance of an efficient, cost effective and safe staff environment.	Maintain an OSH identification and control plan supported by an education programme.	Programmes completed by year end.
	Ensure the number of work accidents do not increase.	Record less than one accident per week, of which less than half will require time off work.
Consistently provide the community with quality services.	Meet all requirements of and maintain ISO 9001:2000 accreditation.	ISO 9001: 2000 accreditation maintained by year end.
	Manage the education and training of staff including maintaining a core technical training programme at a minimum cost of 1% of revenue achieved.	Full training programme completed by year end.
Better understanding of current and future customer needs and expectations.	Promote services to the public while better understanding customer needs.	Advertising, promotional and survey programmes completed by year end.
Provision of efficient water supply services to RDC in accordance with service contract specifications.	Respond in specified timeframes to asset failures resulting in loss of water to consumer or having potential for damage to persons or property, being responded to in specified timeframes.	95% within 1 hour and 100% within 4 hours.
Provision of efficient wastewater services to RDC in accordance with service contract specifications.	Respond in specified timeframes to asset failures resulting in potential for damage to persons or property, being responded to in specified timeframes.	95% within 1 hour and 100% within 4 hours.
Provision of efficient land drainage services to RDC in accordance with service contract specifications.	Respond to blockages resulting in potential damage to persons or property.	95% within 24 hours and 100% within 36 hours.
Provision of efficient refuse collection services to RDC in accordance with service contract specifications.	Collect refuse from specified areas on each day by 4.30pm.	99% compliance
	Respond to all complaints of non-delivery of refuse bags within the urban area.	3 days
	Respond to all complaints of non-delivery of refuse bags within the rural area.	5 days
Provision of efficient waste management services to RDC in accordance with service contract specifications.	Respond to all litter complaints within two hours in the Rotorua Basin and four hours outside of this area.	99% compliance
Provision of vehicles and plant to meet the planned needs of Council.	Review all policies relating to fleet and plant annually.	Completed by 31.03.06.

Key Result Areas	What We Will Do	How We Will Measure 2005/06
	Replace fleet at competitive rates.	Completed by year end.
Ensuring efficient purchasing processes are used to satisfy the organisation's needs and requirements.	Establish effective partnerships with suppliers, and evaluate their ability to supply based on experience, performance, quality and cost.	Evaluations completed by year end.

### Summary of Group Net Cost of Service

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
Expenditure	10,699	10,699	11,083
Internal Recoveries	(10,511)	(10,511)	(10,864)
External Revenue	188	188	219
Net Cost Of Service	0	0	0

### Budget for 2005/06

For the year ending 30 June: (thousands)	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
<b>Operations</b>			
Expenses	188	188	219
Revenue	188	188	219
Net Cost	0	0	0

### Assets Used in Activity Group

Asset Type (thousands)	Cost	Accumulated Depreciation	Book Value 30 June 2004
Computer Hardware	107	77	31
Furniture & Fittings	2	1	1
Office Equipment	126	93	34
Plant & Machinery	63	27	36
Vehicles/ Plant Equipment	6,508	3,455	3,053
	6,806	3,650	3,155

### Capital

Renewals	2005 Ten Year Plan Budget	2006 Ten Year Plan Budget	2006 Annual Plan Budget
Fleet & Plant Purchases	899	911	1,018
General	36	21	20
Total Capital	935	932	1,038



# Forecast Financial Statements



# PURPOSE OF FINANCIAL STATEMENTS

## Statement of Financial Performance

This statement discloses the net surplus or deficit and the components of the net surplus (deficit), arising from activities or events during the year that are significant for the assessment of both past and future financial performance.

### Performance by Council Activity

Activities have been grouped into major activities of Council. This statement shows a summary of the revenue/expenditure and net cost of service for each activity.

Net cost of service is the net cost of expenditure less revenue. A positive net cost of service indicates that the expenditure exceeded revenue and is an operational cost to the ratepayer. A negative net cost of service is those activities where revenue exceeded expenditure.

## Statement of Movement in Equity

This financial statement contributes to the objectives of general purpose financial reporting by combining information, about net surplus (deficit) with other aspects of Council's financial performance in order to give a degree of measure of comprehensive income.

## Statement of Financial Position

Information about the economic resources controlled by Council and its capacity to modify those resources, is useful in assessing Council's ability to generate cash and/or provide services in the future. Information about the financing structure is useful in assessing future borrowing needs, and how future surpluses and cashflows may be distributed among those with an interest in the Council. The information is also useful in assessing how successful the Council is likely to be in raising further finance.

## Statement of Cashflow

This statement reflects Council's cash receipts and cash payments during the year and provides useful information about Council's activities in generating cash through operations to:

- repay debt; or
- re-invest to maintain or expand operating capacity.

## Statement of Accounting Policies

The accounting policies adopted by Council can have a significant impact on the financial and service performance, financial position and cashflows that are reported in its financial reports. Therefore, for a proper appreciation of those reports, users need to be aware of:

- a) the measurement system underlying the preparation of the financial reports; and
- b) the accounting policies followed in respect of individual items in the financial reports, especially where there are acceptable alternatives for dealing with any such items; and
- c) any changes in the measurement system, assumptions or particular accounting policies.

## Forecasting Assumptions

This section lists significant forecasting assumptions in preparing the plan. The financial statements are of a prospective nature. This means they have been prepared on the basis of assumptions as to future events that Council reasonably expects to occur, associated with actions that Council reasonably expects to take, at the time of preparing the information. Actual results may vary and some variations could be material. The information prepared is for the 2005/06 Annual Plan and amendments to The Ten Year Plan and may not be appropriate for other purposes.

## Notes to the Financial Statements

Provide further detail to the summary performance in compliance with accounting standards.



# STATEMENT OF FINANCIAL PERFORMANCE

(thousands)	Council 2004 Actual	Council 2005 Ten Year	Council 2006 Ten Year	Council 2006 Annual Plan	Group 2006 Ten Year	Group 2006 Annual Plan
General Rates	35,391	36,658	37,356	38,501	37,356	38,501
Lakes Enhancement Rate	0	0	0	347	0	347
Water Rates	2,256	2,333	2,405	2,476	2,405	2,476
Sewerage Rates	6,899	7,060	7,632	7,335	7,632	7,335
Refuse Rates	1,360	1,351	1,351	1,351	1,351	1,351
New Waste Water Schemes	0	0	1,554	74	1,554	74
Less Rates Paid By Council	(699)	(737)	(740)	(774)	(740)	(774)
<b>Total Rates</b>	<b>45,207</b>	<b>46,665</b>	<b>49,558</b>	<b>49,310</b>	<b>49,558</b>	<b>49,310</b>
Community Leadership	1,920	1,415	1,119	376	1,119	376
Social and Cultural	10,039	14,491	9,743	19,584	9,743	19,584
Environment	4,261	3,123	3,124	3,467	3,124	3,467
Economic	1,480	1,449	1,569	1,961	1,569	1,961
Infrastructure	9,910	14,398	12,769	14,148	13,824	15,808
Castlec corp Business Unit	254	188	188	219	188	219
Vested Assets	745	1,650	1,650	800	1,650	800
<b>Total Other Revenue</b>	<b>28,609</b>	<b>36,714</b>	<b>30,162</b>	<b>40,555</b>	<b>31,217</b>	<b>42,215</b>
<b>Total Revenue</b>	<b>73,816</b>	<b>83,379</b>	<b>79,720</b>	<b>89,865</b>	<b>80,775</b>	<b>91,525</b>
<b>OPERATING EXPENDITURE</b>						
Community Leadership	5,316	5,084	4,835	3,911	4,835	3,911
Social and Cultural	20,803	24,740	25,198	26,821	25,198	26,821
Environment	7,031	7,269	7,200	8,057	7,200	8,057
Economic	3,226	3,721	3,925	4,872	3,925	4,872
Infrastructure	30,670	32,242	33,176	35,649	34,231	37,260
Castlec corp Business Unit	213	188	188	220	188	220
Corporate Wide	668	1,000	1,000	1,000	1,000	1,000
<b>Less Internal Charges</b>						
<b>In Operating Expenses</b>	<b>(837)</b>	<b>(863)</b>	<b>(870)</b>	<b>(908)</b>	<b>(870)</b>	<b>(908)</b>
<b>Total Operating Expenditure</b>	<b>67,090</b>	<b>73,381</b>	<b>74,652</b>	<b>79,622</b>	<b>75,707</b>	<b>81,233</b>
<b>Operating Surplus</b>	<b>6,726</b>	<b>9,998</b>	<b>5,068</b>	<b>10,243</b>	<b>5,068</b>	<b>10,292</b>
Other Revaluation Adjustments	514	0	0	0	0	
<b>Surplus Before Taxation</b>	<b>7,240</b>	<b>9,998</b>	<b>5,068</b>	<b>10,243</b>	<b>5,068</b>	<b>10,292</b>
Taxation	(18)	96	3	0	3	16
<b>SURPLUS FOR THE YEAR</b>	<b>7,258</b>	<b>9,902</b>	<b>5,065</b>	<b>10,243</b>	<b>5,065</b>	<b>10,276</b>

This statement contains prospective financial information and should be read in conjunction with the accompanying Statement of Accounting Policies, Forecasting Assumptions and Notes to the Financial Statements.

# STATEMENT OF MOVEMENT IN EQUITY

(thousands)	Council 2004 Actual	Council 2005 Ten Year	Council 2006 Ten Year	Council 2006 Annual Plan	Group 2006 Ten Year	Group 2006 Annual Plan
Opening Equity	536,568	541,867	551,769	546,428	551,807	546,428
Net Surplus for the Period	7,258	9,902	5,065	10,243	5,065	10,276
Revaluation Changes	(1,015)	0	0	0	0	0
<b>CLOSING EQUITY</b>	<b>542,811</b>	<b>551,769</b>	<b>556,834</b>	<b>556,671</b>	<b>556,872</b>	<b>556,704</b>

This statement contains prospective financial information and should be read in conjunction with the accompanying Statement of Accounting Policies, Forecasting Assumptions and Notes to the Financial Statements.



# STATEMENT OF FINANCIAL POSITION

(thousands)	Council 2004 Actual	Council 2005 Ten Year	Council 2006 Ten Year	Council 2006 Annual Plan	Group 2006 Ten Year	Group 2006 Annual Plan
<b>CURRENT ASSETS</b>						
Bank and Short Term Investments	18,989	6,950	5,689	5,564	6,115	5,981
Stock on Hand	1,112	1,263	1,263	1,112	1,263	1,112
Sundry Debtors	13,131	6,748	6,748	6,726	7,248	6,960
Prepayments	217	212	212	217	212	217
Provision for Taxation	18	0	0	0	0	0
Properties Intended for resale	661	0	0	0	0	0
Capital Work in Progress	12,116	6,551	6,551	12,795	6,551	12,795
<b>TOTAL CURRENT ASSETS</b>	<b>46,244</b>	<b>21,724</b>	<b>20,463</b>	<b>26,414</b>	<b>21,389</b>	<b>27,065</b>
<b>Less CURRENT LIABILITIES</b>						
Sundry Creditors	9,906	9,626	9,626	9,906	9,768	10,063
Accrued Expenses	5,492	4,548	4,548	5,492	4,548	5,492
Current Portion of Term Liabilities	7,501	9,211	10,614	10,614	10,614	10,614
<b>TOTAL CURRENT LIABILITIES</b>	<b>22,899</b>	<b>23,385</b>	<b>24,788</b>	<b>26,012</b>	<b>24,930</b>	<b>26,169</b>
<b>WORKING CAPITAL</b>	<b>23,345</b>	<b>(1,661)</b>	<b>(4,325)</b>	<b>402</b>	<b>(3,541)</b>	<b>896</b>
<b>NON-CURRENT ASSETS</b>						
Investments	6,411	896	813	1,359	813	859
Properties Intended for Resale	1,638	1,173	1,173	1,638	1,173	1,638
Deferred Taxation	0	0	0	0	36	6
Fixed Assets	558,338	622,445	638,378	634,292	638,846	634,737
						0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>566,387</b>	<b>624,514</b>	<b>640,364</b>	<b>637,289</b>	<b>640,868</b>	<b>637,240</b>
<b>Less NON-CURRENT LIABILITIES</b>						
Less Employee Gratuities	1,454	1,542	1,542	1,454	1,542	1,454
<b>TOTAL NET ASSETS</b>	<b>542,811</b>	<b>551,769</b>	<b>556,834</b>	<b>556,671</b>	<b>556,872</b>	<b>556,704</b>
<b>Represented By:</b>						
						0
<b>RATEPAYERS EQUITY</b>						
General Reserve	358,083	391,639	400,899	409,950	400,945	409,983
Self-funding Reserves	(3,668)	(25,119)	(28,056)	(37,240)	(28,056)	(37,240)
Council Created Reserves	36	41	41	36	41	36
Restricted Reserves	885	308	49	1,039	49	1,039
Sinking Fund Reserves	4,589	999	0	0		0
Share Of Airport Reserves	8	8	8	8		8
Asset Revaluation Reserve	182,878	183,893	183,893	182,878	183,893	182,878
						0
<b>TOTAL RATEPAYERS EQUITY</b>	<b>542,811</b>	<b>551,769</b>	<b>556,834</b>	<b>556,671</b>	<b>556,872</b>	<b>556,704</b>

This statement contains prospective financial information and should be read in conjunction with the accompanying Statement of Accounting Policies, Forecasting Assumptions and Notes to the Financial Statements.

# STATEMENT OF CASHFLOW

(thousands)	Council	Council	Council	Council	Group	Group
	2004 Actual	2005 Ten Year	2006 Ten Year	2006 Annual Plan	2006 Ten Year	2006 Annual Plan
<b>Cash flows from Operating Activities:</b>						
Cash was provided from:						
Rates	44,472	45,665	48,558	48,328	50,515	48,328
General Revenue	25,890	34,234	28,439	31,865	27,518	33,516
Interest on Investments	1,217	607	491	72	518	89
Dividends	0	290	9	0		0
	<u>71,579</u>	<u>80,796</u>	<u>77,497</u>	<u>80,265</u>	<u>78,551</u>	<u>81,933</u>
Cash was applied to:						
Payments to Employees & Councillors	22,361	24,368	24,538	25,512	24,656	25,630
Other Payments	23,274	28,137	27,772	29,590	28,662	31,025
Taxation Payments	0	96	3	0	3	16
Net Movement in Agencies	(844)	0	0	0	0	0
Interest on Public Debt	3,347	4,598	5,734	5,256	5,819	5,285
Net Goods and Services Tax Paid	683	0	0	0	0	0
	<u>48,821</u>	<u>57,199</u>	<u>58,047</u>	<u>60,358</u>	<u>59,140</u>	<u>61,956</u>
						0
<b>Net Cash Flows From Operating Activities</b>	<b>22,758</b>	<b>23,597</b>	<b>19,450</b>	<b>19,907</b>	<b>19,411</b>	<b>19,977</b>
<b>Cash flows from Investing Activities:</b>						
Cash was provided from:						
Proceeds from Sale of Fixed Assets	228	737	2,022	299	2,022	299
Net Movement in Investments	(3,033)	(3,072)	700	1,631	780	1,631
Release of Sinking Funds	317	4,124	1,122	1,127	1,122	1,127
Collections on Advances	1,058	11,596	88	151	88	151
	<u>(1,430)</u>	<u>13,385</u>	<u>3,932</u>	<u>3,208</u>	<u>4,012</u>	<u>3,208</u>
Cash was applied to:						
Purchase of Fixed Assets	26,033	65,796	32,778	62,033	33,120	62,033
Loan Advances made	1,460	5	5	5	5	5
Sinking Fund Contributions	732	538	123	123	123	123
	<u>28,225</u>	<u>66,339</u>	<u>32,906</u>	<u>62,161</u>	<u>33,248</u>	<u>62,161</u>
						0
<b>Net Cash Used In Investing Activities</b>	<b>(29,655)</b>	<b>(52,954)</b>	<b>(28,974)</b>	<b>(58,953)</b>	<b>(29,236)</b>	<b>(58,953)</b>
<b>Cash flows from Financing Activities:</b>						
Cash was provided from:						
Loans Raised	15,500	33,286	18,735	33,924	18,735	33,924
Cash was applied to:						
Repayment of Public Debt	9,010	7,501	9,211	9,211	9,211	9,211
<b>Net Cash Used In Financing Activities</b>	<b>6,490</b>	<b>25,785</b>	<b>9,524</b>	<b>24,713</b>	<b>9,524</b>	<b>24,713</b>
Net Increase (Decrease) in Cash	(407)	(3,572)	0	(14,333)	(301)	(14,263)
Opening Cash Brought Forward	1,314	8,642	5,070	19,897	5,797	20,244
<b>CLOSING CASH CARRIED FORWARD</b>	<b>907</b>	<b>5,070</b>	<b>5,070</b>	<b>5,564</b>	<b>5,496</b>	<b>5,981</b>

This statement contains prospective financial information and should be read in conjunction with the accompanying Statement of Accounting Policies, Forecasting Assumptions and Notes to the Financial Statements.

# STATEMENT OF ACCOUNTING POLICIES

## Reporting Entity

Rotorua District Council is a territorial local authority as defined in the Second Schedule of the Local Government Act 2002.

The Rotorua District Council Group consists of Rotorua District Council and Rotorua Regional Airport Ltd (100% owned), a company registered under the Companies Act 1993.

The financial information presented in the Annual Plan has been prepared in accordance with section 93 of the Local Government Act 2002 which includes the requirement to comply with generally accepted accounting practice.

## Basis of Consolidation

Consolidated Statement of Financial Performance, Statement of Cash Flow, Statement of Movement in Equity and the Statement of Financial Position have been prepared in accordance with General Accepted Accounting Practices – Financial Reporting Standard (FRS-36 and FRS-37).

All significant inter-group transactions arising from trading between the various activities of the council have been eliminated on consolidation.

Unless shown separately the financial statements and notes refer to both the Council and Group accounts.

## Goodwill

Goodwill on consolidation is amortised on a straight line basis over 20 years.

The goodwill expensed is included in the airport expenditure line in the group statement of financial performance.

## Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

## Rounding

The amounts in the financial statements and notes are rounded to the nearest thousand unless otherwise stated.

## Specific Accounting Policies

### Basis of Preparation of the Financial Statements

The Annual Plan for the Council and its group includes a Statement of Financial Performance, a Statement of Movements in Equity, a Statement of Financial Position, a Statement of Cashflow. Consolidated financial statements of the group comprising the Rotorua District Council and its subsidiary Rotorua Regional Airport Ltd, have been included in this Plan.

In order to meet its obligations of public accountability, the Council has included for each significant activity, a separate Statement of Cost of Service which shows costs of providing the service less all directly related revenue.

All significant inter-activity transactions arising on trading between various activities of the Council are eliminated from the Statement of Financial Performance to ensure that this statement reflects only those transactions conducted with parties external to the Council.

### Overhead/Support Services Allocation

The major types of expenditure classed as support services are civic centre operating, payroll/personnel, information technology and information management, administration costs, treasury, accounting costs, records, asset management overheads, fleet, land information services, waterworks overheads, business units, laboratory and Graphic Solutions. The net costs of support services are charged to significant activities on the appropriation basis of either floor space, staff time, direct use when available, share of estimated rates, volume of transactions used, volume of records used, level of activity areas supported, and percentage of service utilised.

### Goods and Services Tax

The financial statements are prepared on a Goods and Services Tax (GST) exclusive basis, except for accounts receivable and accounts payable, which are stated as GST inclusive. The balance outstanding at balance date is shown as accounts receivable or accounts payable as the case may be.

### Budgets

The budgeted figures are those approved by the Council and are subject to a period of consultation with the public as part of the Annual Plan process. The budgeted figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

## Funding Requirements Pooled Across Multiple Activities

Council has established through its Funding Policy an appropriate level of user-pays for each activity. These user-pays charges are collected by way of separate rates, fees and charges.

After deducting the user-pays charges, the remaining funding requirements for all activities are pooled. This total cost is then recovered by way of general rates charged to all ratepayers. In this way all ratepayers contribute towards the costs of the activities that provide a general public benefit.

## Revenue Recognition

Rates revenue is recognised as income when levied. Grants are recognised as income when eligibility has been established by the grantor agency and the work has been performed and/or conditions met. Vested assets are recognised when control over the asset is obtained. Parking fines are recognised on a cash basis when payment is received.

## Donated Services Recognition

The council benefits from the voluntary services of many Rotorua citizens in the delivery of its activities and services. Due to the difficulty in determining the value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

## Rating

The Rotorua District Council has a policy of rating its own properties. The effect of this policy is eliminated from the Statement of Financial Performance and the Statement of Cashflows.

## Internal Property Rental

Internal property rents are charged to each significant activity where appropriate. This charge is based on floor area occupied, to cover the actual costs of each building.

## Interest Allocation

Council allocates the net cost of interest, being interest expense less interest income, to its various activities:

- a) Interest is credited to or allocated to self-funding activities based on the average annual balance of the self-funding account according to whether the balances are in funds or overdrawn respectively.
- b) The balance of interest is allocated to other significant activities on the basis of the book value of fixed assets employed in the activity.

## Taxation

The Council uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

Income tax expense (if any) is charged in the Statement of Financial Performance in respect of the current year's surplus after allowing for permanent differences.

## Accounts Receivable

Accounts Receivable are shown at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off against the provision for doubtful debts accounts in the period in which it is determined that the debts are uncollectible.

Receivables in respect of parking fines are not recognised in the statement of financial position due to the uncertainty of collection.

## Inventories

Stocks for own use and stocks for resale are valued at the lower of net realisable value or cost on a 'first in first out' (FIFO) basis.

## Properties Intended for Resale

Properties intended for resale as at 30 June 2003 are recorded at the lower of cost and net realisable value.

## Statement of Cashflows

*Cash* means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day to day cash management. *Operating activities* include cash received from all income sources of the group and record cash payments made for the supply of goods and services.

*Investing activities* are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise activities that change the equity and debt capital structure of the Council and group.

*Agency transactions* (for example, the collection of regional council rates) are recognised as receipts and payments in the statement of cash flows given that they flow through the Council's main bank account, and are included as part of operating activity.



## Leases

### Finance Leases:

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the lease item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period the Council is expected to benefit from their use.

### Operating Leases:

Council has equipment on operating leases, where the lessors effectively retain substantially all risks and benefits of ownership of the leased item. The operating lease payments are charged as expenses in the periods in which they are incurred.

## Investments

Bank investments are stated at cost.

Investments in shares are stated at the lower of cost or estimated realisable value.

Interest Income is recognised in the Statement of Financial Performance on an accrual basis. Dividend income is recognised when the dividend is declared.

The Council has had 100% ownership of the Rotorua Regional Airport Ltd since 31 July 2002.

The Council has included \$126,000 in investments for Council's estimated share in a council controlled shared services organisation yet to be established for operating a valuation database.

## Fixed Assets

### Valuation:

Land and buildings are recorded at fair value as at 1 July 2002. Quotable Value New Zealand Ltd has certified that these valuations are appropriate for financial reporting purposes.

Asset additions since 1 July 2002 are valued at historic cost. The fair value of land and buildings is reviewed at three yearly intervals.

Infrastructural assets (roading network, bridges, drains, water and sewerage reticulation systems) have been valued by Council's engineers at replacement cost. An estimate for accumulated depreciation has then been deducted to give a depreciated replacement value as at 1 July 2002. Road reserves have been valued on an average of the district's land value adjusted for restrictions on the land and its existing use. The basis of these in-house valuations has been certified as correct by an independent registered valuer. All capital

expenditure on these assets since 1 July 2002 has been capitalised at historic cost. The value of all of Council's infrastructural assets will be revised at three yearly intervals.

The library collection was valued at estimated historic cost as at 1 July 2002 as estimated by Council's library staff. The basis of these in-house valuations have been certified as correct by an independent registered valuer. All library purchases since 1 July 2002 have been capitalised at historical cost. The value of the library collection is revised at three yearly intervals.

The collections of the Rotorua Museum of Art & History are valued at current market value as at 30 June 1992 by Gow, Landsford Fine Art Valuers and Peter Webb Galleries Limited, estate and fine art auctioneers and valuers. Any additions since then have been capitalised at historic cost.

Vested infrastructural assets have been valued based on the actual quantities of infrastructural components vested at the current "in the ground" cost of providing identical services. All other revenue is recognised when it is due and receivable.

Airport land, buildings and runway have been valued as at the date of purchase (31 July 2002) by registered valuers Cleghorn Gillespie Jensen & Associates at fair value in accordance with FRS-36. All assets since have been capitalised at historic cost.

All other fixed assets are valued at cost except where historic cost records were not available, in which case Council has estimated the cost.

Depreciation is provided on all fixed assets with certain exceptions. The exceptions are:

Land is not depreciated.

Roading, wastewater reticulation, stormwater systems and water reticulation assets are depreciated as noted below. A number of the components of the roading network such as excavation, sub base materials and compaction are not depreciated as these assets have an infinite life. Signs and markings are not depreciated as these assets are maintained to the same level.

The useful lives of the Rotorua Museum of Art & History collections and the library reference collection are considered to be extremely long. Therefore, due to its insignificance, no depreciation has been brought to charge.

All other assets are depreciated on a straight line basis at rates that will write off their cost or valuation over their expected useful economic lives.

Vehicles are depreciated on the basis of diminishing value and at a rate of 20% calculated to allocate the motor vehicles cost over their estimated useful lives.

The expected lives of major classes of assets are:

<b>General</b>	<b>Years</b>
Bathroom building	40
Buildings (other)	50
Plant and Equipment	10
Office Equipment	5
Furniture and Fittings	10 to 20
Computer Systems	3 to 5
Library Books (excl Reference)	2 to 15
Parking	10 to 50
Landfill Improvements	5 to 50
<b>Wastewater Reticulation</b>	
Manholes	70 to 100
Treatment Plant	10 to 100
Pump Stations	10 to 50
Pipes	70
<b>Water Reticulation</b>	
Pipes	45 to 90
Motors/Pumps	20 to 25
Reservoirs and other	
Water-Retaining Structures	60 to 80
Meters	15 to 100
<b>Parks</b>	
Street and Outdoor Furniture	1 to 20
Street Signals	15
Fencing and Related Structures	40
Playgrounds	25
Jetties and Related Structures	15 to 30
Irrigation Pipes and Sprinklers	6 to 50
Park roads, paths	10 to 100
Kerbs	100
Bridges	50 to 100
Top surface (seal)	8 to 20
Pavement (basecourse)	25 to 80
Drainage	100
Shoulders/Feathers	25 to 80
Culverts	100
Footpaths (concrete)	100
Footpaths (bitumen)	10 to 40
<b>Stormwater systems</b>	
Pipes	70 to 100
Manholes, Cesspits	70 to 100
Service connections and outlets	70 to 100
<b>Airport</b>	
Runways, Taxiways and Aprons	50
Runway Reseal	12.5

## Employee Entitlements

A provision is made in respect of the Council's liability for annual leave, long service leave, and retirement gratuities.

Wages and salaries, annual leave and other entitlements that are expected to be settled within twelve months of reporting date are measured at nominal values on actual entitlement basis at current rate of pay.

Entitlements that are payable beyond twelve months, such as long service leave, resigning and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows. A discount rate of 5.5% (2001/2002 6.5%), and an inflation factor of 2.5% (2001/2002 2.6%) were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

## Financial Instruments

All financial instrument arrangements except guarantees have been included in the Statement of Financial Position using the concepts of accrual accounting. They have been included at their fair value. These instruments include bank accounts, accounts receivable and payable, cash investments, equity investments and long term debt. Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

## Landfill Post-Closure Costs

The Council, as operator of the Rotorua Landfill, has a legal obligation to apply for resource consents when the landfill, or landfill stages, reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits or if they are incurred to enable future economic benefits to be obtained. The capitalised landfill asset is depreciated over the life of the landfill based on capacity used.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.



## Ratepayers' Equity

Ratepayers' Equity is the community's interest in the Council as measured by the value of the total assets less liabilities. Ratepayers' Equity is disaggregated and classified into a number of reserves to enable a clearer identification of the specific uses Council makes of its accumulated surpluses.

## Reserves

### Council Created Reserves:

Council Created Reserves are that part of the accumulated surpluses established by Council resolution. Council may alter Council Created Reserves without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

### Restricted Reserves:

Restricted Reserves are those reserves subject to specific conditions accepted as binding by the Council, and which may not be revised by Council without reference to the courts or a third party. Transfers from Restricted Reserves may be made only for certain specified purposes or if certain specified conditions are met.

### Sinking Fund Reserves:

Prior to 1 July 1998, when the Local Government Act was amended, funds were required to be set aside each year to meet future repayments of loans or commitments. These funds, described as sinking funds, were administered by an independent body of Sinking Fund Commissioners appointed by the Council. These funds are included in the Statement of Financial Position, and any associated interest income is included in the Statement of Financial Performance.

### Self-funding Reserves:

Certain activities are undertaken by Council on the basis that the activities generate enough revenue over time to cover the cost of their operation. The net surplus or deficit held on behalf of these activities has been included in the Statement of Financial Position as Self-funding Reserves.

### Asset Revaluation Reserves

Revaluations are credited or debited to an asset revaluation reserve for that class of asset. When this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Financial Performance.

## Nature of Prospective Information

The information provided in this Annual Plan is of a prospective nature. This means that it is based on the forecasting of future events and it is expected that actual results may vary from the estimates. In making these forecasts, Council has made a number of significant assumptions. The purpose of this prospective financial information is for preparing the 2005/06 Annual Plan for Council and amendments to The Ten Year Plan, and may not be appropriate for other purposes. These assumptions are set out in detail within The Ten Year Plan and are summarised in the following section for this Annual Plan.

The Annual Plan budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

The budget for 2005/06 is a forecast based on assumptions which Council reasonably expects to occur. Any budgets for subsequent years to 2005/06 are projections based on more hypothetical but realistic assumptions.

## Changes in Accounting Policies

All Accounting Policies have been applied on a basis consistent with prior years.

# FORECASTING ASSUMPTIONS

## Introduction

In preparing the Annual Plan budgets a number of assumptions and predictions have been required. These are fundamental to enable interpretation by readers of projected financial statements etc.

The Annual Plan has been prepared on the same basis as The Ten Year Plan (Long Term Council Community Plan).

The sources of those assumptions are:

- Legislative requirements
- The Council's Revenue and Financing Policy
- Relevant financial reporting standards issued by the Institute of Chartered Accounts of New Zealand
- Approved asset management plans
- Industry best practice and norms
- Current practice or convention

The key assumptions made in preparing the Council's budget for the 2005/06 financial period and forecasts for the Annual Plan were adopted on 28 February 2005 and are as follows:

## General Assumptions

- All Budgets are net of GST (except for Pensioner Housing)
- All Budgets are on an accrual basis.
- All figures are in 2005/2006 dollars.
- Overhead costs are apportioned to operating projects on the basis of the appropriate method that fairly estimates internal labour and plant resources used in the delivery of that project.
- No allowance has been made for one-off redundancy and other costs that may arise from any change management or competitive tendering initiatives.
- There will be no significant changes to Council's operating environment.
- Council has in place adequate risk management procedures.
- Where there is a signed rental agreement applying to the year, the agreed ground lease rental is included. For all others an estimate has been made based on current market conditions.
- No new responsibilities will fall upon local authorities as a result of Central Government promulgated laws or requirements.

## Service Level Assumptions

- Budgets are based on maintaining existing level of service. All significant changes in service from The Ten Year Plan have been highlighted.

- Where delivery of service is linked to contract or lease arrangements this will continue on a similar basis unless otherwise allowed for.
- Services currently delivered by Council's business unit (Castlecorp) will continue to be delivered in this manner.
- Services will continue to be delivered through the existing Council structure.
- Currently delegated functions will remain at existing levels of service and funding.
- Delivery of service is based on current best practice and methodology, future efficiencies or increased compliance requirements are not provided for unless otherwise indicated.

## Liabilities and Investments Assumptions

- Interest is treated as a corporate expense and allocated to cost centres based on asset holdings as at 30 June 2004.
- Reserves are charged interest on their average balance held/borrowed over the year.
- Dividends are based on projections supplied by Council Organisations and Council-Controlled Organisations in which the Council has an equity investment. It is assumed the Council will maintain its existing investments.
- The Council will continue to earn interest on investments with third parties.
- The cost of borrowing on new debt is 6.5 percent.
- All borrowings will be in accordance with the parameters detailed in the Treasury Policy.
- There will be no significant unexpected asset loss or failure.
- Asset management plans are accurate and up to date.

## Funding Assumptions

- The Council has set its projected operating revenue (including rates) at a level sufficient to meet the projected operating expenditure, except where the Council has resolved that it is financially prudent not to do so.
- The total rates split between sectors, and the basis for both general and targeted rates, are all determined by the Revenue and Financing Policy.
- The application and level of user charges are all determined by the Revenue and Financing Policy.

## Capital

- Renewal/replacement projects are supported by an up to date asset management plan or on the IT computer list or property manager's list. Only minor items such as office furniture are not supported by an asset management plan.

- Allowance has been made for specific capital expansion developments that are required as a result of growth in population.
- Maintenance and additional running costs resulting from any new developments/major capital upgrades are allowed for in both the first year of operation and latter years.
- No allowance has been made for the depreciation implication of infrastructural and other asset revaluations that are carried out on a periodic/cyclic basis.
- Any network asset related work that is a level below the categories in the asset management plans, is maintenance.
- Resource consents will be acquired as required.

## 2005/06 Assumptions Risk Assessment

Council needs to establish objectively which planning assumptions involve a high level of uncertainty and to quantify that uncertainty. To that end, for all assumptions, Council needs to identify the:

- probability of occurrence of the risk;
- financial significance of the risk; and
- controllability of the risk by the Council.

There needs to be an analysis of the risks associated with the assumptions. A matrix can then be developed that rates the assumption probability, significance and controllability. This would then identify those assumptions with the highest risk. The assumptions below will be more rigorously analysed when we update The Ten Year Plan during 2005/06.

### (a) Probability

For each assumption there needs to be a view on the likelihood of the assumption either occurring or not occurring as the case may be. A simple rating between low, medium or high is used.

### (b) Financial Significance

There will be some assumptions that have high final impacts which need to be identified and rated.

### (c) Controllability

Some assumptions and the assessment of risk are controllable by Council i.e. internal. Whilst others are controllable by external organisations and agencies. This will normally imply a higher level of risk than internally controllable assumptions

Assumption	Risk Categories		
	Uncertainty	Financial Significance	Controllability
1. Growth	Med	Medium	External
2. Eastern sewerage schemes <sup>1</sup>	High	High	External/Internal
3. Rotorua Regional Airport development <sup>2</sup>	High	High	External/Internal
4. Energy Events Centre	Medium	High	External/Internal
5. Debt and interest rates	Medium	Medium	External
6. Service delivery methods	Low	Medium	Internal
7. Service levels	High	Medium	Internal
8. Economic outlook	Low	Medium	External
9. Asset management plans	Low	Medium	Internal
10. Waste management	Medium	Medium	External
11. Construction costs <sup>3</sup>	High	High	Internal/External
12. Lake water quality <sup>4</sup>	High	High	Internal/External
13. Economic outlook	Low	Low	External

There are four assumptions that have a high degree of uncertainty which are listed below:

- Eastern sewerage schemes**  
There is a range of funding sources for these new schemes, including Ministry of Health, who will provide 50% of the funding.
- Rotorua Regional Airport development**  
Future development is dependent on economic demand analysis providing certainty of the market for trans-Tasman services and that the necessary District Plan changes and designations are available for the airport development.

- Construction costs**  
Much of the expenditure Council incurs is through the contracting/construction sector. Costs have increased significantly over the past 12 to 18 months and look set to do so for a few years. The December CPI was 2.7% but the construction index was closer to 8%. The CPI is therefore not a good indicator of what has happened to much of the costs that affect Council. A 4.98% rate increase has been proposed in this Annual Plan which is substantially less than the construction index. However, Council believes that through smart purchasing and efficient service delivery, this increase is sustainable.

#### 4 Lake water quality

The lakes of Rotorua are vital to the social, cultural, environmental and economic wellbeing of the district, wider Bay of Plenty and New Zealand. However, there are serious water quality problems with some of the lakes. Considerable understanding of science has been developed over the last three to five years. There is a range of leading edge solutions that will need to be implemented very soon. The likelihood of their success is uncertain at this stage. In addition, funding of the solutions is beyond the capability of the district's financial resources. Central Government support is critical.

## Budgeting Margin of Error

In reading the 10 year budgets it is important to understand the level of accuracy of the financial information within the projections.

It is reasonable to expect that our estimates should be more accurate early in the life of our 10 year financial strategy.

Council does enough analysis, design and evaluation to provide estimates for capital projects within + 10% for the year ahead, + 20% for years 2 and 3, and + 30% for years 4 to 10.

This does not imply a 30% contingency or significant "fat". Nor is it deliberately 30% underestimated to make our long term financial projections look affordable. It is an acknowledgement that our estimate is the best available but realistically it could be + 30% from the final costs.

It must also be remembered that although estimates, project by project, or line item by line item, can individually be +30%, the reality is that some will prove to be +30% and other -30%, and to some extent the variations will cancel each other out.



# NOTES TO FINANCIAL STATEMENTS

## (a) Self Funding Reserve

Self Funding Reserves are reserves established at Council's will for activities undertaken by Council on the basis that the activities will generate enough revenue over time to cover the cost of their operation. The reserve balance represents accumulated balances to date of such activities.

	Closing Balance	Closing Balance	Closing Balance	Closing Balance
	Actual	Ten Year	Ten Year	Annual Plan
(thousands)	2004	2005	2006	2006
Pensioner Housing	228	(1,054)	(1,162)	(1,322)
Events Centre	0	0	0	(343)
Recreation Program	0	0	0	182
Airport	0	(14,197)	(15,828)	(16,477)
Wastewater	(1,001)	(3,263)	(2,867)	(1,931)
Landfill	(740)	375	679	326
Water	(1,667)	(3,728)	(4,910)	(4,290)
Refuse Collection	147	165	181	236
Eastern Trunk Line	(630)	(3,156)	(2,473)	(13,195)
Rural Waste Water	(5)	(261)	(1,676)	(426)
<b>Total Self Funding Reserves</b>	<b>(3,668)</b>	<b>(25,119)</b>	<b>(28,056)</b>	<b>(37,240)</b>

## (b) Council Created Reserve

Council Created Reserves are established by Council Resolution for the purposes stated below. Transfers to and from these reserves is at the discretion of Council.

	Closing Balance	Closing Balance	Closing Balance	Closing Balance
	Actual	Ten Year	Ten Year	Annual Plan
(thousands)	2004	2005	2006	2006
Reporoa Domain	10	13	12	9
Waikite Domain	26	28	29	27
<b>Total Council Created Reserves</b>	<b>36</b>	<b>41</b>	<b>41</b>	<b>36</b>

## (c) Restricted Reserve

Restricted Reserves are the subject of specific conditions set either by legislation, trust or bequests and the purpose may not be changed without reference to the courts by a third party.

	Closing Balance	Closing Balance	Closing Balance	Closing Balance
	Actual	Ten Year	Ten Year	Annual Plan
(thousands)	2004	2005	2006	2006
Reserves Development	63	8	31	589
Hillary Commission Reserve	7	0	0	0
Creative NZ Reserve	4	0	0	0
Library Bequest	300	300	0	0
Property Development	511	0	18	450
<b>Total Restricted Reserves</b>	<b>885</b>	<b>308</b>	<b>49</b>	<b>1,039</b>

### Restrictions

**Reserve Development:** Section 108 of the Resource Management Act 1991 requires funds to be set aside for the development of reserves.

**Creative NZ Reserve:** Creative Communities New Zealand Scheme funds available for promoting the arts.

**Library Bequest:** Section 31 of the Local Legislation Act 1937 states the fund is an endowment for the maintenance and benefit of a public library in the Borough of Rotorua.

**Property Development:** Sections 561,562,572 of the Local Government Act 1974 requires various sales of properties to be credited to a Housing and Property Account. Funds are used for Property Development. Act now superseded, closing reserve by 2007.

# Funding Impact Statement



# FUNDING IMPACT STATEMENT

*The Funding Impact Statement is required to include the information set out in clause 10 of Part 1 of Schedule 10 of the Local Government Act 2002 and sections 13 to 19 of the Local Government Rating Act.*

## Revenue and Financing Mechanisms

Council has decided to use the following revenue and financing mechanisms to cover the estimated expenses for each financial year. There is an indication of the level or amount of funds to be produced by each mechanism. This schedule is GST exclusive.

	2005	2006	2006
	Ten Year	Ten Year	Draft
(thousands)	Budget	Budget	Budget
<b>Revenue Mechanisms</b>			
General Rates	28,062	28,596	29,083
Uniform Annual General Charge	8,596	8,760	9,418
Less council rates	(737)	(740)	(788)
Refuse Rate	1,351	1,351	1,351
Sewerage Rates	7,060	7,632	7,335
Water Rates	2,333	2,405	2,476
Environment Enhancement Rate	0	0	347
Water by Meter	2,347	2,405	2,461
Less RDC Internal Use Water By meter	(125)	(125)	(127)
Rural Sewerage Disposal System Rates	0	1,554	74
<b>Total from Rating Mechanisms</b>	<b>48,887</b>	<b>51,838</b>	<b>51,630</b>
Development Contributions	0	500	16
Fees and Charges	11,499	11,803	12,701
Interest and Dividends	897	500	72
Licence Fees	2,954	2,954	3,737
Resource Management Contributions	557	557	657
Petrol Tax	660	660	660
Subsidies and Grants	16,275	9,258	19,592
Vested Assets	1,650	1,650	800
<b>Other Revenue Sources</b>	<b>34,492</b>	<b>27,882</b>	<b>38,235</b>
<b>Total Revenue Funding Mechanisms</b>	<b>83,379</b>	<b>79,720</b>	<b>89,865</b>
<b>Financing Mechanisms</b>			
Debt (Net Funding)	25,785	9,524	24,713
Sale of assets	737	2,022	299
Sinking funds (Net Funding)	3,585	999	999
Net Council Created and Restricted Reserves	670	257	250
Collection of Advances	4,465	82	151
Transfer equity	5,626	0	0
Funding from working capital (Net)	543	0	8,328
<b>Total Funding From Financing Mechanisms</b>	<b>41,411</b>	<b>12,884</b>	<b>34,740</b>
<b>Total Revenue and Financing Mechanisms</b>	<b>124,790</b>	<b>92,604</b>	<b>124,605</b>

The 2005 and 2006 Ten Year Plan revenue figures have been restated as follows: the general rate and uniform annual general charges have been restated to correctly reflect the split between these two categories of income. Licence fees and fees and charges have been re-categorised to reflect our new coding structure.



# Variations from The Ten Year Funding Impact Statement

## All funding categories

The Ten Year Plan was stated in 2004/05 dollars. This year's Annual Plan has been updated for inflationary changes to reflect 2005/06 dollars. There is commentary about the indices used for inflation in the Report of the Chief Executive in this Plan.

Each year funding categories are reviewed and updated for any change in expected volume and expected growth in revenue.

As part of this Annual Plan preparation, all operating revenues were reviewed and changes made in order to continue to comply with the respective funding policies or to ensure new costs are recovered. The major changes are set out in the Fees and Charges section of this Annual Plan. In addition, the off-street parking and parking building rentals have been increased to \$1.00 per hour to align with the current on-street charges.

Grants and subsidies revenue is updated for any timing changes for completion of capital projects.

## General Rates, Uniform Annual General Charge, Lakes Enhancement Rate

Formerly a part of general rates and the uniform annual general charge, \$347,000 has now been separately shown as Lakes Enhancement Rate. This is part of an overall review of the lakes sewerage funding and aims to show ratepayers that part of their rate used in funding lake water improvement initiatives. (Refer Amendment 3 in the accompanying Proposed Amendments to the Ten Year Plan for further details)

## Urban rates

Urban sewerage rates revenue is lower than forecast in The Ten Year Plan, by approximately \$300,000. The timing of collection of the sewerage rates for the urban septic tank conversion has now been estimated to be collected over a number of years instead of in the year of expenditure, to provide long term pricing stability.

## Eastern Sewerage Rates and Development Contributions

Due to the delay in completing the Eastern Trunk Main sewerage line and the funding policy for this project being further developed during the year, the Eastern sewerage capital rates and developers' contributions to the scheme are lower than expected for 2005/06. As part of the policy change,

lump sum payments are now categorised as fees and charges rather than as part of the rate.

Refer Amendment 2 in the accompanying Proposed Amendments to The Ten Year Plan for further details on the Eastern Sewerage Capital Rates.

## Interest and Dividends

Interest and dividend income is lower than estimated in The Ten Year Plan to reflect the change in treasury policy. (Refer Amendment 5 in the accompanying Proposed Amendments to the Ten year plan for further details)

## Funding from Working Capital

This reflects the change in treasury policy of less funds now required to be held for an emergency, allowing the funds to be used to reduce loan requirement. (Refer Amendment 5 in the accompanying Proposed Amendments to The Ten Year Plan for further details).

\$5 million in cash reserves have been used to reduce loan requirements. This has been off-set by \$7 million of funds for the Rotorua Energy Events Centre received in 2004/05 for projects now to be completed in 2005/06.

## Net Debt Funding

The net change in debt in this Annual Plan has changed because of the above as well as any additional capital expenditure requirements and any timing changes in projects from year to year.

Refer to the Report of the Chief Executive, section called Variations from the Ten year plan for 2005/06, for further detail.

The majority of the increase in loan requirements this year is due to projects initially budgeted in 2004/05, now to be completed this year.

## Rates set for 2005/2006

Council has set the following rates, pursuant to the Local Government (Rating) Act 2002, for the 2005/2006 rating year:

- a) A uniform annual general charge;
- b) A differential general rate;
- c) Targeted rates for lakes enhancement;
- d) Targeted rates for water supplies;
- e) Targeted rates for sewage disposal;
- f) Targeted rates for capital costs of sewage disposal systems;
- g) Targeted rates for refuse collection.



## Uniform Annual General Charge

Council has set a uniform annual general charge for each rating unit (GST inclusive).

The amount to be collected is \$10,595,250.

The uniform annual general charge has been set at a fixed amount per rating unit.

2005/2006	\$400.00
2004/2005 was	\$385.00

## Lakes Enhancement Rate

Council has set a lakes enhancement rate by way of a uniform amount for each rating unit that pays a UAGC (GST inclusive).

The amount to be collected is \$389,476.

The lakes enhancement rate is set at:

2005/2006	\$14.63
2004/2005	N/A

## General Rates

Council has set a general rate on land value on a differential basis (GST inclusive).

The amount to be collected is \$32,718,380.

The general rate will be collected from ten differential rating categories (three differential rating groups).

The definitions for these categories are in the Rating Policy.

		Rate factor per \$ of land value	
		2005/06	2004/05
Residential rating group			
1	Residential - General - Urban	0.01013	0.00961
2	Residential - General - Rural	0.00709	0.00673
3	Residential - Vacant - Urban	0.00912	0.00865
4	Residential - Vacant - Rural	0.00658	0.00625
5	Residential - Two Unit - Urban	0.01114	0.01057
6	Residential - Multi Unit	0.04302	0.04084
Business rating group			
7	Farming - General	0.00658	0.00625
8	Business - Inside CBD	0.03796	0.03604
9	Business - Urban Outside CBD	0.04353	0.04132
10	Business - Rural	0.02632	0.02499

## Targeted Rates for Water Supply

Council has set targeted rates for water supply to properties within the respective service areas (refer to plans in the section titled Targeted Rate Areas of Service) on a differential basis.

For these purposes:

A "**rating unit connected**" is one to which water is supplied from a Council water supply service.

A "**serviceable rating unit**" is one to which water is not connected, but the whole, or some part of which is within 100 meters of a Council water supply area.

The Targeted Rates for water supply are as follows (GST inclusive):

Urban (Plan numbers 10173 sheet 2, 10175 and WS 1053)	Charging unit	2005/06	2004/2005
The amount to be collected is \$2,014,875 (GST inclusive)			
A differential targeted rate of:			
<ul style="list-style-type: none"> <li>A fixed amount on each separately used or inhabited part of a rating unit connected (whether or not metered)</li> </ul>	<ul style="list-style-type: none"> <li>Annual for rating units connected</li> <li>Quarterly for metered supply</li> </ul>	\$144.40	\$138.00
<ul style="list-style-type: none"> <li>A fixed amount on each serviceable rating unit (at 50% of the fixed charge for a rating unit connected).</li> </ul>	Annual	\$72.20	\$69.00
A targeted rate on each metered separately used or inhabited part of a rating unit, of a fixed amount per cubic metre supplied in excess of 58,000 litres.	Per cubic metre, quarterly	\$0.64	\$0.60

<b>Mamaku (Plan number WS 4020)</b>	<b>Charging unit</b>	<b>2005/2006</b>	<b>2004/2005</b>
The metered water amount to be collected is \$50,625 (GST inclusive)			
A targeted rate of a fixed amount per connection on each rating unit connected.	Quarterly	\$26.50	\$26.50
A targeted rate on each metered rating unit of a fixed charge per cubic metre supplied to the rating unit.	Per cubic metre, quarterly	\$0.36	\$0.35
<b>Rotoiti (Plan number WS 6013)</b>	<b>Charging unit</b>	<b>2005/2006</b>	<b>2004/2005</b>
The metered water amount to be collected is \$46,125 (GST inclusive)			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected.	Quarterly	\$21.00	\$21.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit.	Annual	\$42.00	\$42.00
A targeted rate on each metered rating unit of a fixed amount per cubic meter supplied to the rating unit.	Per cubic metre, quarterly	\$0.27	\$0.29
<b>Rotoma (Plan number WS 6514)</b>	<b>Charging unit</b>	<b>2005/2006</b>	<b>2004/2005</b>
The metered water amount to be collected is \$43,875 (GST inclusive)			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected.	Quarterly	\$59.00	\$58.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit	Annual	\$118.00	\$116.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.	Per cubic metre, quarterly	\$0.76	\$0.72
<b>Kaharoa (Plan number WS 3529 sheet 2)</b>	<b>Charging unit</b>	<b>2005/2006</b>	<b>2004/2005</b>
The metered water amount to be collected is \$158,625 (GST inclusive)			
A targeted rate of a fixed amount per connection on each rating unit connected.	Quarterly	\$67.50	\$72.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.	Per cubic metre, quarterly	\$0.25	\$0.24
<b>Reporoa (Plan number 10174)</b>	<b>Charging unit</b>	<b>2005/2006</b>	<b>2004/2005</b>
The metered water amount to be collected is \$380,250 (GST inclusive)			
A differential targeted rate:			
• A fixed amount per connection on each Domestic/Non-Farming rating unit connected	Quarterly	\$26.00	\$26.00
• A fixed amount per connection on each Farming/Dairy-Factory rating unit connected.	Quarterly	\$35.00	\$35.00
A differential targeted rate:			
• A fixed amount on each metered Domestic/Non-Farming rating unit per cubic metre supplied in excess of the 83 cubic metres per quarter.	Per cubic metre, quarterly	\$0.31	\$0.31
• A lower fixed amount on each metered Farming/Dairy-Factory rating unit per cubic metre supplied in excess of 206 cubic metres per quarter.	Per cubic metre, quarterly	\$0.17	\$0.17

Hamurana (Plan number WS 3024)	Charging unit	2005/2006	2004/2005
The metered water amount to be collected is \$45,000 (GST inclusive)			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected	Quarterly	\$19.00	\$19.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit.	Annually	\$38.00	\$38.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied.	Per cubic metre, quarterly	\$0.23	\$0.21
A targeted rate on each rating unit for which no lump sum has been made towards the construction of the supply of a rate in the dollar in land value.	Rate per dollar of land value, annually	0.00108	0.00106
Okareka (Plan number WS 5024)	Charging unit	2005/2006	2004/2005
The metered water amount to be collected is \$29,250 (GST inclusive)			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected	Quarterly	\$17.50	\$17.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit.	Annually	\$35.00	\$34.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied.	Per cubic metre, quarterly	\$0.23	\$0.22

## Targeted Rates for Sewage Disposal

Council has set the following targeted rate on a differential basis for sewage disposal in the urban area. A differential targeted rate calculated as a fixed amount per toilet connected to the sewerage system on each rating unit as follows (GST inclusive):

Urban (Plan number 10192)	Proportion of the uniform sum	2005/2006	2004/2005
The amount to be collected is \$8,251,875 (GST inclusive).			
Category 1			
- means the rating units with 1 to 4 toilets (water closets or urinals)	100% of the uniform sum	\$273.50	\$266.00
Category 2			
- means the rating units with 5 to 10 toilets (water closets or urinals)	85% of the uniform sum	\$232.48	\$226.10
Category 3			
- means the rating units with 11 or more toilets (water closets or urinals)	80% of the uniform sum	\$218.80	\$212.80
<b>Availability</b>			
- means the rating units which are serviceable rating units.	50% of the uniform sum	\$136.75	\$133.00

## Targeted Rates for Capital Cost of Sewerage Schemes

Council has set the following targeted rates on a differential basis for sewerage schemes in the Mourea, Okawa Bay and Duxton Hotel areas (GST inclusive).

Okawa Bay (Plan number 10450 Sheet 13)	Charging Unit	2005/2006	2004/2005
The amount to be collected is \$26,742			
A fixed amount on each service allotment equivalent (SAE).	Per SAE, annually	\$477.55	N/A
Mourea (Plan number 10450 Sheet 14)	Charging Unit	2005/2006	2004/2005
The amount to be collected is \$64,375			
A fixed amount on each service allotment equivalent (SAE).	Per SAE, annually	\$289.00	N/A
Duxton (Plan number 10450 Sheet 13)	Charging Unit	2005/2006	2004/2005
The amount to be collected is \$12,972			
A fixed amount.	Annually	\$12,972.15	N/A

## Targeted Rates for Refuse Collection

Council has set targeted rates for refuse collection from separately used or inhabited parts of a rating unit within the respective service areas on a differential basis for refuse collection in urban and rural areas respectively, where the service is provided, as follows (GST inclusive):

Refuse Collection (Plan numbers 10196-001 [urban] and 10196-002 [rural])	Charging Unit	2005/2006	2004/2005
The amount to be collected is \$1,351,000			
Urban (weekly collection)	Annual	\$56.60	\$56.60
Urban (CBD twice-weekly collection)	Annual	\$113.20	\$113.20
Rural (weekly collection)	Annual	\$59.10	\$59.10

## Due dates for payment of rates

All rates (including targeted rates for water supply charged annually, but excluding targeted rates for water supply charged quarterly) will be payable in four instalments by the due dates, as follows:

Instalment	Due Date
Instalment Number 1	25 August 2005
Instalment Number 2	25 November 2005
Instalment Number 3	25 February 2006
Instalment Number 4	25 May 2006

Targeted rates for metered water supply charged quarterly (separately) will be payable within 30 days of invoice.

## Discount for Prompt Payment

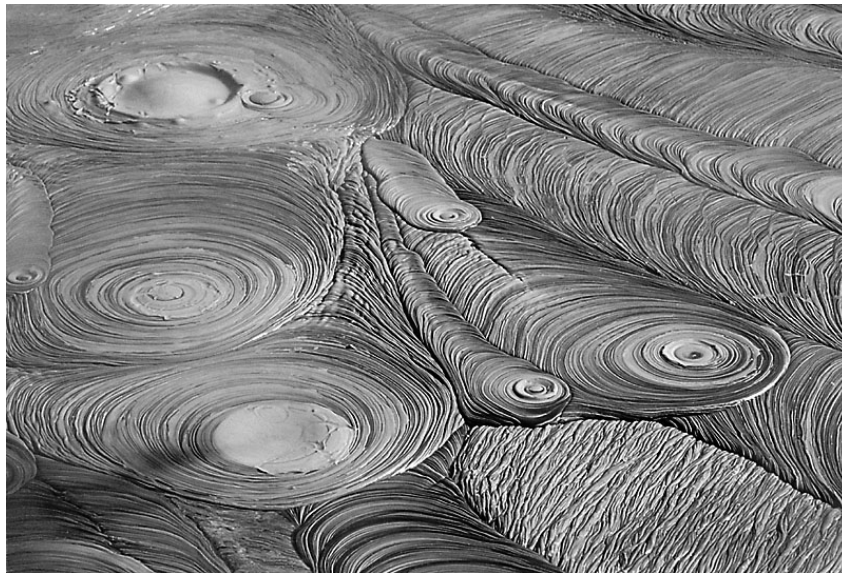
A discount, at a rate set annually, is allowed to any ratepayer who pays the total rates, charges, and levies as specified on the rates assessment, (excluding targeted rates for water supply charged quarterly), by the final payment date for the first instalment. The discount for 2005/2006 is 2%.

## Penalties on unpaid rates

- Current overdue rates instalments:**  
 A penalty will be added to any part of an instalment that remains unpaid after the due date for payment of the instalment. The penalty will be 10% of the unpaid instalment.
- Arrears of rates (including past instalments):**  
 A further penalty will be added to any unpaid rates (including penalties) at the beginning of the next financial year. The penalty will be 10% of the unpaid amount.

## Penalties on unpaid water invoices

- **Current overdue invoices for water supply charged quarterly:**  
A penalty will be added to any part of an invoice that remains unpaid after the due date for payment of the invoice. The penalty will be 10% of the unpaid invoice.
- **Arrears of water rates (including past instalments):**  
A further penalty will be added to unpaid water invoices (including penalties) at the beginning of the next financial year. The penalty will be 10% of the unpaid amount.  
A further penalty will be added on water invoices still owing 6 months after the above further penalty was added. The penalty will be 10% of the unpaid amount.



# Fees and Charges



# FEES AND CHARGES

## Animal Control Estimates 2005/2006

### Estimated Financial Position

The estimated expenditure of the Animal Control Unit for the 2005/2006 financial period is \$731,500.

### Sources of Funding

Current sources of funding available for Animal Control, including relevant Council funding policies as applicable are:

- Rates – This activity is funded 46% from general rates as per Council's Funding Policy.
- Prosecution Fees – Fees collected from prosecutions lodged for a variety of offences including infringement notices issued.
- Impounding Fees – Fees charged for the impounding and release of dogs and wandering stock.
- Dog Registration Fees – Fees set for the various categories of dogs as determined by Council.

### Current Level of Registration

As at 21 February 2005 a total of 10,086 dogs had been registered.

### Proposed New Fee Structure

	Previous Registration Fees	New Fees	Increase
Urban Domiciled Dogs	\$50.00	\$51.50	\$1.50
Rural Domiciled Dogs	\$28.00	\$28.85	\$0.85
Selected Dog Owner Status	\$28.00	\$28.85	\$0.85

Rebate for sterilised dogs	\$10.00	\$10.00	No change
Rebate for superannuitants	\$10.00	\$10.00	No change
Note – In terms of Council policy only one of either of these rebates is able to be claimed.			

Penalty for Late Payment	\$10.00	\$10.00	No change
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	New Fee	Increase
Dog Impounding Fees:		
First Impounding	\$90.50	\$2.50
Second Impounding	\$109.20	\$3.20
Third and Subsequent Impounding	\$128.75	\$3.75
Sustenance Fee (per day)	\$6.70	20c
Replacement Tag	\$5.80	20c
Collars:		
Toy Dog	\$3.85	10c
Small	\$5.40	20c
Medium	\$6.20	20c
Large	\$8.50	25c
Extra Large	\$10.50	30c
Nylon	\$7.40	20c
Leads:		
Narrow	\$7.20	20c
Wide	\$7.70	20c
Muzzles:		
Nylon Mesh	\$15.50	50c
Wire	\$25.75	75c
Plastic – Size		
2	\$14.30	35c
3	\$15.40	45c
4	\$16.75	50c
5	\$17.00	-30c
6	\$19.00	-30c
7	\$21.00	-50c
8	\$21.75	-\$2.55
9	\$22.95	-\$4.00
10	\$23.40	-\$3.55
Kennel Licensing:		
Initial Licence	\$43.40	\$1.20
Renewal of Licence	\$15.90	50c

### Re-Homing Fees

Re-homing fees were set in 1997 when Council determined that as a matter of policy all dogs to be re-homed from the pound would be either spayed or neutered before being released to their new owners.

Animal Control staff arrange for the animal concerned to be delivered to the vet for the procedure to be carried out. The animal is then collected from the vet by the new owner following completion of registration documentation etc.

Council's supplier of veterinary services has given notice that it proposes to increase the fee for spay/neuter from 1 July 2005.

In addition to the actual fee charged by the veterinary surgeon, there is an additional comparatively small fee charged by the Animal Control Unit to cover the cost of feeding the dog from the time it was impounded until it is released to its new owner plus the cost of delivering the dog from the pound to the veterinary clinic to enable the procedure to be carried out.

The additional fees to be charged by Council's Veterinary services provider still offer a substantial advantage to the Animal Control Unit in its re-homing operation.

	New Fee	Increase
i) For a female dog	\$120.00	\$40.00
ii) For a male dog	\$80.00	\$20.00

Hire of bark collar:

Hire for seven (7) days	\$20.60	60c
Purchase Ag'tronics	\$150.00	\$4.00
K.9 Anti-Bark	\$185.00	\$5.00
Dog Watch	\$217.00	\$7.00

## Stock Impounding Fee

These fees were set some years ago and it is appropriate that they be adjusted upwards to bring them into line with today's costs.

### 1. Callout Charges (minimum)

	New Fee per 2 hours	Increase
7.00am to 6.00pm	\$80.00	\$30.00
6.00pm to 10.00pm	\$100.00	\$30.00
10.00pm to 7.00am	\$150.00	\$50.00
Weekends and Holidays	\$150.00	\$50.00

Where extra labour is used, this cost will be added to the above charges.

### 2. Transportation:

In addition, transport costs on a distance basis or the actual charge of the carrier (if used) will be added.

	New Fee	Increase
3. Release Fee:	\$25.00	\$5.00

This fee is charged to the owner of the stock when the stock is released from the pound to cover time and vehicle expenses.

### 4. Poundage Fees:

	Fee (no change)
For every horse, donkey, cattle beast or deer	\$15.00 per head per day
For every sheep, goat or pig	\$10.00 per head per day

Note: Such costs for the above are to be increased if necessary to cover the actual labour and vehicle running costs and feeding of the stock. Any special food purchase e.g. pig pellets, hay, etc is to be charged directly against the animal which consumed it, as provided for by Section 14(3) of the Impounding Act 1955.

(All fees include GST)



## Building Control Fees and Charges

It is considered that it is reasonable to charge the full cost of consents to those applying for them; however, those who receive consents should not pay for the cost of providing information to the general public. From analysis of services provided, approximately 20% of staff time is involved in the

provision of public information; this means it is reasonable to recover 80% of the total costs by way of user charges.

The impact of a 80:20 split of costs on fees and charges is that fees and charges will increase by 3%. This percentage takes into consideration both the 80:20 proposed split and the impact that the implementation of the new Building Act legislation will have on the Building Section during the next 12 months.

### New Building Fees Effective 1 July 2005

CATEGORY			NEW BUILDING CONSENT	NEW P.I.M.
(increase of 3%)				
<u>CATEGORY 1:</u> Minor Works with a value less than \$10,000				
CT1A	(i)	Basic Garage / Carport / Deck / Farm Buildings	\$268.00	\$137.00
CT1B	(ii)	Sleep out with NO plumbing	\$362.00	\$137.00
CT1C	(iii)	Sleep out with plumbing	\$362.00	\$137.00
CT1D	(iv)	Additions and alterations	\$362.00	\$137.00
CT2	<u>CATEGORY 2:</u>	Minor structures, additions and alteration from \$10,000 to \$40,000.	\$556.00	\$175.00
CT3	<u>CATEGORY 3:</u>	Dwellings and commercial buildings with a value less than \$100,000.	\$628.00	\$175.00
CT4	<u>CATEGORY 4:</u>	Dwellings and commercial buildings between \$100,000 and \$250,000.	\$700.00	\$299.00
CT5	<u>CATEGORY 5:</u>	Dwellings, Commercial and Industrial developments between \$250,000 and \$500,000.	Quote	Quote
CT6	<u>BALANCE:</u>	For each \$100,000 or part thereof in excess of \$500.00 an additional fee of \$500.00.	Quote	Quote

### New Fees as required by the Building Act 2004

	a)	Land Information Memorandum (L.I.M.) per property	\$159.00
CT1E	b)	Solid Fuel Heaters	\$155.00
CT1F	c)	Minor Work	\$155.00
	d)	Code Compliance Certificate	\$ 60.00
	e)	Compliance Schedule	\$ 60.00
	f)	Building Warrant of Fitness (Administration Charge)	\$ 39.00
	g)	Receive and record work completed by an approved Building Certifier, (each certificate).	\$ 53.00
	h)	Network utility operators, on cost to Council plus a 10% administration charge.	
	i)	Independent Qualified Person application	\$90.00 (Three years)
	j)	Re-site Report Inspections	(Quote)
	k)	Swimming Pool Inspection	\$68.00
CT1G	l)	Demolition Consent (Plus disconnection fees where applicable).	\$88.00
	m)	Installation of fire alarms (plus compliance schedule fee where applicable)	\$88.00
	n)	Extra Building Consent Inspections (Cost per ½ hr inspection)	\$51.00

### New Fees as required by the Building Act 2004

o)	Section 77 Notice (Building across 2 Boundaries)	\$45.00
p)	Certificate of Acceptance – Section 97-99	
	(Lodgement Fee)	\$50.00
	Plus ½ hourly Rate of (Plus Probable P.I.M and B.C Fee)	\$51.00
q)	Amended Compliance Schedule – (Section 106)	\$70.00
r)	Notice to Fix – (Sections 164-165)	\$70.00
s)	Warrant of Fitness (Amendments) – (Section 108)	\$70.00

## Environmental Health Fees

The following fees have been approved by Council for the 2005/06 financial year.

### Strategic Direction

The collection of fees is a partial cost recovery for a range of activities undertaken across the key result areas of the Strategic Plan.

### Issues

Reasonable fees are required to be set by the Council to enable recovery of costs within Environmental Health's activities involving registration, licensing, inspection and other miscellaneous functions.

The fees were last increased in 2004.

### Food Premises

The table below (Table 1) sets out the different classifications of food premises that require registration/inspection, the past RDC fees, as well as the new fees.

In general, the increase ranges between 2.2% to 3.1%, a proportion of which is to supplement the cost of purchasing specialist equipment and necessary to enable the proper inspection of food premises. The equipment may include digital thermometers and probes, thermal data loggers, hand-held non-contact thermometers and digital cameras.

**Table 1**

#### 1. Food Premises

Pursuant to the Health (Registration of Premises) Regulations 1966, the following shall be the fees payable on application for Certificates of Registration and upon the issue, renewal and noting of certificates:

- i) **Category FP1A.** Premises required to be registered within terms of Regulation 4(1)(2) of Food Hygiene Regulations 1974.

Category FP1A	2004/05	New fee 2005/06
Application Fee	\$318.00	\$328.00
Transfer Fee	\$90.00	\$92.00

- ii) **Category FP1B.** Premises required to be registered pursuant to Regulation 4(1)(4)(2) of the Food Hygiene Regulations 1974 being school canteens not operated for private profit, confectionery shops, health food shops, fruit and vegetable shops and produce markets; and wholesale and retail premises on which no food is prepared, manufactured, handled or stored unless the food is at all times enclosed in a wrapper or container, and which is not a delicatessen.

Category FP1B	2004/05	New fee 2005/06
Application Fee	\$193.00	\$198.00
Transfer Fee	\$68.00	\$70.00

- iii) Notwithstanding anything contained in Clauses (i) and (ii), where a person in any one registration year is a holder of, or applies to become the holder of, a Certificate of Registration in respect of any one premises for one or more of the purposes described in Regulation 4(1)(42) of the Food Hygiene Regulations 1974, only one application or one renewal fee shall be payable in respect to that premises, the fee being the higher applicable.

#### 2. Other Food Premises

- i) **Category FP2A.** Premises used by the Crown and state owned enterprise or the Rotorua District Council (for their own use); any partially exempt premises, or any licensed premises within the meaning of the Sale of Liquor Act 1989, being an on-licence, off-licence, other than (iii) below, club licence, chartered club.

Category FP2A	2004/05	New fee 2005/06
Application Fee	\$318.00	\$328.00
Transfer Fee	\$90.00	\$92.00

- ii) **Category FP2B.** Any occasional food premises with the exception of those operated by a non-profit making organisation.

Category FP2B	2004/05	New fee 2005/06
Application Fee	\$130.00	\$134.00
Transfer Fee	\$68.00	\$70.00

- iii) **Category FP2C.** Premises which are an off-licence within the meaning of Sale of Liquor Act 1989 and not being part of a premises registered under the Food and Hygiene Regulations, or part of a premises licensed as an on-licence or club licence.

Category FP2C	2004/05	New fee 2005/06
Application Fee	\$193.00	\$198.00
Transfer Fee	\$68.00	\$70.00

- iv) **Category FP2D.** Any premises that, being a warehouse or storeroom are food premises by reason only of the fact that they are used for the storage and handling in the course of storage, of food packages and containers.

Category FP2D	2004/05	New fee 2005/06
Application Fee	\$130.00	\$134.00
Transfer Fee	\$46.00	\$47.00

- v) **Category FP2E.** Any premises in which food is supplied or sold:
- Together with accommodation; or
  - Incidental to the rendering of any service in consideration of exclusive charge for the food and service and not otherwise registered or licensed.

Category FP2E	2004/05	New fee 2005/06
Application Fee	\$130.00	\$134.00
Transfer Fee	\$46.00	\$47.00

**Table 2**

**General Health Activities and Miscellaneous Fees**

**1. Funeral Directors and/or Mortuaries**

In pursuance of Regulation 13 of the Health (Burial) Regulations 1946 as inserted by Regulation 3 of the Health (Burial) Regulations 1946 Amendment No. 2, the following fees shall be payable:

Category	2004/05	New fee 2005/06
Application Fee	\$127.00	\$130.00
Transfer Fee	\$46.00	\$47.00

**2. Offensive Trades**

That in pursuance of Regulation 7 of the Health (Registration of Premises) Regulations 1966, the following fees shall be payable:

Category	2004/05	New fee 2005/06
Application Fee	\$190.00	\$196.00
Transfer Fee	\$68.00	\$70.00

**3. Hairdressers**

In pursuance of Regulation 3 of the Health (Hairdressers) Regulation 1967 and Regulation 7 of the Health (Registration of Premises) Regulations 1966, the following fees shall be payable:

Category	2004/05	New fee 2005/06
Application Fee	\$127.00	\$130.00
Transfer Fee	\$46.00	\$47.00

**4. Hawkers and Mobile Shops, etc**

Category	2004/05	New fee 2005/06
i) Hawkers	\$24.45	\$24.45
ii) Itinerant traders	\$124.00	\$124.00
iii) Keepers of mobile and travelling shops	\$124.00	\$124.00

\* Licences under (ii) and (iii) above have proportional fees for the periods of less than 12 months with a maximum of \$29.53 for the first 12 weeks plus \$2.50 per week thereafter.

**5. Camping Grounds**

These fees are set pursuant to the Health (Registration of Premises) Regulations 1966 and Council's bylaws for the licensing of residential institutions.

Category	2004/05	New fee 2005/06
Application Fee	\$226.00	\$233.00
Transfer Fee	\$90.00	\$92.00

**6. Bee Keeping**

Category	2004/05	New fee 2005/06
Licence fee in residential area (maximum of 4 hives then planning application)	\$89.00 \$45.00	\$89.00 \$45.00

**7. Billiard Room**

Category	2004/05	New fee 2005/06
Application Fee	\$89.00	\$89.00
Transfer Fee	\$45.00	\$45.00

**8. Miscellaneous**

Category	2004/05	New fee 2005/06
New Premise Establishment Fee	\$120.00	\$123.00
Additional Inspection Fee	\$120.00	\$123.00

**9. Noise**

Return of seized and impounded noise equipment pursuant to Section 323 and 328 of the Resource Management Act 1991.

Category	2004/05	New fee 2005/06
Cost for first seizure	\$160.00	\$160.00
Cost for subsequent seizures	\$300.00	\$300.00

## Landfill Fees and Charges

At the Works Committee meeting of 6<sup>th</sup> December 2004 it was resolved to bring forward options for differential pricing of waste that can be recycled. Essentially this is concrete/asphalt and green waste/timber. It is one of the requirements of the NZ Waste Strategy to be implemented by December 2005 to improve the recovery of greenwaste and construction material. The quantity of these two items currently being landfilled in total make up some 31% of the total waste stream or about 42% of the annual landfill volume. As Council already has in place a process through the Resource Recovery contract it has the potential to significantly reduce annual landfilled volume.

The NZ Waste Strategy requires 60% recovery of greenwaste by Dec 2005 and to have a measurement system in place and set local targets. Further targets are set for 95% diversion of greenwaste by 2010 and 50% diversion of construction materials by 2008. Currently Council achieves 30% diversion of greenwaste and 25% diversion of construction and demolition material. The current system has resulted in a

slow increase in recovered material but is unlikely to achieve the long term targets and certainly will not achieve the short term target for greenwaste. The differential charge will increase the rate of recovery.

## Differential Charge

The idea behind this is to provide an incentive for customers (commercial and residential) to separate waste at source and hence gain a financial reward for disposing of waste. The differential needs to be sufficient as it is less convenient in many cases and in some cases will be a higher cost i.e. required to hire two skip bins instead of one. Council's operational costs will be higher but this is offset by increased landfill life (effectively lower cash flow for capital costs). A key assumption in setting charges is that overall income remains the same, but this will be dependent on the amount recovered. It will probably be a few years until a trend or static position is reached and charges may have to be reviewed. Charges are calculated to ensure that the fixed operational costs are recovered.

## Fees and Charges

### Disposal Charges - Commercial

Landfill	Greenwaste/ Timber	Clean Concrete/ Asphalt
\$40 per tonne	\$10 per tonne	\$10 per tonne

### Disposal Charges – Domestic (with coupon)

	Landfill	Greenwaste/ Timber	Clean Concrete/ Asphalt
Single trailer	\$15.00	\$5.00	\$5.00
Tandem trailer	\$30.00	\$10.00	\$10.00
Car	\$7.50	\$2.50	\$2.50

A \$3.00 premium will apply for cash.

The charges will apply from 1 January 2006.

## Resource Management Act Charges

### Fees Increase

This year sees an increase in land use consent fees and some subdivision related consents of around 3% to maintain a similar level of cost recovery. No change is proposed to the processing of preliminary plans of subdivision because the Council funded share is currently less than for land use consents and there are fewer subdivision consents than land use consents. The median figures were used for time taken to process consents to determine a reasonable charge. Therefore, in most circumstances, the fee is fixed.

There are, however, larger consent applications that from the outset will clearly take a greater amount of staff time to process. The Fees Schedule has for some time now allowed for an individual estimate to be prepared in these circumstances, up to a maximum figure, to enable the Council's actual and reasonable costs to be recovered. In previous years this has been up to 35% of the total costs to process the application. It is proposed to increase this to 45% of staff time and where external peer review is required, 100%.

The increase in the Private Plan Change base fee of \$4,000 has also been increased by 3%. Private Plan changes involve a considerable amount of staff time and it is the Council's policy that private Plan Changes be cost recoverable. Estimates will be made for individual changes.

Accordingly, revenue from Planning Implementation has been estimated at \$250,000, being an increase of \$7,000 from the previous year. This is the target revenue that has been recommended in this report.

## Funding Criteria

The current and proposed charges are based on less than actual and reasonable costs that are incurred by Planning Implementation in processing applications for Resource Consent.

In accordance with the Council's directions, those who are applying for Private Plan Changes meet all of the costs associated with the processing of those changes. This is not explicitly stated in the Funding Policy and the approach taken to Private Plan Changes and Designations should perhaps be reflected in the Policy.

The Council has determined that it will not have a policy to fully recover the private benefit component of processing consents under the Resource Management Act. The actions that Council is carrying out and charging for are clearly within the ambit of Section 36(1).

## Planning Services Fees and Charges 2005/06

Matters relevant to all fees and charges.

The following charges shall take effect from 1 August 2005.

The following charges have been set under section 36 of the Resource Management Act 1991. The charges relate to goods and services provided by the Rotorua District Council unless specified otherwise.

Charges are expressed as either a fixed fee or a deposit. Where a deposit applies, Council will charge the actual and reasonable cost of the goods or services provided. Where the cost is less than the deposit held, a refund will be due to the applicant where the difference is greater than \$30. Where the cost is more than \$30 greater than the deposit held, there shall be an additional charge. Applicants shall be advised in advance of the estimate of any additional charge to be levied.

Any deposit may be increased up to a maximum of \$20,000 in the case of a land use or subdivision consent, or up to \$40,000 in the case of a private plan change.

The charge-out rate applying to any additional charge shall be \$95 per hour.

All charges are GST inclusive.

Actual and reasonable costs will relate to any matter for which a charge is payable under section 36(1) and will include costs incurred by Council in respect of staff salaries and wages (including travel time, and on-costed to cover overheads), internal processing and assessment costs, information management and record keeping, external assessment/audit or consultant costs, and any direct costs or disbursements (including vehicle use, photography, postage, advertising) plus GST.

A charge applies to each document required in the case of certificates and legal documents.

A charge applies to each identifiable application or consent being applied for.

<b>A. NOTIFIED LAND USE (CODE 235 8900 6738)</b>		<b>Existing Fees</b>	<b>Proposed Fees</b>
<b>Code:</b>		<b>Fee \$ (GST incl.)</b>	<b>Fee \$ (GST incl.)</b>
10*	Notified	\$1,320+ A&M	\$1,390 + A&M
11*	Notified Sign Bond	\$30	\$30
44*	Limited Notified (Controlled)	\$510	\$525
45*	Limited Notified (Controlled – Minor [B12 or B13])	\$290	\$300
46*	Limited Notified (Discretionary or Non Complying)	\$825	\$850
<b>B. NON-NOTIFIED LAND USE (CODE 235 8900 6775)</b>			
12	Controlled – CBD Design Guide approvals	\$115	\$120
13	Controlled – Minor accessory buildings in rear & side yards	\$120	\$125
14	Controlled	\$330	\$340
19	Limited Discretionary	\$330	\$340
15	Discretionary	\$510 + M	\$525 + M
16	Non Complying	\$510 + M	\$525 + M
17	Change of Conditions (S127)	\$275	\$285
18	Extension of time (S125)	\$240	\$245
20	Cancellation of approval (S126)	\$170	\$175
21	Charges from Draughting	Actual & reasonable costs	Actual & reasonable costs
22	Additional Consent Fees, commissioning reports, photocopying, related to a consent	Actual & reasonable costs	Actual & reasonable costs
<b>C. MONITORING (CODE 235 8900 6814)</b>			
25	Fee for Consents that require monitoring (All Restricted Discretionary, Discretionary & Non Complying) <ul style="list-style-type: none"> <li>• (+A) where there is fair and reasonable cause for unprogrammed monitoring or additional site inspections</li> <li>• A higher monitoring charge may be applied as a condition of consent to implement a specific monitoring programme either as:               <ul style="list-style-type: none"> <li>▪ A fixed charge; or</li> <li>▪ An annual charge where ongoing monitoring is required</li> </ul> </li> <li>• Where consent is refused, the monitoring charge shall be refunded.</li> <li>• Where no monitoring is required, the monitoring charge shall be refunded.</li> </ul>	\$120 + A	\$120 + A
<b>D. LAND USE RELATED (CODE 235 8900 6775)</b>			
30	Compliance Certificates (Sect. 139)	\$265	\$270
31	Outline Plan Approval (Sect. 176A)	\$220	\$225
32	Certificates – Sale of Liquor	\$95	\$100
33	Overseas Investment, Motor Vehicle Dealers & Others Similar Certificates	\$95	\$100
34	Reserve Contribution	As calculated	As calculated
35	Certificate of Title	\$10.50 Actual cost.	\$10.50 Actual cost
<b>E. GENERAL ADMINISTRATION CHARGES (NOT CONSENT RELATED)</b>			
40	Information Gathering		
41	Photocopying		
43	Commissioning of Reports		

A = Additional charges @ \$95 per hr

M = Monitoring fee required

\* = The fees stated are deposits. Additional costs will be incurred for additional processing and partial costs for independent assessments commissioned in relation to applications

<b>A. NOTIFIED SUBDIVISION CONSENT (CODE 235 8900 6776)</b>		<b>Existing Fees</b>	<b>Proposed Fees</b>
<b>Code:</b>		<b>Fee \$ (GST incl.)</b>	<b>Fee \$ (GST incl.)</b>
50*	Notified	\$1,320 + A	\$1,360 + A
51*	Notified Sign Bond	\$30	\$30
78*	Limited Notified (Controlled)		\$525
79*	Limited Notified (Discretionary or Non-Complying)		\$850
<b>B. NON-NOTIFIED SUBDIVISION (CODE 235 8900 6792)</b>			
52	Controlled	\$670	\$690
53	Controlled – Cross lease to freehold	\$670	\$690
54	Controlled – Cross lease amendment	\$160	\$165
66	Limited Discretionary	\$670	\$690
55	Discretionary	\$770	\$795
56	Non Complying	\$830	\$855
57	Section 226	\$670	\$690
58	Right-of-way	\$310	\$320
59	Additional Lots	@ \$30 per lots over 3	@ \$30 per lots over 3
60	Change of Conditions (S127)	\$265	\$270
61	Extension of time (S125)	\$240	\$245
63	Cancellation of approval (S126)	\$170	\$175
64	Survey Plan approval (S223)	\$100	\$100
65	Compliance Cert. approval (S224c)	\$150	\$150
67	Engineering Inspection & Plan approval	\$200 or min. 1% of work	\$200 or min. 1% of work
68	Additional Consent Fees, commissioning reports, photocopying, related to a consent	Actual & reasonable costs	Actual & reasonable costs
69	Charges from Draughting		
<b>C. SUBDIVISION RELATED (CODE 235 8900 6792)</b>			
74	Reserve Contribution		
75	Appln to reduce or waive esplanade reserves	\$220 + A & DOC's fee	\$220 + A & DOC's fee
76	Preparation of Bonds, Consent Notices, Legal documents	\$160 + A	\$165 + A
77	Where separate from subdivision appln, easement approval, cancellation of right-of-way, amalgamation, encumbrance, consent notice, easement, building line restriction, etc.	\$105	\$105

A = Additional charges @ \$95 per hr

\* = The fees stated are deposits. Additional costs will be incurred for additional processing and partial costs for independent assessments commissioned in relation to applications

<b>A. DESIGNATIONS (CODE 230 8900 6859)</b>		<b>Existing Fees</b>	<b>Proposed Fees</b>
<b>Code:</b>		<b>Fee \$ (GST incl.)</b>	<b>Fee \$ (GST incl.)</b>
85	Designation	\$1,320	\$1360
86	Alteration to designation	\$330	\$340
87	Removal of designation	\$220	\$225
<b>B. PLAN CHANGES (CODE 230 8900 6865)</b>			
88*	Private Plan Change	\$4,000 + A	\$4,120 + A
<b>C. POLICY DOCUMENTS (CODE 230 8900 6821)</b>			
90	Copy of Operative District Plan on CD	\$25	\$25
91	District Plan text (Printed)	Actual Cost	Actual Cost
92	District Plan maps (Printed)	Actual Cost	Actual Cost
93	Copies of Plan Changes, Variations and publications (Printed)	Actual Cost	Actual Cost
	District Plan Updates on CD	\$25	\$25
	Variation Twelve on CD	\$25	\$25
<b>D. GENERAL POLICY ADMINISTRATION (CODE 230 8600 4808)</b>			
95	Photocopying policy	\$1 per page	\$1 per page
96	Charges from Graphic Solutions	Actual Cost	Actual Cost

A = Additional charges @ \$95 per hr

D = + Cost of altering Planning Map

\* = The fees stated are deposits. Additional costs will be incurred for additional processing and partial costs for independent assessments commissioned in relation to application.

# Rotorua Regional Airport Limited





# ROTORUA REGIONAL AIRPORT LIMITED

## Draft Statement of Intent 2005-2008

### Board Statement

#### Board of Directors

#### Rotorua Regional Airport Ltd

Neil Oppatt (Chairman)

Bob Martin

Bill Kingi

Ray Cook

The 2004 – 2005 financial year has been a hugely significant period for Rotorua Regional Airport Limited. As directors, we have been privileged to be a part of the long awaited development and upgrading works which have taken place over the preceding months. During this time of physical construction and development, we have also been actively involved with the development of the company structure and formulating the way in which the company, in partnership with Rotorua District Council, will operate this vital component of the Rotorua transport network into the future.

As directed by Rotorua District Council, our 100% shareholder, RRAL has been working to facilitate the transfer of the infrastructure assets (land, buildings, runways, carpark, and apron) from the ownership of RRAL into the asset holdings of RDC. This transfer took place in February 2005 and the company's activities are now concerned primarily with operating the airport and maximising its economic return to the shareholder, with RDC using its planning and engineering resources to plan, fund and oversee future airport development. As a board, we believe that this transfer was a vital step toward establishing a facility capable of meeting the needs for trans-Tasman airline services.

The relationship between RRAL and RDC continues to be very effective and functional. The RRAL Board would like to acknowledge the contribution the RDC Engineering Department has made to the capital development programme. The RRAL Board and Management have enjoyed working with RDC engineers and this positive relationship is set to continue with the many and varied projects planned for the future of Rotorua Airport.

The management of RRAL has also changed during the last year, with CEO Bob Wynn leaving the company in March 2004. Matt Clarke was formally appointed to the position of Airport Manager in July 2004 and the Board has been very pleased with the way he has guided the company through this interesting and challenging period.

This Statement of Intent is a three year forecast which seeks to inform the shareholder of the new financial position, goals

and objectives of Rotorua Regional Airport Limited. The next three years will certainly shape the long term future of our airport. The RRAL Board is looking to ensure that all steps are taken to ensure that we continue to improve and evolve to provide an efficient, attractive airport facility capable of exceeding the expectations of our shareholder, the Rotorua District Council, and also our customers, the travelling public.

### Introduction

Rotorua Regional Airport Limited –

- (a) is a limited liability company pursuant to the Companies Act 1993.
- (b) is a Council-controlled Trading Organisation pursuant to Section 6 Local Government Act 2002.

This Statement of Intent –

- (a) is prepared in compliance with Section 64 and the Eighth Schedule of the Local Government Act 2002.
- (b) sets out the objectives and scope of activities proposed to be carried out by the Rotorua Regional Airport Ltd (RRAL) in the 3 year period commencing 1 July 2005.

The Local Government Act 2002 requires that Council-controlled organisations –

- (a) review their Statement of Intent prior to the commencement of each financial year.
- (b) have a financial year ending 30<sup>th</sup> June each year.

The Eighth Schedule of the Local Government Act states that the purpose of a statement of intent is to -

- (a) state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute.
- (b) provide an opportunity for shareholders to influence the direction of the organisation.
- (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

On 31<sup>st</sup> July 2002 Rotorua District Council purchased the 50% shareholding in RRAL held by Central Avion Holdings Limited. The Council now holds 100% of the shares in RRAL.

During the 2004-2005 financial year the infrastructure assets of Rotorua Regional Airport Limited are expected to be transferred to the Rotorua District Council. RRAL will remain

as the airport operating company leasing the assets from the company's sole shareholder, RDC.

The Rotorua District Council is now responsible for the ongoing capital development of the airport. The operating company's goals are primarily concerned with optimising the use of the infrastructure.

## Mission Statement



## Goals

### Maintenance of domestic jet services

Qantas Airways have announced that they will continue to operate Boeing 737-300 aircraft between Christchurch and Rotorua throughout the winter of 2005. RRAL will look to facilitate continued jet services.

### Establishment of trans-Tasman passenger services

RRAL continues to assist RDC with obtaining the planning consents required to extend the airport runway. RRAL continues to invite airlines to commence trans-Tasman flights as soon as we are able to host them.

### An attractive customer friendly airport facility

The Stage One terminal development is almost complete. The new air conditioned terminal will be host to a Robert Harris café and retail area providing all travellers with a great place to visit. RRAL will use local imagery to present a fantastic, positive representation of our wonderful city and region.

### Minimum cost and optimum benefit to community shareholder

RRAL has worked hard to ensure that long term tenancy agreements maximise the revenue generating capacity of the airport.

## Objectives

- Meet the airport needs of the district and region
- Maintain an effective working relationship with the shareholder/landlord
- Meet the needs of the community for growth in aircraft movements and passenger numbers
- Establish trans-Tasman services utilising existing runway length
- Operate company as a 'stand alone' commercial business
- Optimise net earnings potential for reinvestment in airport development
- Mitigate adverse effects caused by airport operations and development
- Maintain a safe, secure airport facility
- Provide for general aviation activity consistent with primary purpose of providing for airline passenger services

## Strategies

- Maximise revenue potential of terminal expansion – food/beverage, retail, and advertising
- Mitigate adverse effects caused by airport operations and development – noise, dust, flight path clearance
- Facilitate introduction of scheduled and charter services on Rotorua trans-Tasman routes by fostering relationships with airline customers
- Develop and increase existing revenue streams – secure parking, space rental, new services
- Reach compliance with international Civil Aviation Authority security regulations to enhance likelihood of trans-Tasman operations
- Work with RDC to develop parking and roading facilities to enhance the 'look and feel' of the airport facility
- Contribute to initiatives to secure the right to have an international airport servicing Rotorua
- Provide RDC with advice to assist with infrastructure development planning

## Governance

The board's approach to governance dictates:

- that the company operate as a legal entity in it's own right separate from it's shareholder<sup>1</sup>
- that all decisions are made by the board of directors<sup>2</sup> in accordance with the company constitution and statement of intent
- the maintenance of an effective working relationship with the shareholder on issues of strategic importance

<sup>1</sup> Section 15 of the Companies Act 1993 refers

<sup>2</sup> Section 128 of the Companies Act 1993 and Section 60 of the Local Government Act 2002 refer

## Nature and Scope of Activities

The primary nature and scope of activities for the company is to operate an airport at Rotorua.

These activities include:

- (a) Retaining the Civil Aviation Authority Aerodrome Operator Certificate by abiding by the laws and requirements outlined in the Civil Aviation Act.

- (b) Operating a facility suitable for the required use of the public in a safe, lawful and efficient manner.

Over the next three years the company will actively pursue opportunities for passenger and revenue growth. RRAL will endeavour to present the airport facility to all users at a standard which residents and ratepayers can be proud of.

## Capital Expenditure Proposals

RRAL capital expenditure will be limited to the budgeted replacement and repair of company owned assets.

## Financial Forecasts

The following table forecasts the company's anticipated financial performance for the three year period ending 30<sup>th</sup> June 2008. Please note: the financial forecasts contained within this document are based upon the projections of Price Waterhouse in their capacity as financial advisors to Rotorua District Council.

**Table 2: Financial Forecasts**

Year ending 30 June :	2006	2007	2008
Total revenue	2,170,000	2,219,000	2,368,000
Total expenses	2,121,000	2,166,000	2,311,000
Surplus / deficit before tax	49,000	53,000	57,000
Provision for tax	16,000	17,000	19,000
Surplus / deficit after tax	33,000	36,000	38,000
Term Debt	412,000	412,000	412,000
Total assets (net current liabilities)	945,000	981,000	1,019,000
Total shareholders' funds	533,000	569,000	607,000
Net profit after tax to average shareholders' funds	6%	6%	6%
Debt equity percentage	44%	42%	40%

## Performance Targets

The company will report to the shareholders on the following performance indicators:

- (a) The ratio of net profit before and after tax/interest/revaluations (before extraordinary items) to average shareholder funds  
 (b) The ratio of net profit before and after tax/interest/revaluations to average total assets (including revaluations, net current liabilities).  
 (c) Interest cover ratio

**Table 3: Performance Indicators**

Year ending 30 June :	FORECAST		
	2006	2007	2008
(a) Return on Shareholders Funds (after tax and interest)	6%	6%	6%
(b) Return on Average Shareholders Funds (before tax and interest)	11.8%	10.8%	10.3%
(c) Return on Assets After Tax and Interest	3%	4%	4%
(d) Return on Assets Before Tax and Interest	5%	5%	6%
(e) Interest Cover (before tax and interest)	5.1	7.5	15.25

## Capital Structure

The Capital Structure post the asset transfer will comprise of 500 \$1 share owned by Rotorua District Council.

## Dividend Policy

The company's policy prior to Council purchasing a 100% shareholding has been to distribute by way of dividend to shareholders 40% of net profit after tax provided where it is prudent to do so.

The shareholder has waived its right to require RRAL to pay a dividend provided that the company invests an equivalent amount into airport development.

## Shareholders' Funds/Assets

Table 2 shows total projected shareholders' funds post asset transfer.

Shareholders' funds include share capital and reserves.

Assets include current assets and non-current assets which comprise fixed assets at historical cost and amortised over the expected life of the asset and deferred taxation.

## Debt : Equity Ratio

The company aims to maintain a debt equity percentage between 40 – 45%.

## Interest Cover

The company aims to have an interest cover above 2.

## Acquisition of Shares

The company will not subscribe for, purchase, or otherwise acquire shares in any company or other organisation without first being authorised to do so by a special resolution of shareholders.

## Shareholder Information

The company will provide shareholders with information on its current and future activities at a level sufficient for shareholders to assess the performance of the company against its objectives.

The company will endeavour to disclose as much information on its operation as is practicable and consistent with commercial and confidentiality considerations. As a minimum this will involve:

- (a) Half Yearly:  
Compliance with Section 66 Local Government Act 2002 including -
- i) a year-to-date unaudited statement of profit and loss compared with budget and result for the same period of the previous year.
  - ii) balance sheet at the end of the period
  - iii) statement of source and application of funds
  - iv) updated performance indicators
  - v) narrative on major developments, trends, and any revisions to financial forecasts in the light of performance which will be the subject of discussions with the shareholders
- (b) Annual:  
Compliance with Sections 67 and 68 Local Government Act 2002 including -
- i) annual report and accounts
  - ii) budget for coming year
- (c) As Necessary:
- i) details of any new developments not covered in the annual budget and Statement of Intent.
  - iii) any other information justifiably sought by the shareholder

## Compensation

Except for shareholder advances, the board is not proposing any activities for which it would seek compensation from any local authority<sup>3</sup>

## Company Valuation

The book value of shareholders' funds as at 30 June 2005 will be:

<u>Shares:</u>	
Rotorua District Council	\$500,000
Total Book Value of Shares	\$500,000
<u>Loan Finance:</u>	
Rotorua District Council	\$0

The value of the company's assets at 30 June 2005 will be:

<u>Asset Type</u>	<u>\$</u>	<u>Basis</u>
Land	0	Valuation
Improvements	0	Valuation
Plant and equipment	517,000	Book Value

<sup>3</sup> Clause 9(j) of the Eighth Schedule of the Local Government Act 2002 refers

## Accounting Policies

Accounting policies will be consistent with legal requirements in the Companies Act and generally accepted accounting standards as promulgated by the Institute of Chartered Accountants of New Zealand, modified as necessary for the circumstances of the company.

## Auditors

Section 70 of the Local Government Act 2002 requires that Council-controlled Organisations be audited by the Auditor General.

## Public Notification

The Act requires that any completed statement of intent and each modification adopted must be made available to the public within 1 month after the date on which it is delivered to the shareholders or adopted, as the case may be.



# 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 District Council Plan Number 10450

### Description of Area

A rural area to the east of Rotorua City, generally from the Airport to the SH 30/SH 33 intersection as shown on RDC Plan No.10450, Sheet 11. Refer also to District Plan Maps 44-51.

### History

In response to concern over the health of Rotorua's lakes and the effect of lakeside settlements, Council in 2004 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:

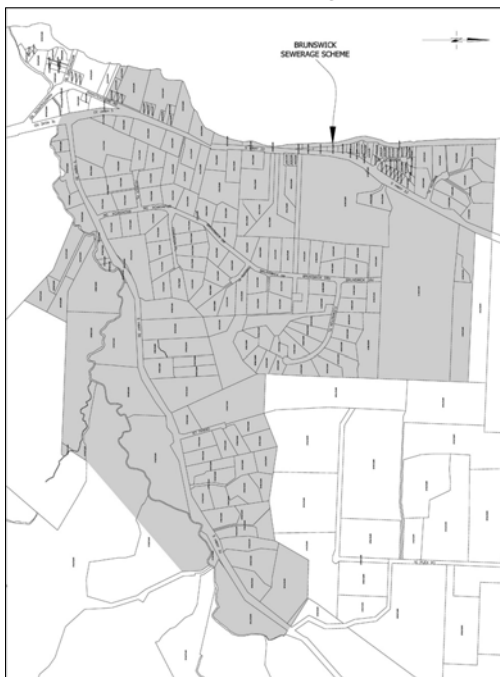
Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.  
Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

#### 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:

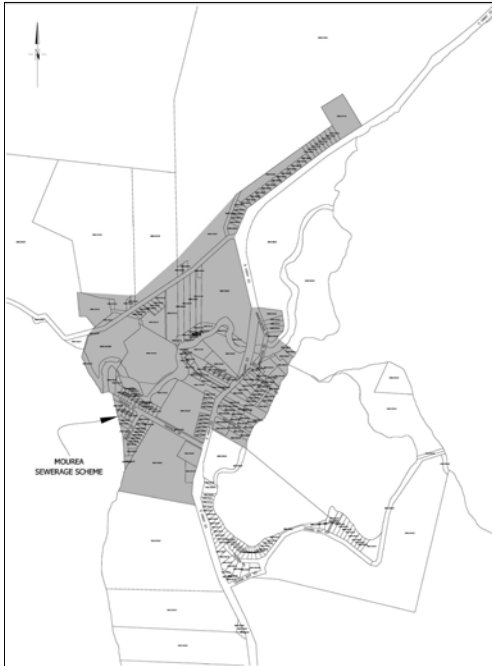
#### Legislation:

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:

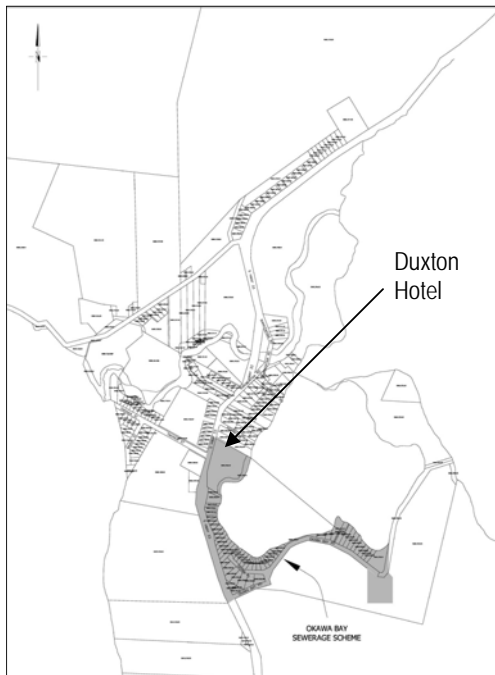
#### Legislation:

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:

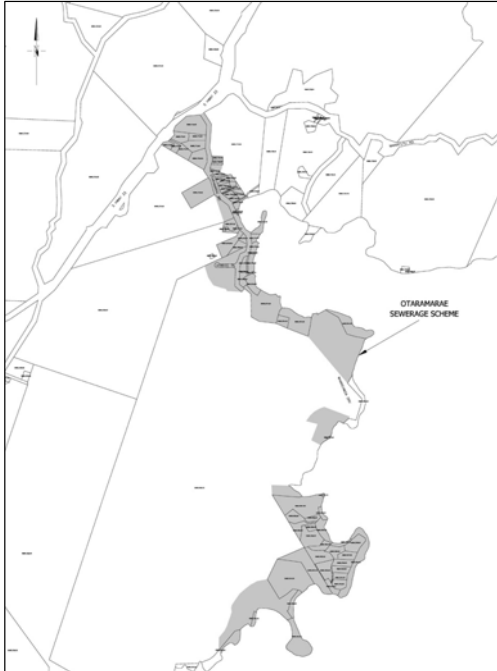
#### Legislation:

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:

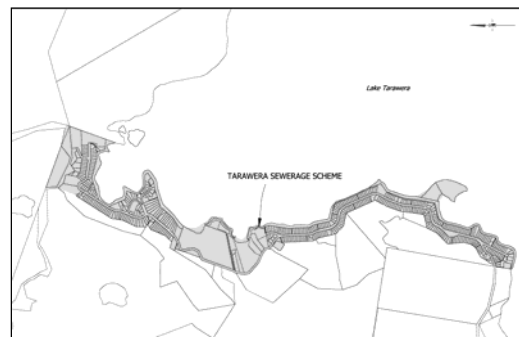
Local Government Act 2002, Local Government (Rating) Act 2002, Health Act 1956.

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:

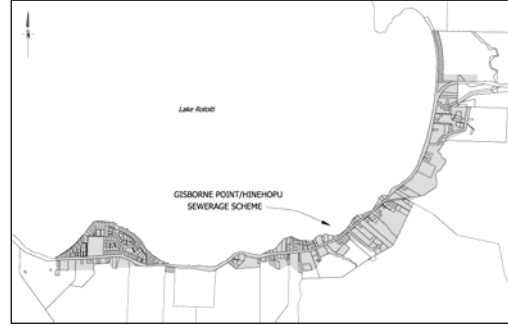
#### Legislation:

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.

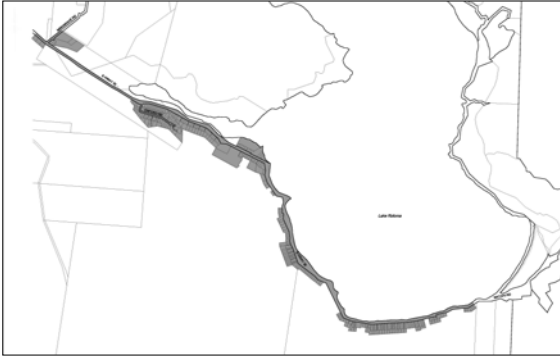
Rotorua District Council Water Services and Trade Wastes Bylaw 2004.

**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

## Page 188 of Ten Year Plan

## 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	58.4
Debt will be higher by	39.3
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	0.6
	<b>58.4</b>

Note: Years 2007 onwards are projections

DESTINATION

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