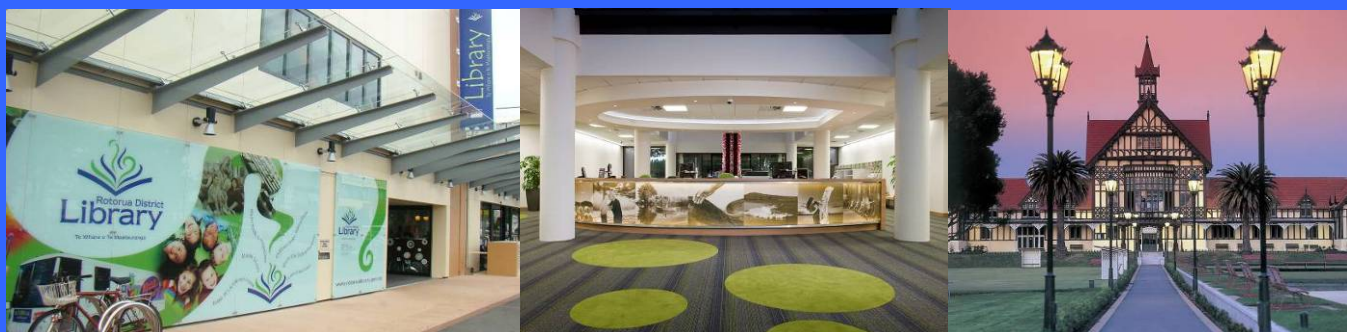


Rotorua District Council  
Te Kaunihera ā rohe o Rotorua

# Annual Plan 2010 / 2011



Shaping  
@ Rotorua

DESTINATION  
ROT@RUA  
ROTORUA DISTRICT  
COUNCIL



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The Annual Plan 2010/11 has been prepared in accordance with the requirements of the Local Government Act 2002. This Annual Plan (which includes prospective financial statements) was adopted at the extraordinary meeting of Council Tuesday 29 June 2010.

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# Introduction

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# Mihi

E te iwi whānui o te rohe o Rotorua  
Nga mihi nui ki a koutou katoa.

E whai ake nei ko nga tuhinga whai mana ā tau e hāngai ai ki te 'Kaupapa Here' a tō Kaunihera e whakamahere ai i nga tirohanga i roto i nga tekau tau kei mua i a tātau.

Ki tā te Ture LGA 2002, ia ono tau me whai whakaaro te iwi whānui o te rohe ki te whakatakoto whakaaro mo te ōranga o te rohe. Ēnei ōranga he hua he painga ka puta mo te rohe me te iwi.

E waru nga pūtanga kua ara ake:

- He iwi whānui e ngākau nui ana ki te manaaki motuhake
- He iwi whānui tēnei e ngākau nui ana ki te taiao
- He iwi whānui tēnei e ngākau nui ana ki tōna oranga
- He iwi whānui tēnei e kōkiri whakamua ana i roto i nga take houkura
- He iwi whānui tēnei e mau pū motuhake ana ki ōna taonga me ōna rātonga
- He iwi whānui e manawa nui ana ki te ao Māori
- He iwi whānui tēnei e ngākau nui ana ki te ako me te mātauranga
- He iwi whānui tēnei e tino tūmeke ana

Ko tēnei o nga tuhinga whai mana ā tau kei roto i tōna tau tuarua tēnei o te kaupapa here o te mahere tekau tau. Kia mutu raano te kōrero ngātahi me te iwi whānui o te rohe ka whakatauiratia ake ma tenei o nga Herenga Kaupapa me pehea e taea ai e te Kaunihera te whakaputa i nga painga me nga hua i roto i nga tau tekau kei mua i a tātau.

*“Ma te mahi tahi hei painga mo te iwi whānui ka tutuki nga tumanakotanga e wawatanuitia ana”*

To the people of Rotorua  
Warm greetings to you.

This document is the Annual Plan which follows Council's Ten Year Plan which defines the community's vision and aspirations, as collated by your council.

The Local Government Act 2002 says that every six years, the Council must give people the chance to put forward their vision for the future of the district. This vision has been translated into community outcomes.

Eight community outcomes have been identified.

- 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

This Annual Plan is year two of the Ten Year Plan document which involved extensive consultation with the community of Rotorua District, and shows how the council proposes to contribute towards those outcomes over the next ten years.

*“By working together for the greater accomplishment of all we will succeed and fulfil the hopes and aspirations of our people”*

# Message from the Mayor and Chief Executive



*His Worship the Mayor  
Kevin Winters (right) and  
Council Chief Executive  
Peter Guerin*

Kia ora koutou.

Welcome to Rotorua District Council's Annual Plan for 2010/11.

This plan sets out the services, projects and programmes the council has resolved to undertake for our community in the coming financial year. It has been formulated following a comprehensive programme of consultation with residents.

A record 3754 submissions were received as a result of community consultation, with 3416 of these submissions referring to the topical issue of recycling waste in the district. Ninety nine of the submitters accepted an offer to come and speak to the mayor and councillors in-person in support of their submissions, during four days of hearings.

Earlier in the process we released for public consideration a number of recycling concepts aimed at improving waste minimisation in the district. Seven recycling options were set out in the draft Annual Plan including the possibility of introducing kerbside recycling. However an overwhelming majority of submissions supported expansion of the existing In-Town Recycling Centre combined with construction of a new drop-off recycling centre in Ngongotaha, rather than introducing kerbside recycling. The council has decided to go down the path of expanding recycling services in line with that community preference, and the new Ngongotaha recycling centre should be operating by April 2011.

There is no doubt that the wider issue of sustainability, and in particular that of managing our district's waste, is seen by the community as vitally important for our future. We have therefore accorded this matter significant attention in our annual plan and in the newly adopted Waste Management & Minimisation Plan.

Continuing to make steady progress on achieving Rotorua's community outcomes is a focus of this plan for the period 1 July 2010 to 30 June 2011. This relates to the second year of the council's strategic document called the Ten Year Plan 2009-19.

It shows that we intend maintaining the range and high level of services which our community has come to expect from its council, and we will also implement

strategies that provide every opportunity for the district's economy to grow.

In 2010/11 a number of service levels will be boosted. These include:

- ✓ **Waste minimisation:** \$117,500 extra has been budgeted to increase recycling services, including an expansion of the In-Town Recycling centre and construction of a new drop-off recycling facility in Ngongotaha. Bulk landfill charges will increase from \$60 to \$80 per tonne to encourage higher rates of recycling and extra income generated from this will be used to further subsidise waste minimisation projects.
- ✓ **Tourism promotion:** An additional \$1.4 million is included specifically for tourism promotion, principally focused on the key Australian visitor market. Some of this additional spending will be funded from a joint venture partnership with the government through Tourism New Zealand.
- ✓ **Lakes water quality improvement:** Funding is included for construction of a new community sewerage scheme for the Okere/Otaramarae/Whangamarino area. Council is making very good progress on implementing new sewerage schemes for lakeside communities and to date has already constructed or is in the process of constructing new schemes for Okawa Bay and Mourea, Hinemoa Point, Brunswick Park, Rotokawa and Lake Okareka.

Other highlights planned for the 2010/11 year include:

- ✓ **Elections:** Holding three-yearly council elections for the positions of mayor, councillors and Lakes Community Board members, with Election Day being 9 October 2010
- ✓ **Economic development:** \$1.8 million for RDC's new Grow Rotorua Development Fund
- ✓ **Lakeside revitalisation:** Progressing Phase 1 of the city's proposed Lakeside redevelopment
- ✓ **Youth facilities:** New skateboard parks or similar facilities specifically for Rotorua youth
- ✓ **Sustainability:** Progressing the 'Waste 2 Gold' programme in partnership with Scion
- ✓ **Museum:** Continuing progress on the Museum Centennial Development project
- ✓ **Theatre:** Completing the Civic Theatre redevelopment project

Despite additional funding being allocated for a number of new services and projects, and national inflationary levels being around 2%, the council has been determined to keep rates increases to an absolute minimum. We are therefore very pleased to be in a position to present an annual plan that signals a rates increase across the district of around just 1%.

This is one of the lowest rates increases achieved by any council for the 2010/11 year and is an excellent result for our community at a time when many other councils have had to introduce substantially higher rates increases.

# Message from the Mayor and Chief Executive

## cont.

Coinciding with community consultation on this Annual Plan for the 2010/11 year, the council also formally consulted residents on five other proposals and a plan, and decisions were subsequently made on these. They are:

- Improve waste minimisation by enhancing recycling services.
- Remove the differential general rate on all council properties, meaning rating according to usage in line with all other property in the district.
- Connect properties in Mourea and Hinemoa Point areas to the council's sewerage system and to charge a rate to recover the cost from those residents.
- Establish a Council Controlled Organisation (CCO) called Rotorua District Council Holdings Ltd. The purpose of setting up this CCO is to provide the council with the flexibility to establish companies as and when needed to benefit of the Rotorua community.
- Air Quality Control Bylaw to help address Rotorua's poor air quality. At the time of adoption of the Annual Plan this proposal remained under discussion by the council with adoption expected during the 2010/11 year once further investigations and discussions have taken place.
- Waste Management and Minimisation Plan - a legal requirement setting out strategies for reducing the district's waste.

We are particularly grateful to the large number of residents who have engaged with the council during consultation on the Annual Plan and on our other key proposals. It is very encouraging to see so many people from all walks of life showing an active interest in council matters and becoming involved in this important democratic process.

Your participation means you are playing an important role in shaping Rotorua and in crafting a future for your community.



**Kevin Winters**  
Mayor



**P J Guerin**  
Chief Executive

# Major issues for 2010/11

## Rates for 2010/11

### General and Rooding Rates

Council will have the following General (including UAGC) and Rooding rate increase:

2009/10 Rates budget	\$43,275,000
2010/11 Rates budget	\$43,543,000

Rate Increase 0.6%

The Annual Plan financials for 2010/11 show a 0.6% increase in total general and rooding rates revenue when compared with 2009/10.

#### Factors contributing to this increase

There are a number of factors contributing to the rate increase, including:

- Increase in marketing and promotion budget.
- Inflationary increases.

This is offset by:

- Reduction in provision for renewing library books.
- Reduction in provision for road reseal renewals.

## Targeted Rates

The table below shows an overall increase in targeted rates for 2010/11 of 5.0% when compared to the budget for 2009/10.

The main reasons for this increase are:

- Increased business and economic development expenditure principally for tourism promotion.
- A new rate for sewerage capital contributions.
- Increased cost of refuse collection because of increased landfill charges.

The changes when compared to the Ten Year Plan figures for 2010/11 are:

- Reduced refuse rates (although have included some waste minimisation initiatives).
- Reduced sewerage rates because of the delay for some schemes.
- Increase in Business and Economic Development rate resulting from increasing the budget for tourism promotion.

### Targeted rates for 2010/11

Targeted Rates (\$'s in thousands)	2009/10 Ten Year Plan	2010/11 Ten Year Plan	2010/11 Annual Plan	Variation to 2010/11 Ten Year Plan
Water Rates	3,320	3,420	<b>3,321</b>	(99)
Sewerage Rates	9,957	10,256	<b>9,957</b>	(299)
Sewerage Capital Rates	255	226	<b>849</b>	623
Refuse Rates (including Waste Minimisation)	1,872	2,746	<b>2,042</b>	(704)
Water By Meter	3,427	3,530	<b>3,529</b>	(1)
Lakes Enhancement Rate	407	419	<b>419</b>	-
Urban Sewerage Development Rate	117	121	<b>57</b>	(64)
Lakes Community Board	50	52	<b>50</b>	(2)
Business and Economic Development Rate	4,239	4,553	<b>4,673</b>	120
<b>Total targeted rates</b>	<b>23,644</b>	<b>25,323</b>	<b>24,897</b>	(426)
Less Internal Water By Meter	(174)	(178)	<b>(254)</b>	(76)
<b>Total Net Targeted Rates</b>	<b>23,470</b>	<b>25,145</b>	<b>24,643</b>	(502)

## Long Term Debt

Council uses loans to fund and spread the cost of significant assets over their useful lives. By using loans this ensures that there is intergenerational equity, in other words the current generation is not required to fund the total cost of Council assets while the next generation, which also receives the benefit from these assets, does not.

Council has a borrowing policy which among other things limits the total loans to a level that is considered affordable for ratepayers long term. These limits are reviewed annually to ensure they are reasonable. Currently Council is well within the stated borrowing limits.

Presently it is estimated that total debt will peak at approximately \$177.0 million during the period of Council's Ten Year Plan.

Since the 2009-19 Ten Year Plan was prepared there has been some amendments to the projected capital projects programme, however, it is anticipated that the overall debt will be still approximately the same, but where there are delays to projects, borrowing will also be done when the project is carried out.



# Major issues for 2010/11 cont.

The following tables show the total debt figures from the Ten Year Plan 2009-19, and also the estimated debt figures:

## Long Term Debt comparing to Ten Year Plan

For the year ending 30 June:		2010	2011	2012	2013	2014	2015	2016	2017	2018
\$'s in millions										
<b>2009/19 Ten Year Plan</b>										
Total Debt		138.7	159.0	167.4	166.8	175.1	169.1	159.1	148.4	130.6
<b>Projected Debt</b>										
	<b>Actual</b>									
Total Debt	100.8	125.1	155.7	165.8	167.1	177.3	173.4	165.6	157.2	141.8
Self funding accounts	54.1	63.0	83.8	85.0	81.2	87.6	91.1	82.4	74.7	63.1
<b>General Debt</b>	<b>46.7</b>	<b>62.2</b>	<b>71.9</b>	<b>80.8</b>	<b>85.9</b>	<b>89.8</b>	<b>82.3</b>	<b>83.2</b>	<b>82.5</b>	<b>78.7</b>

## Prudent Financial Management and Balanced Budget Requirement

The financial management principles and requirements are explicitly stated in Section 101 of the Local Government Act 2002 which requires Council to:

- Manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently.
- Make adequate and effective provision in the long-term council community plan and the annual plan.
- Funding needs of Council must be met from those sources that the Council determines to be appropriate after considering:
  - the community outcomes the activity contributes to
  - whether benefits are attributable to separate parts of the community
  - the period which the benefits cover
  - extent to which action (or inaction) of a group requires the need for the activity
  - the costs and benefits of funding the activity differently to how other activities are funded

Section 100 of the Local Government Act 2002 requires Council to ensure that each year's projected operating revenues are sufficient to meet the year's projected operating expenses.

However, a Council can set revenues at a level different to meet projected operating expenses as long as it is financially prudent to do so.

The purpose of the balanced budget requirement is to ensure there is sufficient funding to enable the activities and assets of Council to be sustainably funded.

Operating revenue and operating expenditure is defined as having the same meaning as Generally Accepted Accounting Practice. In other words "operating revenue" means the amount of revenue entering into the determination of the operating surplus (e.g. sales, rental, investment income, rates, fines, donations,

grants, fees, etc) and "operating expenses" means the amount of expenses (including depreciation, interest on borrowings, etc) entering into the determination of the operating surplus.

The OAG has issued guidance in relation to the balanced budget requirement and financial prudence. The key points are:

Council must determine whether or not the budget presented is financially prudent.

When determining the prudence of the financial statements, Council will need to assess whether there are any unusual or non-recurring items of expenditure or revenue which affect the "balanced budget" requirement.

Council is presently projecting that there will be an operating surplus for 2010/11 and the Council's Ten Year Plan 2009-19 projects there will be surpluses ranging from 16.3 million to 29.7 million. These figures indicate that Council is complying with section 100 and is financially prudent. However, included in the revenue figures are capital grants and contributions, which are largely for one-off capital projects (e.g. sewerage schemes and museum extensions), and if these projects were not being undertaken then it is unlikely that Council would have an operating surplus. While Council technically complies with section 100 (i.e. operating revenues are sufficient to meet operating expenses) there is an operating deficit for the years up to 2014/15 once capital revenue is deducted from the operating revenue.

# Major issues for 2010/11 cont.

The following table shows the operating deficits after grants, subsidies etc for capital projects have been deducted:

For year ending 30 June (Thousands)	Annual Plan 2010/11	TYP 2010/11	TYP 2012	TYP 2013	TYP 2014	TYP 2015
Surplus	17,179	23,694	26,705	23,999	19,765	25,737
Plus ½ depreciation on roads	2,292	2,901	3,003	3,076	3,371	3,642
	19,471	26,595	29,708	27,075	23,136	29,379
Less Capital Revenue:						
Capital Grants	21,220	25,317	21,589	15,566	13,882	20,309
Development & Financial Contributions	3,484	3,862	4,777	5,340	6,269	6,915
Capital Rates	906	226	3,684	4,988	1,979	429
Vested Assets	1,843	1,843	1,898	1,955	2,014	2,075
Operating Surplus/(Deficit) excluding capital revenue	(7,982)	(4,653)	(2,240)	(774)	(1,008)	(348)

## Council Activities and Levels of Service

The activities undertaken by Council and the service level for these activities are established when Council prepares and consults on its Ten Year Plan. The activities and the level of service are Council's contributions to the various community outcomes and subsequently the four community well-beings (i.e. Economic, Environmental, Social and Cultural).

If Council wishes to significantly alter the level of service including commencing or ceasing an activity, then this can only be done by making an amendment to the Ten Year Plan.

The Annual Plan for 2010/11 and budget is prepared on the basis of retaining the current level of service and activities. It is the community's expectation that Council continues to provide at least the current level of services and activities.

## Capital Projects for 2010/11

The following table lists the capital expenditure for 2010/11 by group. The programmed capital work has been revised from what was in the Ten Year Plan to only include work that is likely to be completed for the upcoming year.

Description (\$'s in thousands)	Total Annual Plan 2011	Ten Year Plan	Variance
<b>Castlecorp</b>			
Business Unit Castlecorp	15	15	-
Fleet	935	806	(129)
<b>Castlecorp Total</b>	<b>951</b>	<b>821</b>	<b>(129)</b>
<b>Environmental &amp; Regulatory Group</b>			
Parking Enforcement	72	72	-
<b>Environmental &amp; Regulatory Group Total</b>	<b>72</b>	<b>72</b>	<b>-</b>

Description (\$'s in thousands)	Total Annual Plan 2011	Ten Year Plan	Variance
<b>Government &amp; Strategic Direction Group</b>			
Policy and Strategic Direction	1,800	3,605	1,805
Property Management	623	573	(50)
<b>Governance &amp; Strategic Direction Group Total</b>	<b>2,423</b>	<b>4,178</b>	<b>1,755</b>
<b>Infrastructural Group</b>			
City Services Operations	82	82	-
Eastern Sewerage Scheme	5,569	6,798	1,229
Hamurana Water	34	-	(34)
Laboratory	4	4	-
Land Drainage	1,173	1,019	(155)
Landfill	3,359	309	(3,050)
Mamaku Water	362	17	(345)
Reporoa water	627	252	(375)
Transport - Subsidised	12,515	13,196	681
Transport - Un-Subsidised	1,791	2,508	717
Urban Water	3,901	4,770	869
Waste Management	1,000	1,813	813
Wastewater – Urban	11,593	10,145	(1,448)
Wastewater - Rural	8,063	9,187	1,124
Water Investigations	31	31	-
<b>Infrastructural Group Total</b>	<b>50,104</b>	<b>50,137</b>	<b>33</b>
<b>Overheads</b>			
Finance Group	7	7	-
Information Management	333	283	(50)
Information Technology	811	539	(272)
Land Information Services	239	239	-
Records	332	52	(280)
<b>Overheads Total</b>	<b>1,722</b>	<b>1,121</b>	<b>(602)</b>

# Major issues for 2010/11 cont.

Description (\$'s in thousands)	Total Annual Plan 2011	Ten Year Plan	Variance
<b>Social &amp; Cultural Group</b>			
Aquatic Facilities	176	176	-
Cemeteries/Crematorium	400	1,240	839
Community Grant	124	-	(124)
Community Policy and Resources	34	42	7
Convention Centre	1,939	629	(1,310)
Energy Events Centre	35	35	-
Events & Community Programmes	9	-	(9)
International Stadium	22	19	(3)
Pensioner Housing	33	33	-
Public Gardens/General Reserves	925	2,005	1,079
Public Library	437	643	206
Rotorua Museum of Art & History	10,104	9,021	(1,083)
Rural Fire	-	103	103
<b>Social &amp; Cultural Group Total</b>	<b>14,240</b>	<b>13,946</b>	<b>(295)</b>
<b>Tourism &amp; Economic Development Group</b>			
Rotorua Regional Airport	5,147	758	(4,389)
Tourism Rotorua Travel and Information	40	-	(40)
<b>Tourism &amp; Economic Development Group Total</b>	<b>5,187</b>	<b>758</b>	<b>(4,429)</b>
<b>Total Capital Expenditure</b>	<b>74,699</b>	<b>71,032</b>	<b>(3,667)</b>

The following table shows how this capital work is to be funded for 2010/11:

## Funding for Capital Expenditure 2010/11

Description (\$'s in thousands)	2009/10 TYP	2010/11 TYP	2010/11 Annual Plan
Capital Expenditure	71,197	71,032	74,699
<b>Funded By:</b>			
Funding from Depreciation (Rates)	8,029	8,372	7,528
Loans from/(to) Corporate Fund	17,150	11,719	11,964
Capital Grants	16,223	21,024	20,117
Resource management fees and Development Contributions	5,161	6,116	5,287
Reserves Net	24,973	24,002	30,037
Asset Sales	(338)	(201)	(234)
<b>Total Funding for Capital</b>	<b>71,197</b>	<b>71,032</b>	<b>74,699</b>

## Lake Water Quality Initiatives

Council is continuing with the programme of constructing sewerage schemes for lakeside communities to help improve the water quality of the district's lakes.

It is anticipated that the Lake Okareka scheme will be completed early in 2010/11, and work will commence on the Okere Falls/Otaramarae/Whangamarino wastewater schemes. Also there will further extension of the eastern trunk line linking the new schemes in the eastern area back to Council's wastewater treatment plant.

The programme for some sewerage scheme construction has been delayed because subsidies have not been available yet and also Council has not been able to undertake the work for one reason or another. However, it is anticipated that all identified schemes will still be constructed.

## Rotorua International Airport

Council, in conjunction with Rotorua Regional Airport Ltd and Air New Zealand, established twice weekly trans-Tasman flights to Sydney.

The airport is a significant asset for the district. It allows residents to have hassle free trans-Tasman flights and also permits tourists to fly directly into Rotorua from Australia which will increase tourist numbers and the length of time that they stay in Rotorua.

Council is increasing its marketing and promotion expenditure during 2010/11 to encourage more visitors to Rotorua, particularly from Australia. It is hoped that an increased demand for air travel directly to Rotorua will result in additional trans-Tasman flights.

## Variances to Council's Ten Year Plan for 2010/11

Overall Council is budgeting for \$5.6 million less revenue when compared to what was in the Ten Year Plan for 2010/11. Most of this reduced revenue is less subsidies and grants principally because of the delays to lakes sewerage schemes and reduced targeted rates mostly for refuse collection.

The total capital expenditure is increased by \$3.6 million.

Operating expenditure is \$105.7 million and is similar to the budget in the Ten Year Plan for 2010/11.

Changes to what is in the Ten Year Plan for 2010/11 include:

- Increase in marketing/promotion.
- Renew Museum foundations which have been found to be badly deteriorated.
- Reduced provision for new Library books.
- Reduced expenditure for waste minimisation.
- Reduced expenditure for road reseals.

## Major issues for 2010/11 **cont.**

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### **Grant from Community Asset Development Fund (CADF)**

Council is granting to John Paul College an amount of \$195,267 from its Community Asset Development budget.

This money will be used to fund a third of the cost to fit out the college's multi-purpose gymnasium/theatre project. The CADF subcommittee has approved in principle the application for \$195,267.66, however, under Council's policy for grants from the Community Asset Development Fund, applications above \$50,000 that are approved by the subcommittee must be notified in Council's Ten Year Plan or Annual Plan.

John Paul College feels there is a need in the community for a mid-sized theatre (400-500 patrons) given that the only other theatre with a seating capacity of more than 200 is the Civic Theatre.

Council included in the draft Annual Plan the proposal to make this grant and following consideration of submissions confirmed the CADF subcommittee's decision to approve the grant.

### **Reduction to budget for new Library books**

Council, to keep rates down, has reduced the budget for new book purchases by \$200,000 which is approximately a third of the amount that was included in the Ten Year Plan 2009-19 for 2010/11.

This will mean that the age of the collections will increase and Council will not meet its target of acquiring 0.28 books annually per head of population.

### **Reduction to Roothing Resealing Programme**

Council has also reduced the budget for resealing roads by \$400,000 (15%). This will result in some roads being resealed beyond their optimum lifecycle and increasing the risk of pavement failure, which means additional costs to reinstate.

### **Increase in GST**

The government has past legislation to increase GST from 12.5% to 15% from 1 October 2010. In the Annual Plan the rates as listed in the Funding Impact Statement are excluding GST. The rates invoices for 2010/11 will have the applicable rate of GST added at the time the invoices are produced.

# Mayor and councillors



His Worship the Mayor  
Kevin Winters JP

## north ward



Cr Charles Sturt



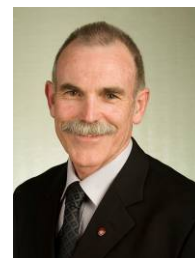
Cr Bob Martin



Cr Karen Hunt



Cr Maureen Waaka  
MNZM, JP



Cr Dave Donaldson  
QSM



Cr Maggie Bentley

## south ward



Cr Mike McVicker



Cr Glenys Searancke  
QSM



Cr Julie Calnan



Cr Trevor Maxwell  
MNZM  
Deputy Mayor



Cr Geoff Kenny



Cr Janet Wepa

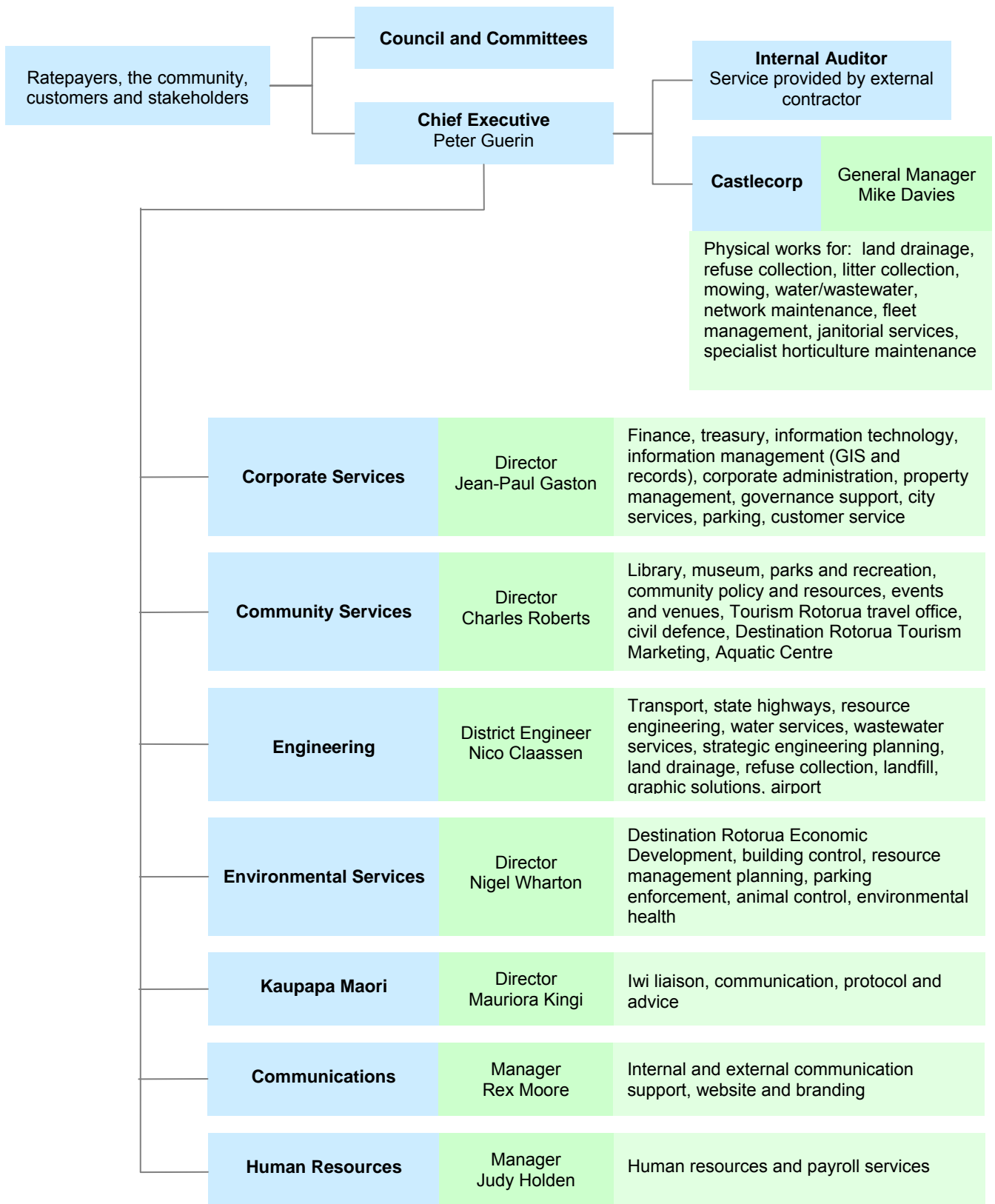
## west ward

# Rotorua lakes community board



Front row (left to right): Karen Hunt, Brentleigh Bond, Neil Callaghan  
Back row (left to right): Geoff Palmer, Phillip Karauna, Dave Donaldson

# Management structure



# The planning process

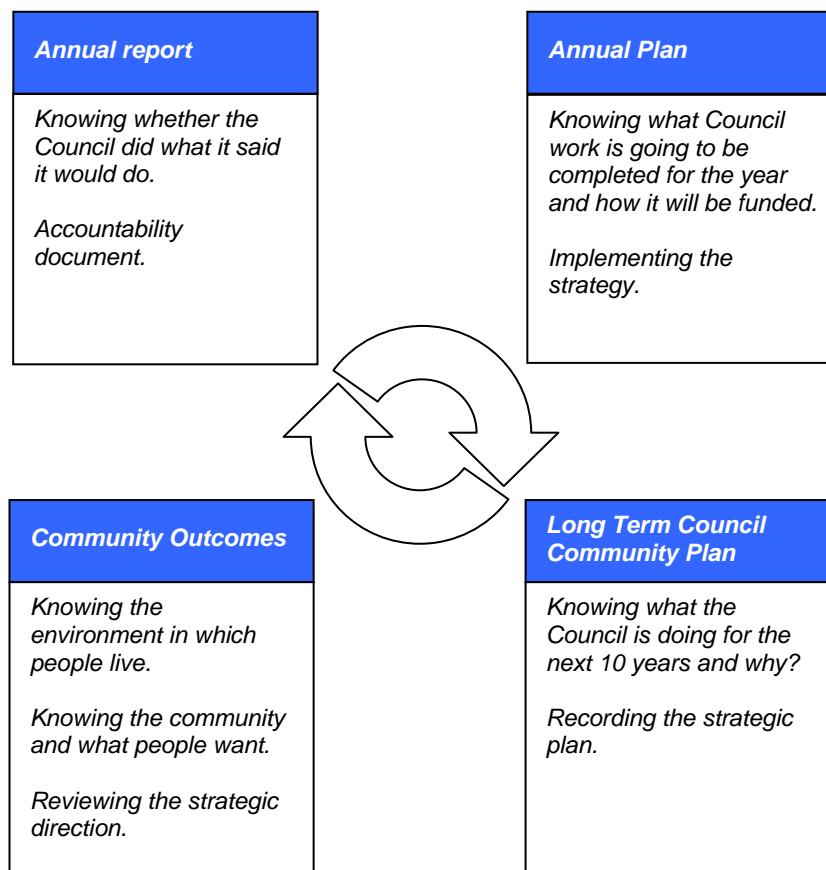
Council's Ten Year Plan details activities and related financial information for a ten year period and is reviewed and updated every three years. In the intervening years when the Ten Year Plan is not reviewed, Council produces a separate Annual Plan with the purpose of:

- 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 will 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 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 some amendments to the Ten Year Plan. These amendments were consulted on at the same time as the draft Annual Plan and are included at the end of this plan.

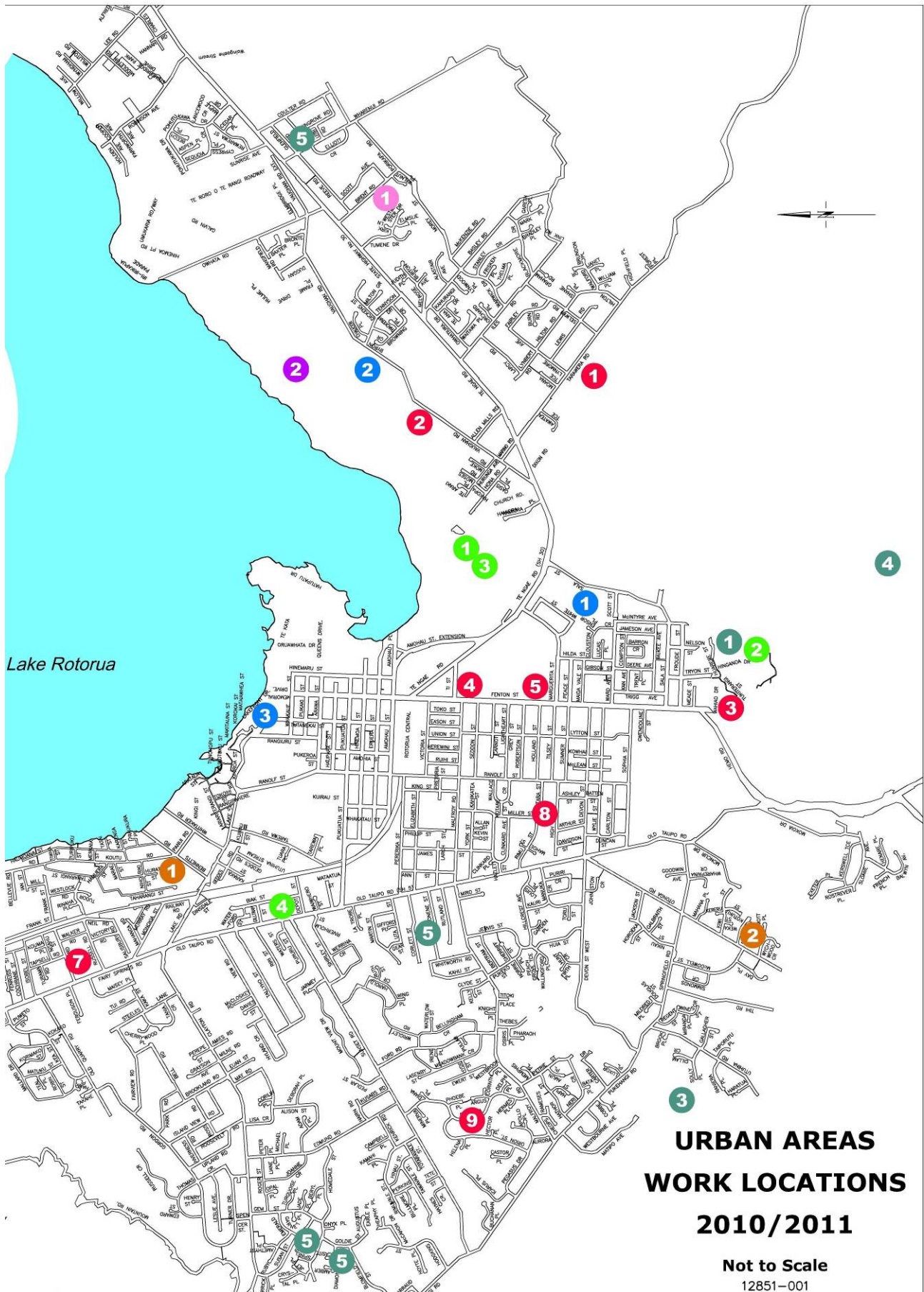


# Capital works programme - urban

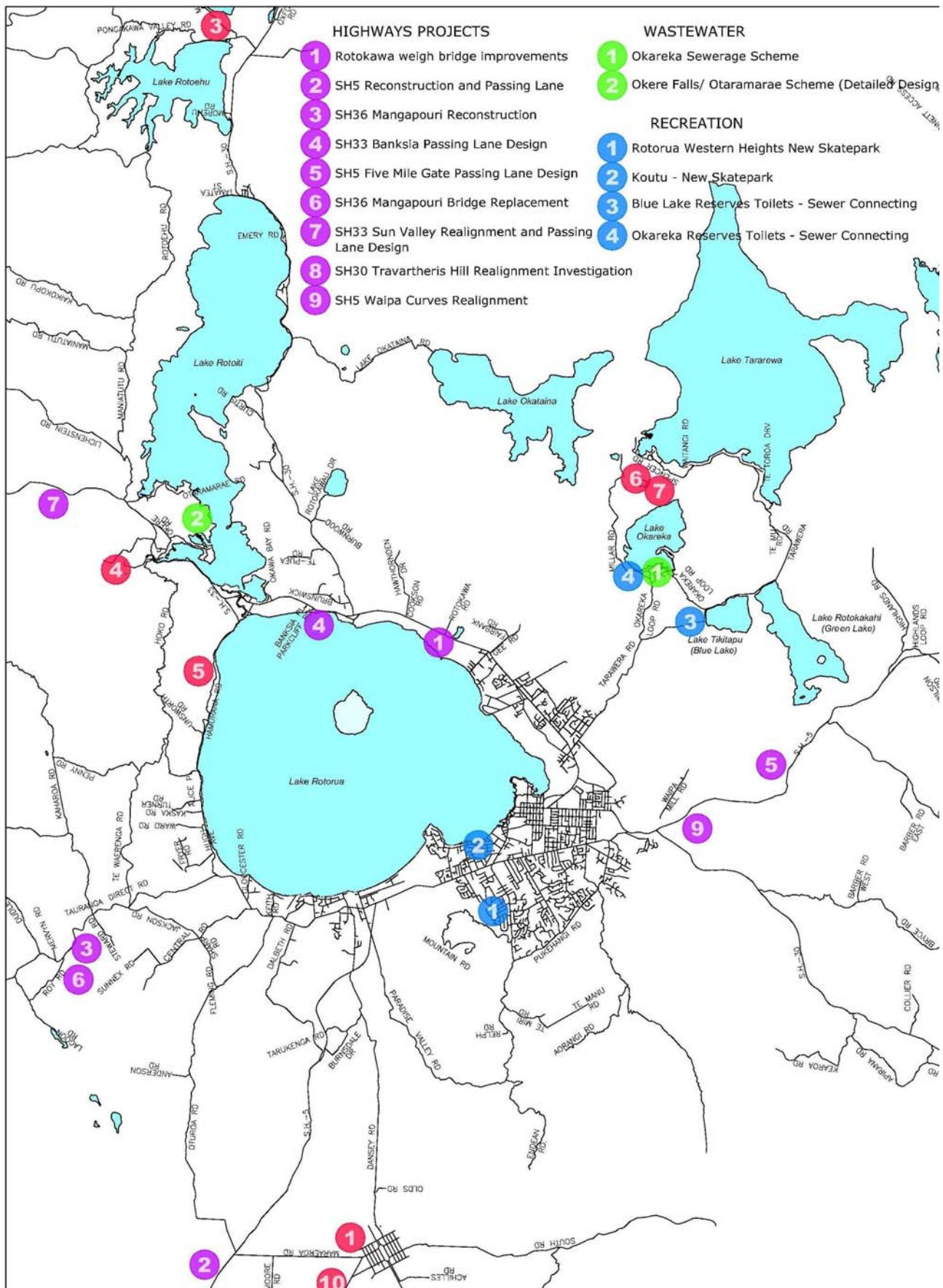




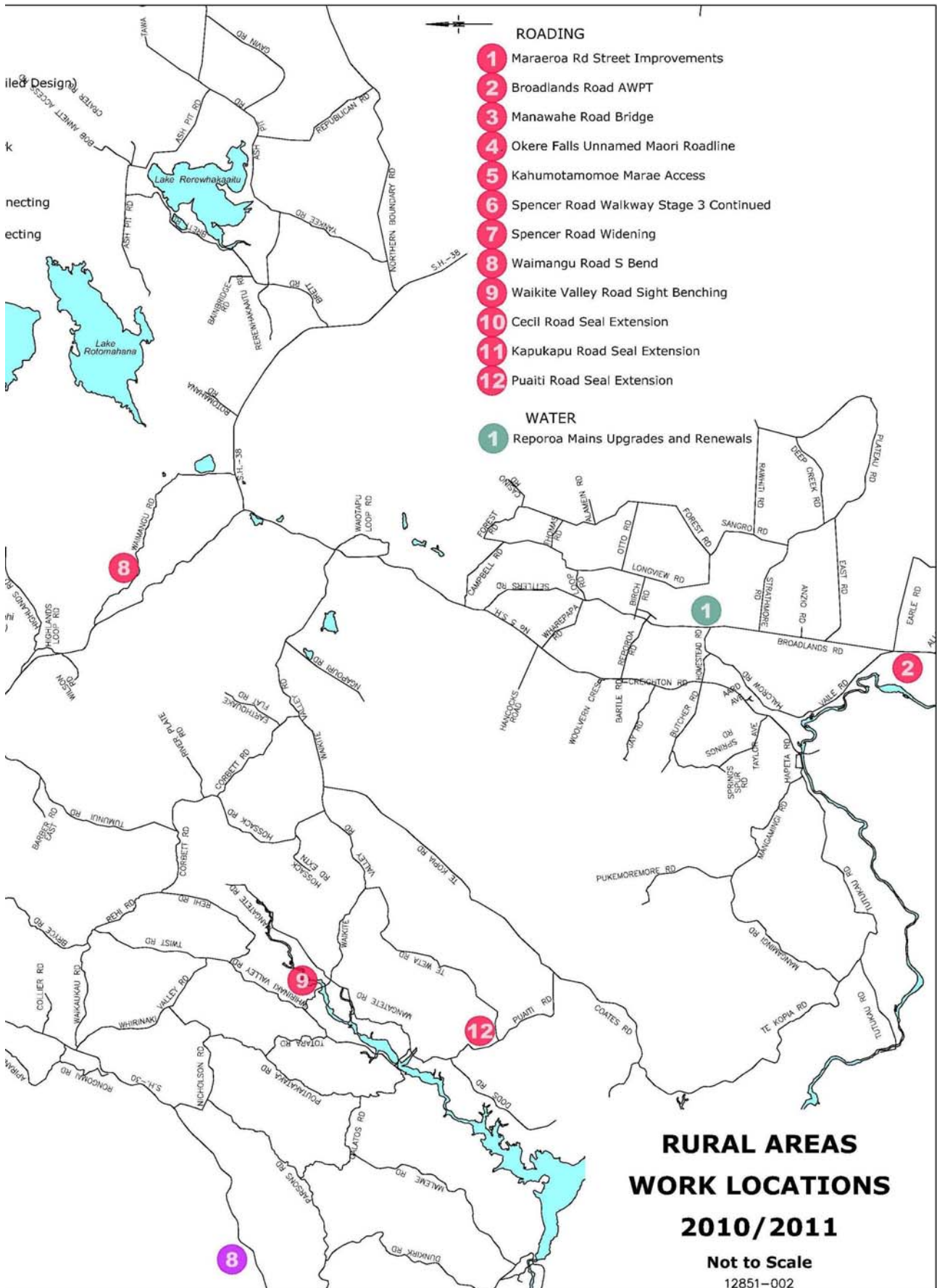
# Capital works programme – urban cont.



# Capital works programme - rural



# Capital works programme – rural cont.



# Strategic Direction

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# Rotorua bright future – community outcomes

The Local Government Act requires councils to identify community outcomes for the intermediate and long-term future of the district and, not less than once every three years, report on the progress made by the community in achieving these community outcomes.

The purpose of the community outcomes process is to:

- Provide the Rotorua community with an opportunity to discuss its present situation and prioritise issues for Rotorua's future.
- Influence and guide priorities in relation to the council and other organisations' activities.
- Help the community, council and other organisations to work together in a more efficient and co-ordinated manner, to better promote wellbeing in the district.
- Check how we are progressing towards Rotorua's agreed outcomes.

Community outcomes are overarching strategic goals that councils and other organisations use to guide their service delivery and resource allocation. They are also a focal point for promoting closer working relationships, to ensure resources are used effectively and in a coordinated manner.

In accordance with provisions of the Local Government Act, Rotorua District Council takes a collaborative and inclusive approach to identifying and monitoring community outcomes. In mid-2004 the council discussed community outcomes requirements with other key organisations that promote community wellbeing in the Rotorua District. These organisations endorsed a process of public consultation which took shape in the latter part of 2004, as the Bright Future Rotorua project.

A set of community outcomes and priorities (or aspirations of the local community) was identified. This was used as the basis for further consultation undertaken in 2008. Proposed amendments were initially incorporated into the community outcomes based on results from community consultation between 2003/04 and 2008, from key stakeholder interviews and a stakeholder workshop during February-March 2008. Subsequently, feedback was sought through a combination of face-to-face surveys, online surveys, self-return newspaper surveys and targeted focus group meetings.

The 2008 Community Outcomes Review essentially reconfirmed the initial community outcomes and priorities. 'A safe and caring community' is still regarded as the most important outcome for Rotorua residents. Minor changes resulting from the 2008 consultation process included the addition of 'Visionary Community Leadership' as an overarching theme and introduction of specific statements related to sustainability in the supporting detail of the community outcomes.

The updated community outcomes are shown in the diagram below and the detail behind them is provided on the following pages.



Bright Future Rotorua  
Community Outcomes

# Rotorua bright future – community outcomes cont.

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## Community Outcomes

*Mā te korero tahi, mā te mahi tahi, kā tutuki ā tatou moemoea hei painga mo ngā uri whakatipu*

*By talking together and working together our dreams and aspirations will be fulfilled for a brighter future for coming generations.*

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

*He Iwi Whanui e ngakau nui ana ki te manaaki motuhake.*

- Strong sense of community spirit
- Respect for cultural diversity
- Support for new New Zealanders to become part of the Rotorua community
- Support for young people and older people
- Safe homes and streets
- Less crime
- Fewer road accidents
- Organisations working together on agreed priorities
- Providing safe public spaces
- Families and whanau work, play and talk together

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

*He Iwi Whanui tenei e ngakau nui ana ki te Taiao.*

- Looking after our air, land and water resources
- Improved lake water quality
- Beautiful, litter-free urban environments
- Waste reduction, re-use and recycling
- Kaitiakitanga (guardianship)
- People using and enjoying our natural environment
- Historical sites and buildings are protected and promoted
- Managing and protecting geothermal resources and our springs, trout, lakes, forests, geysers
- Enhancing our forests and farmland
- Conserving energy and reducing our reliance on non-renewable energy
- Encouraging sustainable modes of transport

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

*He Iwi Whanui tenei e ngakau nui ana ki tona oranga.*

- Increasing recreational opportunities
- Good access to health services
- Safe drinking water
- Improving health status for all
- Improved youth health
- Effective responses to developing health issues
- Improved self esteem/confidence
- Partnerships to promote healthy living
- Healthy whanau, healthy communities
- Warm, healthy homes
- Clean air

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

*He Iwi Whanui tenei e kokiri whakamua ana i roto inga take Houkura.*

- Rising average incomes
- Encouraging private enterprise
- Enhancing tourism as an iconic sector of Rotorua's economy
- Encouraging development of Māori land and resources
- Reducing unemployment rate
- More investment in our district
- More employment opportunities
- More new business
- Celebrating and promoting our district's unique qualities
- Encouraging growth
- An attractive and lively city centre
- Affordable housing that meets people's needs
- Sustainable development

**A community with excellent facilities, services, activities and events** – a community that plans well to ensure facilities and services are accessible, the district is easy to get around, there are lots of activities and events, and people welcome diversity and are inspired by creativity.

*He Iwi Whanui tenei e mau pu motuhake ana ki ona taonga me ona ratonga, he Iwi Whanui tenei e tumeke ana.*

- Easy to get from place to place
- Good, safe, maintained services and roads
- Good quality infrastructure for future
- Excellent reliable communication infrastructure
- Affordable facilities and reserves and services
- A great trans-Tasman airport

# Rotorua bright future – community outcomes

## cont.

**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.

*He Iwi Whanui e manawa nui ana ki te Ao Maori.*

- Preservation and sustainable development of Maori resources
- Improved economic and social development opportunities
- A community that recognises the value of partnerships including the Treaty of Waitangi
- Fostering Maori cultural performance, arts, activities and expression
- Respecting Te Arawa as part of the unique heritage of Rotorua District
- Strengthening relationships between all cultures

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

*He Iwi Whanui tenei e ngakau nui ana ki te Ako me te Matauranga.*

- Learning activities accessible for everyone
- Quality educational institutions
- Increased participation in early childhood education
- Addressing skill shortages through successful pathways into tertiary education, training and work
- Engagement and achievement at all levels of education and learning
- Improved literacy and numeracy achievement
- Increased availability and quality of Maori language education
- Whanau supported learning
- Commitment to science, innovation and research

**A “Happening” Community** – Rotorua is an exciting place with lots of activities and events, people welcome diversity and are inspired by creativity.

*He Iwi Whanui tenei e tumeke ana.*

- Lots of events including sporting, cultural, festivals, arts
- Leading edge activities and events
- Provision of good quality event, conference and tourism facilities
- Celebrating and nurturing traditional Māori culture
- Foster artistic expression, art, music, dancing, public performances and exhibitions
- Great facilities to visit e.g. museum, arts village, aquatic centre

Overarching these Community outcomes is a desire by Council to exercise **Visionary Community Leadership** – visionary, inclusive leadership is supported and fostered within Rotorua communities.

*He Matakitea – ma nga hapori o Rotorua te amokuratanga e taurima e tautoko.*

- Rotorua communities have a clear vision for sustainable development, prosperity and well-being.
- Communities are informed and engaged in planning and developing the District’s future.
- Organisations and communities work together at all levels to achieve shared outcome.
- Maori are respected as partners in decision-making and have a voice in issues affecting the District.

# Rotorua Partners' Programme

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# Rotorua partners' programme

The Rotorua Partner Programme was formally established in 2005 to recognise significant contributions from corporates and other organisations, aimed primarily at developing projects for the good of the wider Rotorua community, in partnership with Rotorua District Council.

It comprises three categories of partners:

## Foundation Partner



## Corporate Partner



## Project Partner



The Rotorua Partner Programme is based on corporate and community philanthropy. Its intent is twofold:

- to provide an opportunity for corporates and other organisations to contribute towards community projects.
- to foster the best possible communication and working relationship between the council and each partner organisation.

## What is the Rotorua Partner Programme?

The Rotorua Partner Programme, simply put, is about the Council partnering with other important Rotorua stakeholders to get things done. Our Partners want to be part of the Rotorua vision for the future.

Council is never going to be able to fund all the things that a growing district needs and in the time frame expected, without huge impacts on ratepayers.

However there are many important district stakeholders who have the means, community spirit and desire to get involved in some way in Rotorua's development. The Rotorua Partner Programme matches partnering organisations (our Partners) with projects and other opportunities they want to be associated with.

## Delivering Community Outcomes

The Partner programme has helped the community, Council and other organisations to work together in a more efficient and coordinated manner, to better promote wellbeing in the district. Much of the Partners' investment has been focused on the community outcomes: a healthy community; a prosperous community; and a community with excellent facilities and services.

## What the Rotorua Partner Programme is not

Rotorua Partners do not enter into a partnership with the council to receive special favours on contracts that the council tenders, on council purchasing or on any other council decisions.

Partners are not contributing money and other support that would otherwise have gone to voluntary organisations and other causes. They are contributing because they want to be a part of the future of Rotorua and because it makes good business sense for them to do so. They are making an investment in the future, for all of Rotorua's citizens.

Already there are a number of organisations who have made the commitment and others who intend doing so.

So far more than \$23m in philanthropic support has been invested by our Rotorua Partners.

# Rotorua partners' programme **cont.**

## Inaugural Foundation Partners



## Corporate Partners



## Foundation Partners



## Project Partners



# Implementation of Strategic Direction

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# Activity plans contents

	Page		Page
Governance and Strategic Direction .....	28	Tourism and Economic Development Group ....	56
Social and Cultural Group .....	31	Infrastructural Group .....	63
Environmental and Regulatory Group.....	45	Castlecorp .....	74

## Guide to activity plans

### Introduction

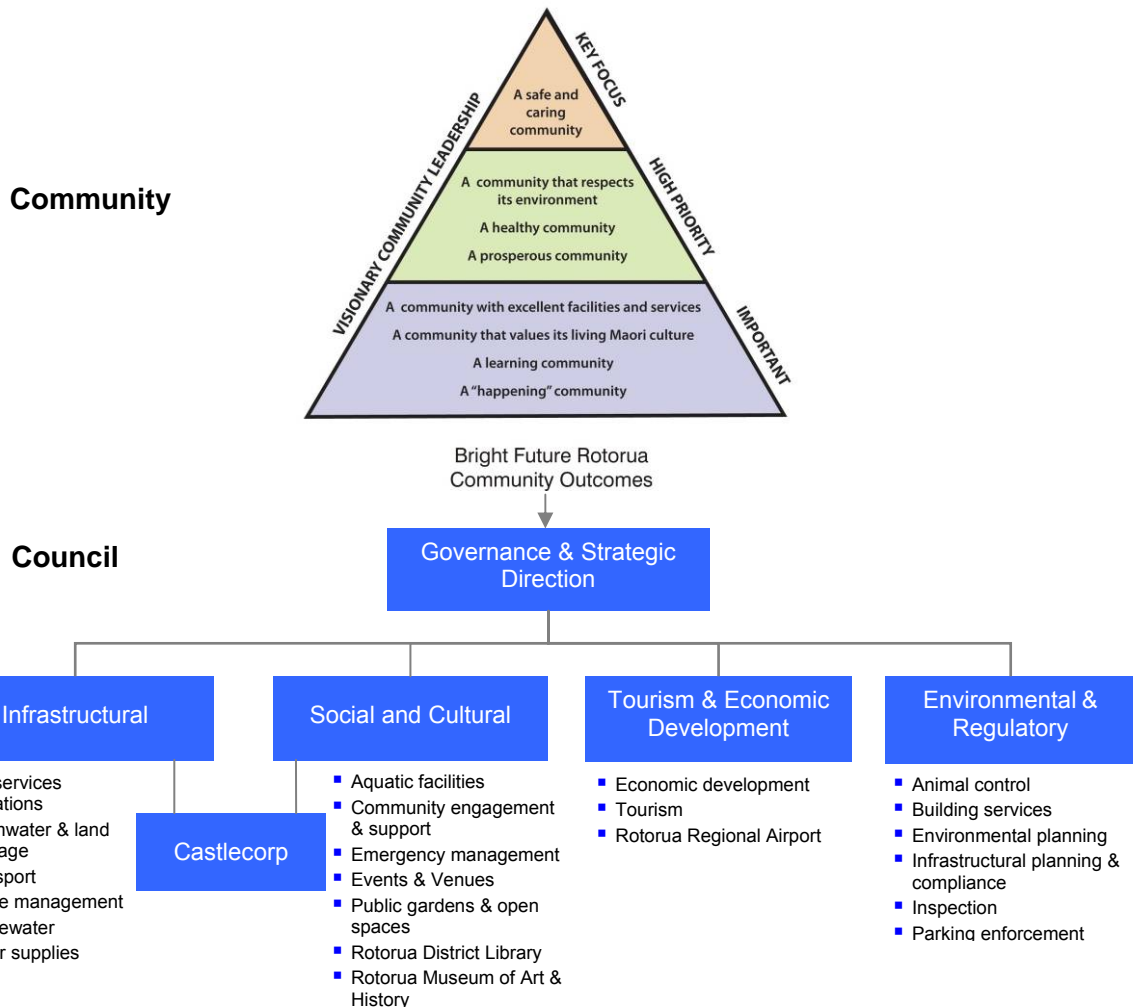
The activity plans section of the plan divides all of the activities and services undertaken by Council into groups that reflect their functional nature as well as well-being themes. In establishing the groups consideration was given to the description and nature of costs associated with each of Council's activities. The Local Government Act 2002 places emphasis on:

- Local democracy and community participation
- Providing opportunities for Maori to contribute to
- Council's decision-making processes

- Sustainable development including:
  - social well-being
  - economic well-being
  - environmental well-being, and
  - cultural well-being
- Community Outcomes

There is also a special emphasis on policies, their priorities, and how they are developed.

The diagram below shows the activity groups and their relationships.



# Guide to activity plans cont.

- **‘Governance and Strategic Direction’** is at the heart of local government and is central to the Local Government Act, which defines the purpose of local government as:

*To enable democratic local decision-making and action by, and on behalf of, communities*

It also acknowledges the considerable importance of using a robust and transparent process for decision-making. This activity group also recognises the need for Council to provide opportunities for Maori to contribute to its decisionmaking process. This is supported by including activities associated with the Kaupapa Maori cost centre activity within the group.

- **‘Infrastructural’** has been established as an activity group in the main because many of its cost centres contribute towards activities, eg stormwater ensures homes are protected, businesses are not at risk of flooding and the environment is not degraded by uncontrolled stormwater runoff.
- **‘Social and Cultural’** is an area where there is considerable room to respond to identified community outcomes and priorities. The word ‘cultural’ can be used in different contexts. Culture can be defined as the set of beliefs, attitudes, behaviours and institutions that characterise a community. Rotorua’s complex cultural profile, includes its Maori heritage, modern-day ethnic diversity, arts scene, sporting culture, intergenerational differences, and social connection.
- **‘Tourism and Economic Development’** can be enhanced through Council working with key sectors and individuals to foster economic growth. Last year Council initiated a number of new strategies to contribute towards and facilitate economic growth. The Ten Year Plan provides for resourcing and implementing Council’s contribution to those strategies over the next 10 years.
- **‘Environmental and Regulatory’** is strongly supported through Council’s planning and regulatory roles and relates mainly to our functions and responsibilities under the Resource Management Act.
- **‘Castlecorp’** is a separate business unit within the Rotorua District Council. Its purpose is to provide infrastructural maintenance services for the district 365 days per year, for:
  - water
  - wastewater
  - refuse
  - land drainage
  - parks and reserves
  - sports fields
  - public gardens
  - fleet maintenance

## Activity Group Section

Each activity group section begins with an overview of the group and its respective activities.

In each activity group, Council contributes to promoting outcomes through a number of roles. These include as a:

- Funder
- Asset owner and/or manager
- Facilitator
- Service provider
- Policy advisor
- Regulator

## Community outcomes

In each case a table shows the key community outcomes that are influenced by the activity and how the council contributes to those outcomes through that activity.

### Key to community outcomes

- **Safe & Caring**  
A safe and caring community
- **Environment**  
A community that respects its environment
- **Health**  
A healthy community
- **Prosperity**  
A prosperous community
- **Facilities & Services**  
A community with excellent facilities and services
- **Maori Culture**  
A community that values its living Maori culture
- **Learning**  
A learning community
- **Happening**  
A ‘happening’ community

# Governance and strategic direction group

## Overview of Group

This group comprises the Governance and Strategic Direction activity, which includes the following functions:

- Democracy
- Kaupapa Maori
- Policy and Strategic Direction
- Corporate Support functions, which includes:
  - Corporate Administration
  - Corporate Property
  - Information Services
  - Records
  - Customer Services
  - Land Information Services
  - Financial Services

The Governance and Strategic Direction Group underpins Council's democratic processes and provides policy and priorities for strategic direction, advocacy, and delivery of services to best meet the community's needs.

The activity is central to ensuring that Rotorua District Council's services are contributing towards the promotion of community outcomes and improving social, cultural, economic and environmental well-being for the people of the district.

The review of the community outcomes undertaken in 2008 confirmed that the outcomes are still relevant and while significant progress has been made, there is still a long way to go. As a result of this consultation, 'community leadership' was added as an overarching theme. Council's community leadership role is particularly important in the current economic environment where a clear direction and commitment is needed to address a wide range of issues. Council's role in promoting sustainable development and the well-being of the community is also of significant importance and underpins many of the proposals set out in the draft Ten Year Plan.

## Large budget variances explained

Council will be carrying out the local body elections during 2010/11. There will be additional revenue to help offset these costs which was not included in the Ten Year Plan.

There are increased finance costs (interest) as a result of capital projects that were funded by loan and also an increase in depreciation.

## Community outcomes

This activity covers a range of specific functions but is also the home of corporate governance and planning. It therefore contributes to all community outcomes by providing corporate leadership and direction for the organisation.

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>▪ By considering and incorporating safety aspects into services and facilities provided by council.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>▪ By helping to maintain the natural and physical environment through various activities.</li> </ul>
Health	<ul style="list-style-type: none"> <li>▪ By providing facilities and services to standards and quality expected to ensure a healthy community.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>▪ By ensuring the community's views are heard before decisions are made.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>▪ By providing sound democratic and corporate governance.</li> <li>▪ By leading the development of a vision for the district.</li> </ul>
Maori Culture	<ul style="list-style-type: none"> <li>▪ By making decisions that respond to or plan for current and future community needs.</li> <li>▪ By increasing the organisation's capacity to consult, inform and respond to concerns raised by Maori.</li> <li>▪ By undertaking the role of caretaker for many of the district's resources, for today's and future generations.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>▪ By ensuring that council provides services and facilities that increase the learning and knowledge of its residents.</li> </ul>
Happening	<ul style="list-style-type: none"> <li>▪ By undertaking a number of activities and initiatives to help make Rotorua the destination of choice for national and international visitors.</li> </ul>

# Governance and strategic direction group

## cont.

### Projected cost of service for year ended 30 June 2011

	Annual Plan 2009/10	Ten Year Plan 2010/11	Annual Plan 2010/11
	(\$'s in 000's)		
<b>OPERATING EXPENDITURE</b>			
Democracy	2,253	2,446	2,523
Kaupapa Maori	350	355	368
Policy & Strategic Direction	1,639	1,691	2,064
<b>Total Operating Expenditure</b>	<b>4,242</b>	<b>4,492</b>	<b>4,954</b>
<b>Less Revenue for Operations</b>			
Democracy	68	70	159
Policy & Strategic Direction	761	786	797
<b>Total Operating Revenue *</b>	<b>829</b>	<b>856</b>	<b>956</b>
<b>Net Cost of Service</b>	<b>3,413</b>	<b>3,636</b>	<b>3,998</b>

\* Excludes any capital revenue

#### Total Operating Expenditure funded by:

General Rates	2,537	2,905	2,687
Fees & Charges	743	766	906
Investment Income	39	41	-
Subsidies & Grants	0	0	-
Targeted Rates	50	52	50
Depreciation not funded	873	729	1,311
<b>Total Operating Expenditure</b>	<b>4,242</b>	<b>4,493</b>	<b>4,954</b>

#### CAPITAL EXPENDITURE

Democracy	-	-	-
Kaupapa Maori	-	-	-
Policy & Strategic Direction	3,500	3,605	1,800
Property Management	1,304	573	623
Corporate Administration	-	-	-
Customer Centre	-	-	-
Finance	7	7	7
Human Resources	-	-	-
Information Management	305	283	333
Information Technology	747	539	811
Land Information Services	233	239	239
Records	900	52	332
<b>Total Capital Expenditure</b>	<b>6,996</b>	<b>5,298</b>	<b>4,145</b>

#### Total Capital Expenditure funded by:

Funding from Depreciation (Rates)	1,315	1,096	1,368
Loans from/(to) Corporate Fund	5,600	4,192	2,767
Capital Grants	80	10	10
Development Contributions	-	-	-
Reserves Net	-	-	-
Asset Sales	-	-	-
<b>Total Capital Expenditure</b>	<b>6,995</b>	<b>5,298</b>	<b>4,145</b>

# Governance and strategic direction group

## cont.

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Governance, Leadership and Decision making.	% of residents satisfied with Council's decisions and actions <sup>1</sup> .	71%	72%
	% of residents rate level of council information to be sufficient <sup>1</sup> .	61%	62%
	Triennial election held without successful appeal.	N/A	Triennial Elections held
	Electoral representation reviewed in timely manner.	Representation review completed	N/A
	Review options for local government in Rotorua District.	Report on options and public consultation	Implementation of 2010 consultation results
	At least every three years report on Community Outcomes progress.	Community Outcomes Report	N/A
	Review Community Outcomes every 6 years	Last reviewed in 2008	N/A
Encourage the preservation and sustainable development of Maori resources.	Provide funding and assistance for the preparation of Mana Whenua plans.	At least 1 Mana Whenua plan is produced for the year	At least 1 Mana Whenua plan is produced for the year
Foster partnership between Council and Maori on matters of mutual interest.	Hold a workshop between Maori and Council to discuss matters of mutual interest.	At least one workshop is held for the year.	1 workshop per year

<sup>1</sup> As measured by annual NRB Survey

### Funding considerations

#### Who benefits from the activity?

The community as a whole.

#### What is the period of benefit?

Benefits are intergenerational and ongoing with the continuing development of Council as an efficient and effective organisation.

#### Who creates need for the activity?

The need to undertake this activity is created by the community as a whole, supported by legislation.

#### Funding source

It is considered that the benefits of expenditure in this activity extend to the community as a whole. Up to 90% is funded from general rates with 1% from a targeted rate for the community board and the balance funded from property rental user fees and charges.



# Social and cultural group

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## Overview of Group

This group is made up of the following activities of Council:

- Aquatic Facilities
- Community Engagement and Support
- Emergency Management
- Events and Venues
- Public Gardens and Open Spaces
- District Library
- Rotorua Museum of Art & History

The Social and Cultural Group activities 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.

The uncertain economic background against which this Ten Year Plan has been prepared imposes more than the usual challenge in planning social and cultural

investment and services for the next ten years. These proposals have been developed to reflect tightened circumstances of affordability whilst acknowledging increased pressures from withdrawal and/or reduction in the availability of grants to community groups, and to Council, from the philanthropic sector. Flexibility to respond to changing social and economic issues as the emerging economic crisis takes clearer shape is retained wherever possible.

## Large budget variances explained

- Reduced budget for new library books.
- Reduced income in Parks activity as had anticipated parking income from the Government Gardens.
- Increase depreciation and finance costs for Library following upgrade.
- New budget to renew Museum foundations.
- Lighting upgrade and parking meter installation in Government Gardens deferred.

# Social and cultural group cont.

## Projected cost of service for year ended 30 June 2011

	Annual Plan 2009/10	Ten Year Plan 2010/11	Annual Plan 2010/11
	(\$'s in 000's)		
<b>OPERATING EXPENDITURE</b>			
Aquatic Facilities	2,963	3,156	3,189
Community Engagement & Support	4,128	3,750	3,468
Emergency Management	530	559	560
Event & Venues	6,522	6,947	6,620
Public Gardens & Open Spaces	10,419	10,933	11,294
Public Library	3,604	3,698	4,098
Rotorua Museum Of Arts And History	3,133	3,238	3,152
<b>Total Operating Expenditure</b>	<b>31,299</b>	<b>32,281</b>	<b>32,381</b>
<b>Less Revenue for Operations</b>			
Aquatic Facilities	1,279	1,303	1,156
Community Engagement & Support	898	889	914
Emergency Management	20	6	6
Event & Venues	3,190	3,584	3,605
Public Gardens & Open Spaces	1,450	1,824	1,564
Public Library	352	362	371
Rotorua Museum Of Arts And History	1,125	1,154	1,183
<b>Total Operating Revenue *</b>	<b>8,314</b>	<b>9,122</b>	<b>8,800</b>
<b>Net Cost of Service</b>	<b>22,985</b>	<b>23,159</b>	<b>23,581</b>
* Excludes any capital revenue			
<b>Total Operating Expenditure funded by:</b>			
General Rates	19,720	19,997	19,590
Fees & Charges	6,527	7,322	7,108
Investment Income	71	101	102
Subsidies & Grants	145	99	102
Targeted Rates	1,569	1,601	1,489
Self Funding/Reserve movements	224	195	(156)
Depreciation not funded	3,043	2,965	4,146
<b>Total Operating Expenditure</b>	<b>31,299</b>	<b>32,280</b>	<b>32,381</b>
<b>CAPITAL EXPENDITURE</b>			
Aquatic Facilities	236	176	176
Community Policy & Resources	20	42	158
Pensioner Housing	77	33	33
Rural Fire	22	103	-
Convention Centre	6,811	629	1,939
Energy Events Centre	221	35	35
Events & Community Programmes	-	-	9
International Stadium	56	19	22
Cemeteries/Crematorium	31	1,240	400
Public Gardens / General Reserves	1,864	2,005	925
Public Library	682	643	437
Rotorua Museum of Art & History	8,486	9,021	10,104
<b>Total Capital Expenditure</b>	<b>18,506</b>	<b>13,946</b>	<b>14,240</b>
<b>Total Capital Expenditure funded by:</b>			
Funding from Depreciation (Rates)	2,422	2,824	1,906
Loans from/(to) Corporate Fund	7,058	2,834	5,399
Capital Grants	8,024	6,205	6,784
Development Contributions	594	122	75
Reserves Net	411	1,961	76
Asset Sales	-	-	-
<b>Total Capital Expenditure</b>	<b>18,509</b>	<b>13,946</b>	<b>14,240</b>

# Social and cultural group **cont.**

## Aquatic facilities

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>By providing a safe public space for families and whanau to work, play and talk together</li> <li>By providing opportunities to learn personal and community safety skills</li> </ul>
Health	<ul style="list-style-type: none"> <li>By giving everyone the opportunity to participate in sport and physical activity</li> <li>By encouraging the community to live healthy and active lifestyles</li> </ul>
Happening	<ul style="list-style-type: none"> <li>By providing a variety of fun and accessible activities and events</li> <li>By providing pools for competitive swimming, underwater hockey and water polo</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
To provide fun, safe and affordable swimming pools for competitive sports, casual recreation and health and fitness training.	% of households used/visiting the Rotorua Aquatic Centre in a year.	68%	68%
	Number of visits and net operating cost of providing the service.	330,000 visits at <\$4.85	330,000 visits at <\$4.85 per visit
	% of users/visitors who are very/fairly satisfied with the level of service.	90%	90% with an increasing trend corresponding with future capital development of the facilities
	Pools are safe and well supervised and PoolSafe accreditation achieved.	100%	100%
Provide innovative targeted programmes to raise activity levels.	% of children in Rotorua who have completed Unison Lake Safety Programmes by the time they reach high school ending 2016/2017.	20%	30%
	Number of people who are members of the Cardio gym.	350	350
	Number of people participating in recreation programmes.	1,200	1,200
	Number of individuals participating in Learn to Swim School programmes.	40,000	40,000

# Social and cultural group cont.

## Aquatic facilities cont.

### Funding considerations

#### Who benefits from the activity?

- The community as a whole benefits from this activity and is provided with a choice of recreational facilities which are affordable, safe and fun, and healthy.
- Individual members of the community who derive benefit from this activity include:
  - individuals who have a range of needs, including: health, rehabilitation, fitness, sport, swimming education.
  - members of groups with needs for swimming education, health, relaxation, fitness, sport training, recreation, and rehabilitation (schools, swimming clubs, sports clubs, community organisations).
  - visitors to the district who come primarily for recreation or in relation to an event or training.

#### What is the period of benefit?

- benefits last for the duration of the visit and are ongoing from a healthy lifestyle.

#### Who creates need for the activity?

- the need to undertake this activity derives from those who use the service

#### Funding source

Since benefits relate more to individuals and groups who use the centre than to the community as a whole, these users should pay for the service, with recovery of costs from users limited to a level that will not discourage use. A significant increase is likely to prevent people on low incomes from coming to the centre. It is intended that fees be maintained at a level that will enable potential users to have access and that will encourage use. Therefore 50% - 60% of this activity is funded from general rates with the balance (40% - 50%) funded from user fees and charges.

## Community engagement and support

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>▪ By working with a range of organisations on agreed priorities, including Safe Community designation</li> <li>▪ By working towards safe homes and streets, lowering crime rates, improving perceptions of safety amongst residents, curbing alcohol related violence in the district</li> <li>▪ By providing safe public spaces through use of Crime Prevention Through Environmental Design (CPTED) principles</li> <li>▪ By actively working to create supportive environments for those affected by child abuse and family violence in the district</li> <li>▪ By supporting implementation of the Rotorua Safe Families Action Plan</li> <li>▪ By contracting with local 'not-for-profit' organisations</li> <li>▪ By implementing the RDC Crime Prevention Plan</li> </ul>
Health	<ul style="list-style-type: none"> <li>▪ By working with a range of organisations to promote healthy eating – healthy action</li> <li>▪ By implementing a range of activities and events which offer people the chance to be involved in activities which promote social and cultural wellbeing</li> <li>▪ By working with young and older people, and families in the community, to support their needs and encourage contributions to the activities available</li> <li>▪ By participating in projects which improve the health of those living in the district eg. Healthy Homes, Local Air Management Area (air quality)</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>▪ By working with organisations who support young people involved in education, training and employment</li> <li>▪ By facilitating capacity building amongst local artists and arts organisations</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>▪ By contributing to the support of local not for profit organisations through accommodation and grants for services contracts</li> <li>▪ By partnering with other agencies around priority projects e.g. Safe Families Campaign</li> </ul>

# Social and cultural group **cont.**

## Community engagement and support **cont.**

Community Outcome	How the Council contributes
Maori Culture	<ul style="list-style-type: none"> <li>By use of Te Reo in a variety of areas: advertising of Community Assistance grant schemes; Maori language week activities; dual language signage at RDC venues; and in printed resources</li> <li>By maintaining relationships with local Maori communities/organisations</li> <li>By promoting events associated with Matariki each year</li> </ul>
Learning	<ul style="list-style-type: none"> <li>By supporting training for people working in voluntary roles eg. committee members</li> <li>By producing research/directory resources which are available to organisations and students within the district.</li> <li>By facilitation of professional development opportunities for people working in the community</li> <li>By ensuring access to information about sources of funding eg fund view databases</li> </ul>
Happening	<ul style="list-style-type: none"> <li>By working with groups and organisations in the community to hold a number of events and activities which support social and cultural wellbeing</li> <li>By facilitating and supporting projects which foster artistic expression, art, music, dancing, public performances and exhibitions</li> </ul>

## Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Directly and indirectly provide assistance to community groups to build their capacity and help them achieve their objectives.	Implement and maintain proposed safety initiatives.	Achieve WHO Safe Community designation. Implement Crime Prevention Plan.	Maintain WHO Safe Community designation. Maintain Safe Families and Crime Prevention Action Plans.
	All rural and urban halls have a building warrant of fitness.	100%	100%
	Community grants rounds are completed each year.	4	4
	Grants for services contracts are in place with local not-for-profit groups and annual accountability reports are completed.	8	8
	% of tenancy level in Community House.	96%	96%
Management of pensioner housing tenancies so that the account is self funding.	Rental income covers 100% of operational costs.	No cost to ratepayer	No cost to ratepayer
	% of unit occupancy.	95%	95%
	% of tenants rate overall satisfaction with their units as good/very good in two-yearly satisfaction surveys.	85%	85%

# Social and cultural group cont.

## Community engagement and support cont.

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Reviewing central government policy development and recommending a submission from a Rotorua standpoint.	% of mayor and councillors very/fairly satisfied with the Rotorua perspective put forward each year.	65%	65%
Ensure quality information on the social and cultural composition and trends of the community are available and used in the direction setting of Rotorua District.	Update Good Health, Social Monitor and youth services information annually.	100%	100%
	Update demographic publications after each census.  (Changing Communities, Youth Profile, Older Persons Profile and Patterns of Well-being – NZDep index is derived from the Census).	N/A	N/A

## Funding considerations

### Community Assistance

#### Who benefits from the activity?

- The community as a whole benefits from:
  - Choice of arts and recreational activities; these also contribute to a healthy community.
  - The educational opportunities and cultural awareness that comes from the provision of performing arts activities and facilities.
- Individuals who take advantage of the facilities.

#### What is the period of benefit?

- Benefits are ongoing to the people of Rotorua through access to community assistance schemes and facilities, and the presence of organisations in the community.

#### Who creates need for the activity?

- The community as a whole by way of access to cultural, educational, recreational and creative media organisations and facilities.

#### Funding source

- Community Assistance: Funding requirements and demands may change over time from potential demographic changes.
- Community Houses: Commitment required varies through the period due to maintenance work at the three council-supported venues – Community House, Kuirau House, and Rotorua Arts Village.
- Benefits of expenditure on this service are public in nature as Council's objective is to enhance social and cultural well-being.
- This activity is funded from general rates.

### Community Halls

#### Who benefits from the activity?

- The community as a whole benefits from:
  - The choice of recreational activities and venues.
  - Healthy active communities.
- Users of facilities and spectators of events.
- Event organisers benefit from commercial gains from using the facilities.

#### What is the period of benefit?

- Benefits are ongoing as long as the facilities are maintained.

#### Who creates need for the activity?

- Communities near rural halls.
- Event organisers who need the infrastructure in order to hold events.

#### Funding source

- The primary users are local communities, including school groups, sporting groups, community oriented organisations and individual family members. Some use of facilities is by people from outside rural communities.
- This activity provides some holistic benefit to the well-being of the district as a whole.
- User charges are preserved at a level that will not dissuade or prevent use of the facilities (approximately 5%). The balance of funding is from general rates.
- There is little opportunity to extract greater user pays given the localities of the facilities, the market available, and the voluntary management and cleaning role undertaken by the community.

# Social and cultural group cont.

## Community engagement and support cont.

### Community Policy and Resources

#### Who benefits from the activity?

- The community as a whole benefits from enrichment that comes from exposure to different groups and opportunities.
- Disadvantaged members of the community.

#### What is the period of benefit?

- Benefits are ongoing as sharing of experiences and expertise leads to community enhancement.

#### Who creates need for the activity?

- The community as a whole, since the more integrated members of society are, the more they contribute to the economic, environmental, social and cultural well-being of the community.

#### Funding source

- This activity is funded from general rates.

### Pensioner Housing

#### Who benefits from the activity?

- Older persons with housing needs.
- Persons in receipt of an invalid benefit who require housing derive a benefit.

- The community as a whole benefits from providing housing to fulfil a need.

#### What is the period of benefit?

- Benefits to individuals last as long as the accommodation is used.
- Benefits to the community continue while housing stock is maintained.

#### Who creates need for the activity?

- The elderly and people in receipt of an invalid benefit who need housing.
- The community as a whole since community housing offers essential services that may not be offered otherwise.

#### Funding source

- Since the benefits are essentially private benefits to the tenants, user rental charges should recover all costs without subsidy from general rates (includes costs of maintenance and contribution to capital development, but without providing any commercial return).
- Council policy supports central government philosophy that social housing rental should not exceed 25 - 30% of fixed income.

## Emergency management

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>▪ CDEM awareness is promoted throughout the community by talks/presentations to schools, community groups and organisations</li> <li>▪ Effective liaison is maintained with local emergency service personnel, including joint search and rescue activities</li> <li>▪ CDEM is a member of the RDC Community Safety Forum</li> </ul>
Health	<ul style="list-style-type: none"> <li>▪ CDEM is a member of the Lakes DHB Key Stakeholders Forum</li> <li>▪ CDEM input into the regional Pandemic Plan</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
<b>Reduction</b> Reduce the long-term risk to human life or property arising from all hazards.	% of hazard maps reviewed, and changes to the hazardscape recorded and updated annually.	100%	100%

# Social and cultural group cont.

## Emergency management cont.

Level of Service	Performance measures	2009/10 targets	2010/11 targets
<b>Readiness</b> Training and resources in place (plans, training exercises, standard operating procedures (SOPs) and equipment or access to them).	Number of locally run exercises each year (desk top and full mobilisation of local EOC).	1 desk top exercise 1 exercise involving the full mobilisation of local emergency operations centre	1 desk top exercise 1 exercise involving the full mobilisation of local emergency operations centre
<b>Response</b> Action immediately before, during or directly after an emergency that can save lives, minimise property damage, or improve recovery.	Availability of Emergency Management Controller or acting EMC.	100%	100%
	Current database of trained personnel.	100%	100%
<b>Recovery</b> Training and resources/contacts in place (plans, training exercises, SOPs) to recover.	% of plans/strategies are current and approved by Bay of Plenty CDEM Group.	100%	100%
<b>Rural Fire</b> Protection of people, property and the environment from the hazards of fire by prevention, suppression and control in rural areas.	Rural Fire forces trained and equipped.	100%	100%
	Database of current fire permits kept up to date.	100%	100%
	Fire plan updated and certified annually.	By 1 October each year	By 1 October each year

### Funding considerations

#### Who benefits from the activity?

The community as a whole benefits from assurance that a civil defence emergency management plan is maintained for an emergency.

#### What is the period of benefit?

Ongoing in terms of peace of mind for residents, although direct benefits are short term in the event of a disaster.

#### Who creates need for the activity?

The community as a whole rather than any particular individuals or group, and by legislation.

#### Funding source

The benefits of expenditure in this activity extend to the community as a whole and it is funded by general rates.



# Social and cultural group **cont.**

## Events and venues

### Community outcomes

Community Outcome	How the Council contributes
Health	<ul style="list-style-type: none"> <li>By providing recreational opportunities for the community at sporting events and venues.</li> <li>By contributing to improved health status for residents using sporting venues.</li> <li>By providing effective responses to developing health issues, and developing partnerships to promote healthy living.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>By high utilisation of the various RDC venues and the attraction of major events to Rotorua which encourages growth and promotes employment opportunities.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>By providing Rotorua with a range of venues of national and international standard.</li> <li>By providing a range of venues for both major events and community use.</li> </ul>
Happening	<ul style="list-style-type: none"> <li>By attracting/hosting events including sporting, cultural festivals, arts, leading edge activity events, celebrating and nurturing traditional Maori Culture and fostering artistic expression in art, music, dancing, public performance and exhibitions.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Excellent well maintained and well used venues.	Number of Rotorua residents who use an Events and Venues facility during the year.	80%	80%
	% of residents satisfied with the level of service.	80%	80%
	% of repeat bookings from commercial clients within a three year period.	50%	50%
Encourage and promote a wide range of events and conferences with high levels of participation that add to the appeal of Rotorua for its citizens and visitors.	% of hirers are from community groups.	40%	40%
	% increase due to growth in relation to participation levels.	5%	3%
	Number of conferences each year.	> 25	> 25
	Number of delegates attending each year.	> 11,000	> 11,000

### Funding considerations

#### Who benefits from the activity?

- The community as a whole benefits:
  - from the city's vibrant image and attraction of visitors.
  - by the contribution to economic growth and employment from providing upmarket venues.
- Event organisers, community groups and sports bodies benefit from availability and use of the facilities and infrastructure.
- Local businesses, including suppliers, tourism operators, retailers, conference organisers, and the private event industry derive a commercial benefit.

- Individuals and groups who attend events benefit from this activity.

#### What is the period of benefit?

- Benefits are intergenerational and ongoing by way of city image, promotion, and diversity as long as the infrastructure/service is maintained.
- Event managers and spectators derive both short and long term benefits from specific events.

# Social and cultural group **cont.**

## Events and venues **cont.**

### Who creates need for the activity?

The need to undertake this activity derives from:

- The community as a whole in respect of events and facilities for community development and maintenance.
- Event promoters who need development and maintenance of event infrastructures.

### Funding source

It is considered to be in the interests of residents and ratepayers to maximise both commercial revenue and local use for all venues. The level of user charges is driven by market conditions at both local and commercial levels; these determine ability to increase revenues as adjustments and price changes need to be carefully transitioned. Funding of this activity is 25% - 35% from user fees and charges, 30% - 40% from targeted rates and 25% - 45% from general rates.

## Public gardens and open spaces

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>▪ By ensuring our parks, reserves and open spaces are safe, welcoming areas for the community to gather and interact in.</li> <li>▪ By planning facilities and structures in accordance to Crime Prevention Through Environmental Design (CPTED) principles.</li> <li>▪ By meeting a range of community burial and cremation needs.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>▪ Through the principle of Kaitiakitanga (guardianship), managing and protecting our natural resources.</li> </ul>
Health	<ul style="list-style-type: none"> <li>▪ By providing areas for people to engage in healthy activities.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>▪ Through the provision of facilities, reserves and services to a high quality that are affordable, well maintained and managed.</li> </ul>
Happening	<ul style="list-style-type: none"> <li>▪ By providing the opportunity for a range of active and passive recreational and leisure opportunities and events.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
<b>Open Spaces</b>			
Enhance the aesthetic look of Rotorua in terms of quality plantings, bedding displays, interpretation and design.	% of residents very/fairly satisfied with level of service.	90%	90%
Provide a network of parks, open spaces and wetlands that meet community and environmental needs (environmental sensitivity awareness).	Amount of reserve per 1000 population.	12 ha/1000 people	12 ha/1000 people
Provide a variety of recreation opportunities and facilities in parks.	% of children's play areas within 500m of dwellings in the urban area.	90%	90%
	Kilometres of walkways provided in the District.	45 kilometres	45 kilometres

# Social and cultural group **cont.**

## Public gardens and open spaces **cont.**

Level of Service	Performance measures	2009/10 targets	2010/11 targets
<b>Open Spaces</b>			
Provide and maintain sports fields for local, regional, national competitions, and participation.	% of residents very/fairly satisfied with the level of service.	88%	88%
<b>Cemeteries/Crematorium</b>			
Ensure that culturally sensitive, well designed, conveniently located cemeteries and cremation facilities are available in Rotorua District.	Provision of sufficient long term burial plots in Rotorua District main cemetery (shown as the number of years of developed plots).	3-4 years supply	2-3 years supply
	Provision of sufficient daily cremator capacity.	6/day	6/day

## Funding considerations

### Cemeteries/crematorium

#### Who benefits from the activity?

- The community as a whole benefits:
  - from the historical significance of those who have passed away.
  - by providing for maintenance of public health through sanitary disposal of the deceased.
- Individuals who benefits are:
  - Users of the service and those who visit.
  - Individuals and families from being able to plan.
  - Those who seek a historical and heritage purpose.

#### What is the period of benefit?

- Benefits are ongoing.

#### Who creates need for the activity?

- The community as a whole with equity of access and affordability.

#### Funding source

Having regard to the benefits it is considered that:

- Costs of burials and cremations should be funded by user charges;
- Maintenance of the open space, which is essentially a park, should be funded by general rates.
- Funding is approximately 50% from user charges and 50% from general rates.

### Public gardens/general reserves

#### Who benefits from the activity?

- The community as a whole benefits from:
  - Choice of recreational facilities and a healthy active community.
  - Access to lakes, clean water quality, attractive parks, gardens and streetscapes, and high quality reserve facilities.
- Event organisers benefit from commercial opportunities from activities.
- Individuals who take part as activity participants and spectators.

#### What is the period of benefit?

- Benefits are both short-term and ongoing:
  - Short-term benefits include activities such as planting of annual beds.
  - Long-term benefits include activities such as planting of trees that are not expected to mature for 30 years.

#### Who creates need for the activity?

- The community as a whole for recreational activities and choice.

#### Funding source

A significant portion of the benefit relates to the public nature of the activity including availability of free access to reserves and amenities that enhance the district's image. The balance of benefits accrue to identifiable users such as sporting bodies. Council policy is to encourage the greatest possible use of reserves. Recent surveys indicate that reserve use is very broad and across all economic groups. Direct recovery of costs is reasonably recovered from identifiable users without dissuading use. Funding is 85% - 95% from general rates and the balance (5% - 15%) from user fees and charges.

# Social and cultural group cont.

## Rotorua district library

### Community outcomes

Community Outcome	How the Council contributes
Safe & Prosperity	<ul style="list-style-type: none"> <li>By providing improved opportunities</li> <li>A well educated workforce contributes to the economic performance of a community</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>By providing an excellent facility and resources to the community that would not otherwise be provided by private enterprise</li> </ul>
Maori Culture	<ul style="list-style-type: none"> <li>By fostering Maori cultural activities and expression</li> <li>By respecting Te Arawa as part of the unique heritage of Rotorua District</li> </ul>
Learning	<ul style="list-style-type: none"> <li>By providing learning activities accessible for everyone</li> <li>By providing excellent pre-school/infant facilities</li> <li>By providing whanau supported learning</li> <li>By encouraging literacy and lifelong learning, supporting formal and informal education</li> </ul>
Happening	<ul style="list-style-type: none"> <li>By providing leading edge activity events</li> <li>By fostering artistic expression, art, music, dancing, public performances and exhibitions</li> <li>By providing great facilities to visit</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Library readily accessible to residents and visitors and meets the needs of the community.	% of population are members of the library.	60%	60%
	% of households who have used the library in the last 12 months.	69%	69%
	Annual visits per capita.	5.5	5.5
	% of residents who are very/fairly satisfied with the level of service.	86%	86%
Maintain a collection of local Maori and European print resources for reference and study.	% of published and unpublished print material reflecting Rotorua's heritage and culture purchased each year.	100%	100%
Maintain collections of fiction and non fiction for information, education and recreation.	Average annual items issued per capita	11	11
	Number of items purchased p.a. per capita.	0.28	0.28
Provide events that reflect the art and cultural interest of the community with a specific focus on literacy.	Number of children's programmes per year.	4 pa	4 pa
	Number of teens' programmes per year.	2 pa	2 pa
	Number of 'toddler time' sessions per week during term time.	2 per week	2 per week
	Number of guest authors per year.	6 pa	6 pa

# Social and cultural group cont.

## Rotorua district library cont.

### Funding considerations

#### Who benefits from the activity?

- The community as a whole benefits from:
  - choice of recreational activities and a healthy caring community.
  - educational opportunities the library offers.
  - being informed.
  - the library acting as a repository for local history, including Maori history
- Community groups and individuals who borrow material benefit personally.

- LIANZA Standards
- Local Government Act 2002
- Strategic Review
- Marketing Plan
- Library Collection Management Plan
- Library Opening Hours Policy
- Draft National Public Libraries Strategic Framework
- Library Business Plan
- e-Government Strategy

#### What is the period of benefit?

- Educational benefits from an informed, literate and educated population are ongoing.
- The preservation of written local history, including Maori history, for future generations, is ongoing.
- Recreational benefits for a holistic lifestyle for the community are ongoing and long term.

#### Who creates need for the activity?

- The community as a whole creates the need for access to cultural heritage, creative media, knowledge, and recreational activity.
- The drivers are:
  - Connecting Communities Strategy/Digital Strategy

#### Funding source

Council wants to encourage use of the library and wants all people to have access to the library, regardless of economic status.

Accordingly, Council proposes to maintain fees at a level that will not discourage and reduce use. However, the full cost of 'added value services' will be charged, wherever practical.

This activity is funded 85% - 95% from general rates with the balance of funding (5% - 15%) coming from user fees and charges.

## Rotorua museum of art & history

### Community outcomes

Community Outcome	How the Council contributes
Maori Culture	<ul style="list-style-type: none"> <li>▪ By preservation and sustainable development of Maori resources.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>▪ By providing learning activities accessible for everyone.</li> <li>▪ By providing quality educational institutions.</li> </ul>
Happening	<ul style="list-style-type: none"> <li>▪ By providing great facilities to visit.</li> <li>▪ By fostering artistic expression, art, music, dance, public performances and exhibitions.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
An outstanding museum experience, open seven days a week and free to local residents of Rotorua.	% of households in Rotorua that visit the museum each year.	55%	55%
	% of local residents very /fairly satisfied with the museum and its services	75% with an increasing trend corresponding with future capital development of the museum	75% with an increasing trend corresponding with future capital development of the museum
Collect, preserve, catalogue and conserve the community's cultural heritage.	Number of collections and items.	7	7

# Social and cultural group cont.

## Rotorua museum of art & history cont.

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Interpret and display the art, culture and stories of Rotorua and Te Arawa via a number of permanent exhibitions.	Number of permanent exhibition galleries.	7	7
Provide a range of educational levels including primary, secondary, tertiary and adult learning.	Number of public programmes (workshops/lectures) per year.	15	15
	Number of students each year participating in the LEOTC programme (curriculum based learning).	12,000	12,000
Provide a range of unique exhibitions from other parts of New Zealand.	Number of touring exhibitions.	10	10
	Number of language based navigational maps so museum visitors can self-guide around the museum.	14	14
	Number of guided tours per day.	7	7

### Funding considerations

#### Who benefits from the activity?

- The community as a whole; it is available and accessible to everyone.
- The local community benefits from the provision of exhibitions and public programmes that would otherwise not be possible in Rotorua.
- Present and future generations of residents benefit from the ongoing stewardship of the material heritage collections of the district.
- School students from the district and beyond benefit from the educational opportunities provided at the museum.
- Individuals and groups who take advantage of the service and attend activities.
- Domestic and international visitors who visit the museum as a paid attraction.

#### What is the period of benefit?

- Educational benefit from an informed, creative population, including visitors to the district, is ongoing.
- The preservation of cultural heritage, including Maori heritage is ongoing and long-term.
- Recreational benefit for a holistic lifestyle for the community is ongoing.

#### Who creates need for the activity?

- The need to undertake this activity is created by:
  - The local community for access to cultural heritage and creative media.

- Community expectation that the material heritage of the district will be cared for, preserved and interpreted for the benefit of current and future generations.
- Demand from domestic and international visitors for a quality museum experience to enhance and enrich their visit to Rotorua District.
- Whanau and hapu of Te Arawa for a safe and secure repository for their taonga.
- The need to care for and preserve the Bathhouse and Blue Baths as historic buildings.

#### Funding source

The museum provides a significant public benefit to the community as well as a particular benefit to individuals and groups who visit the museum for either educational or recreational purposes.

Fees are charged to visitors to the district at a level that encourages use of the Museum.

This activity is funded 55% - 65% from general rates with the balance of funding (35% - 45%) coming from user fees and charges.

Council has budgeted \$3.92 million in 2010/11 for capital grants, which is made up of the following:

- Museum Centennial Trust \$3,877,000
- Rotorua Charitable Trust \$10,716
- Development Contributions \$28,482

# Environmental and regulatory group

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## Overview of Group

This group is made up of the following activities of Council:

- Animal Control
- Building Services
- Environmental planning implementation
- Environmental planning policy
- Infrastructural planning and compliance
- Inspection
- Parking enforcement

Environmental Group 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 balancing

competing rights of individuals and groups to do different things.

The new government has already signalled its intent to make changes to the Resource Management Act (RMA).

These changes may affect how council manages the resource consent process and the review of the district plan.

## Large budget variances explained

It is anticipated that parking enforcement income will be higher than projected for the Ten Year Plan.

# Environmental and regulatory group **cont.**

## Projected cost of service for year ended 30 June 2011

	Annual Plan 2009/10	Ten Year Plan 2010/11	Annual Plan 2010/11
	(\$'s in 000's)		
<b>OPERATING EXPENDITURE</b>			
Animal Control	869	899	910
Building Control	2,241	2,290	2,215
Infrastructural Planning & Compliance	644	664	664
Inspection	1,453	1,488	1,480
Parking Enforcement	951	973	956
Planning Implementation	2,204	2,242	2,207
Planning Policy	1,889	1,631	1,659
<b>Total Operating Expenditure</b>	<b>10,251</b>	<b>10,187</b>	<b>10,092</b>
<b>Less Revenue for Operations</b>			
Animal Control	563	580	580
Building Control	1,888	1,930	1,930
Infrastructural Planning & Compliance	644	664	664
Inspection	385	397	397
Parking Enforcement	1,486	1,531	1,731
Planning Implementation	305	339	235
Planning Policy	10	11	11
<b>Total Operating Revenue *</b>	<b>5,281</b>	<b>5,452</b>	<b>5,546</b>
<b>Net Cost of Service</b>	<b>4,970</b>	<b>4,735</b>	<b>4,544</b>
* Excludes any capital revenue			
<b>Total Operating Expenditure funded by:</b>			
General Rates	4,928	4,777	4,569
Fees & Charges	5,282	5,451	5,546
Investment Income	-	-	-
Subsidies & Grants	-	-	-
Targeted Rates	-	-	-
Self Funding/Reserve movements	-	-	-
Depreciation not funded	40	(40)	(24)
<b>Total Operating Expenditure</b>	<b>10,250</b>	<b>10,188</b>	<b>10,091</b>
<b>CAPITAL EXPENDITURE</b>			
Inspection	11	-	-
Parking Enforcement	-	72	72
<b>Total Capital Expenditure</b>	<b>11</b>	<b>72</b>	<b>72</b>
<b>Total Capital Expenditure funded by:</b>			
Funding from Depreciation (Rates)	11	72	72
Loans from/(to) Corporate Fund	-	-	-
Capital Grants	-	-	-
Development Contributions	-	-	-
Reserves Net	-	-	-
Asset Sales	-	-	-
<b>Total Capital Expenditure</b>	<b>11</b>	<b>72</b>	<b>72</b>



# Environmental and regulatory group **cont.**

## Animal control

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>By providing safe public places free from uncontrolled dogs and wandering stock.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>By facilitating the use and enjoyment of the natural environment without threat of uncontrolled dogs.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Provide a dog registration service.	% of known dogs registered by 30 June (measured by monitoring and auditing of registration data).	> 97.5%	> 97.5%
Ensure dog complaints are actioned.	% of complaints responded to within 1½ working days (measured by monitoring and auditing of complaints register).	100%	100%
Ensure stock complaints are actioned.	% of complaints about wandering stock responded to immediately (measured by monitoring and auditing of complaints register).	100%	100%

### Funding considerations

#### Who benefits from the activity?

The community as a whole benefits from council responses to complaints about nuisance dogs and wandering stock, thereby making the environment safer and more enjoyable to live in.

#### What is the period of benefit?

Benefits from regulation are ongoing, although specific regulations may change from time to time.

#### Who creates the need for the activity?

- The community's need for structure, consistency, safety, and certainty.
- Legislation.
- Owners of dogs and of wandering livestock.

#### Funding source

Most costs are caused by owners of dogs who do not adequately control and train them. Some costs (about 10%) are caused by wandering stock. Therefore Council has determined that about 54% of the cost of dog control should be funded by dog owners to cover the cost of control, and that the balance, and the costs of controlling wandering livestock, should be met from general rates.

# Environmental and regulatory group **cont.**

## Building services

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>By ensuring buildings are safely constructed and maintained.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>By ensuring heritage buildings are given due consideration during alterations.</li> </ul>
Health	<ul style="list-style-type: none"> <li>By ensuring dangerous and insanitary buildings are dealt with to mitigate or remove the danger or insanitary condition.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>By ensuring consents are processed in a timely manner.</li> <li>By ensuring inspections are available within a reasonable timeframe.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>By ensuring Council provides information to the community on various acts and regulations.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Buildings are constructed and maintained so people can use them safely.	% of PIMs, building consents processed within 19 working days.	96%	96%
	% of inspections undertaken within 72 hours.	100%	100%
	Accredited system under the Building Act 2004 is maintained after bi-annual audits.	100%	100%
	% of buildings with Building Warrants of Fitness audited annually.	> 25%	> 25%
	% of complaints investigated in 72 hours.	100%	100%

### Funding considerations

#### Who benefits from the activity?

- the community as a whole benefits from safe, reliable buildings and infrastructures.
- the building industry benefits by complying with standards.
- individuals who take advantage of this service benefit from the activity.

#### What is the period of benefit?

- benefits of regulation are intergenerational and ongoing as long as the infrastructure is maintained.
- benefits from regulation are ongoing even though specific regulations may change from time to time.

#### Who creates the need for the activity?

The need to undertake this activity is created by:

- legislation,
- the community.
- partly created by those in the industry who need to maintain standards.

#### Funding source

- The benefits from expenditure on this activity go to the individual (for consents) and the whole community (for provision of information)
- 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.
- The consents part of this activity will be fully funded by fees and charges, whereas information provision to the public will be met in full from general rates.
- Approximately 70% - 80% of the costs of this activity is funded by user fees and charges while the balance of funding comes from general rates.

# Environmental and regulatory group **cont.**

## Environmental planning implementation

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>By the assessment of applications against planning framework that recognises the need to provide for safe homes, streets, and safe public spaces.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>By the implementation of planning management controls to assist in improving the natural and physical environment, and in achieving environmental respect.</li> </ul>
Health	<ul style="list-style-type: none"> <li>By the implementation of an environmental planning framework that recognises of the need to provide for a healthy community, and to reflect this in policy decisions.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>By the implementation of a planning framework that supports the local economy, recognises and provides for quality development, and celebrates and promotes the district's uniqueness.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>By providing a well planned district with supporting infrastructure, facilities, and services, that contribute to residents' and visitors' enjoyment of the district.</li> </ul>
Maori Culture	<ul style="list-style-type: none"> <li>By implementation of an environmental planning framework that accounts for Iwi aspirations, recognises the spiritual and cultural connection of Maori, and recognises and provides for this in consent decisions.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>By the assessment of applications in a manner that supports increasing knowledge and awareness.</li> </ul>
Happening	<ul style="list-style-type: none"> <li>By providing an environmental planning framework that supports the hosting of activities and events, and that assists creativity in the environment.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Timely and consistent processing of resource consent applications.	% of land use consents processed with statutory timeframes.	> 92%	> 92%
	% of subdivision consents processed with statutory timeframes.	> 92%	> 92%
	% of 223/224 applications processed within statutory timeframes.	100%	100%
	% of other applications processed within statutory timeframes.	> 90%	> 90%
Appropriate community input sought for application with wide ranging environmental effects.	Monthly hearings matrix maintained and regular reporting to Planning and Bylaws committee.	100%	100%
High degree of probity in resource consent decision making.	Six monthly report of Hearing Commissioner appointments.	100%	100%
Monitoring of compliance with consent conditions for all consents granted.	Six monthly report to Planning and Bylaws Committee on compliance monitoring.	100%	100%

# Environmental and regulatory group **cont.**

## Environmental planning implementation **cont.**

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Prompt responses to complaints about planning and environmental issues.	All complaints responded to within 24 hours of receipt .	100%	100%
Facilitate Tangata Whenua input into decision making processes.	Maintenance of Iwi Consultative Committee Register.	100%	100%

### Funding considerations

#### Who benefits from the activity?

- The community as a whole benefits from:
  - A unique high quality urban and rural environment.
  - The available built and natural environment opportunities that are able to be enjoyed.
- Business benefits from the attraction of visitors to enjoy the quality Rotorua environment, which is coupled with effective and accessible infrastructure.
- Subdividers and developers benefit from having a planned and consistent framework to work within.

#### What is the period of benefit?

- Benefits are ongoing in terms of a sustainable district and community.
- Benefits of the work undertaken in Environmental Planning have both an immediate and a longer term planning horizon.

- The longer term planning horizons will be longer than that envisaged by the LTCCP.

#### Who creates need for the activity?

The need to undertake this activity derives from:

- The community as a whole for pleasant, functional, sustainable urban and rural environments.
- Legislation.
- Compliance with statutory responsibility.

#### Funding source

About 70% of the costs relates to consent work which essentially benefits individuals or groups of people. The remaining 30% relates to providing public information and other non-recoverable services.

## Environmental planning policy

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>▪ By providing an environmental planning framework that recognises the need to provide for safe homes, streets, and safe public spaces.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>▪ By providing a primary land use planning tool that assists in achieving environmental respect, and providing planning management controls to assist in improving natural and physical environment.</li> </ul>
Health	<ul style="list-style-type: none"> <li>▪ By providing an environmental planning framework that recognises the need to provide for a healthy community, and to reflect this in policy decisions.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>▪ By providing an environmental planning framework that is inclusive for Iwi aspirations, recognises the spiritual and cultural connection of Maori, and recognises and provides for this in policy decisions.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>▪ By providing an environmental planning framework that supports the local economy, recognises and provides for quality development, and celebrates and promotes the district's uniqueness.</li> </ul>
Maori Culture	<ul style="list-style-type: none"> <li>▪ By providing a well planned district with supporting infrastructure, facilities, and services, that contribute to residents' and visitors' enjoyment of the district.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>▪ By providing useful and relevant research about the district that is easily accessed by the community.</li> </ul>
Happening	<ul style="list-style-type: none"> <li>▪ By providing an environmental planning framework that supports the hosting of activities and events, and that assists creativity in the environment.</li> </ul>

# Environmental and regulatory group **cont.**

## Environmental planning policy **cont.**

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Operative Rotorua district plan maintained and kept current.	Web based district plan kept current.	100%	100%
Status of district plan reported to Planning and Bylaws Committee.	Update report to Planning and Bylaws committee at each meeting.	100%	100%
Comprehensive review of operative district plan.	Notification of district plan review in 2009.	Public notification of district plan in February 2010	Submissions process completed December 2010
Council initiated plan changes undertaken in response to topical issues, and processed to statutory requirements.	Plan changes reported to Planning and Bylaws committee and progressed within statutory time.	100%	100%
Advocating on behalf of the community on regional and national environmental policy matters.	Private plan changes reported to Planning and Bylaws committee and progressed within statutory time.	100%	100%
Monitor the state of the district's environment.	State of the Environment monitoring undertaken yearly.	100%	100%

### Funding considerations

#### Who benefits from the activity?

- The community as a whole benefits from:
  - A unique high quality urban and rural environment.
  - The available built and natural environment opportunities that are able to be enjoyed.
- Business benefits from the attraction of visitors to enjoy the quality Rotorua environment, which is coupled with effective and accessible infrastructure.
- Subdividers and developers benefit from having a planned and consistent framework to work within.

#### What is the period of benefit?

- Benefits are ongoing in terms of a sustainable district and community.
- Benefits of the work undertaken in Environmental Planning have both an immediate and a longer term planning horizon.

- The longer term planning horizons will be longer than that envisaged by the LTCCP.

#### Who creates need for the activity?

The need to undertake this activity derives from:

- The community as a whole for pleasant, functional, sustainable urban and rural environments.
- Legislation.
- Compliance with statutory responsibility.

#### Funding source

Sustainable management of the resources of the district through protection, development, and use of those resources impacts on the community as a whole, both current and future generations, and is therefore funded 100% from general rates.

# Environmental and regulatory group **cont.**

## Infrastructural planning and compliance

### Community outcomes

Community Outcome	How the Council contributes
Environment	<ul style="list-style-type: none"> <li>By looking after our air, land and water resources.</li> <li>By contribution to waste reduction.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>By supporting and encouraging development and growth.</li> <li>By facilitating the provision of good quality, efficient community infrastructure.</li> <li>By facilitating the efficient and effective use of the road services corridor.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>By facilitating the transfer of satisfactory, safe, maintained services and roads from developers to Council.</li> <li>By providing good quality infrastructure for the future.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
To provide Integrated Risk Management to the organisation.	Number of activities reviewed in accordance with Integrated Risk Management process.	2 additional high level reviews	4 low level reviews
Provision of laboratory services and test results in accordance with IAANZ standards.	Maintain IAANZ accreditation.	100%	100%
Manage and control the community's wastewater discharges.	% of premises that have a conditional trade waste consent or stormwater licence inspected each year for compliance.	40%	40%
	All high risk premises monitored for compliance with their trade waste consent or stormwater licence conditions each year.	100%	100%
	% of pollution control complaints responded to within two hours.	90%	90%

### Funding considerations

This activity comprises two sub-activities that are considered separately for funding. They are:

- Development Engineering; and
- Trade Waste.

#### Who benefits from the activity?

The community as a whole benefits from:

- Development engineering by ensuring compliance with consent conditions and the requirements of the RCEIS.
- Collection and management of trade waste.
- A clean environment.

#### What is the period of benefit?

- Benefits are intergenerational and ongoing as long as the services are maintained.

#### Who creates need for the activity?

- The need to undertake the development engineering activity is created by the community as a whole.
- The need to undertake the trade waste activity derives from those who create trade waste.

# Environmental and regulatory group **cont.**

## Infrastructural planning and compliance **cont.**

### Development Engineering

#### Funding source

The costs of development engineering cannot readily be identified to and collected from individuals and groups and are funded by general rates.

### Trade Waste

#### Funding source

The costs of trade waste monitoring and enforcement are caused by individuals, groups, businesses and organisations, and 100% of costs are recovered from these users.

## Inspection

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>By ensuring safe public places.</li> <li>By minimising risks from nuisances and offensive behaviour.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>By protecting and preserving the environment.</li> </ul>
Health	<ul style="list-style-type: none"> <li>By protecting and preserving public health.</li> <li>By providing effective responses to developing health issues.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Environmental Health – Promotion and conservation of public health by inspection and registration of food premises, hairdressers and camping grounds, investigation/resolution of noise and health nuisances/ complaints.	% of health complaints responded to within 1.5 working days.	100%	100%
	% of food premises registered.	100%	100%
	% of noise complaints responded to within 2 hours.	100%	100%
District Licensing Agency – Inspection of licensed premises to ensure compliance with licence conditions and Sale of Liquor Act.	% of licensed premises inspected under Sale of Liquor Act at least once every 12 months.	100%	100%
General – Investigation/resolution of complaints/nuisances.	% of general complaints responded to within 1 working day.	100%	100%
	% of litter complaints responded to within 1 working day.	100%	100%
Geothermal – Investigation/resolution of complaints about geothermal issues and provision of gas level testing service. Ensuring compliance with provisions of Geothermal Safety Bylaw.	% of geothermal gas complaints responded to within 1 working day.	100%	100%

# Environmental and regulatory group **cont.**

## Inspection **cont.**

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Hazardous Substances – Ensuring compliance with provisions of hazardous substances legislation and regulations in private dwellings and public places.	% of hazardous substance complaints responded to within 1 working day.	100%	100%

## Funding considerations

This activity comprises six sub-activities that are considered separately for funding. They are:

- general inspection – hazardous substances
- general inspection – bylaws and geothermal
- environmental health – regulatory
- environmental health – noise control
- environmental health – licensing
- general inspection – sale of liquor

### Environmental Health – Regulatory

#### Who benefits from the activity?

- The community as a whole benefits from safe, reliable infrastructure and resources, and consistent council procedures.

#### What is the period of benefit?

- Benefits of regulation in general are ongoing although through the specific regulations may change over time.

#### Who creates the need for the activity?

- The community as a whole.

#### Funding source

This activity essentially serves the community as a whole. Council cannot legally charge for noise complaint callouts, other health issues and general complaints. Costs are therefore funded from general rates.

### Environmental Health – Licensing

#### Who benefits from the activity?

- The community as a whole benefits from safe, reliable infrastructure and resources, and consistent council procedures.
- Individuals and user groups are prime beneficiaries.

#### What is the period of benefit?

- Benefits of regulation in general are ongoing although specific regulations may change over time.

#### Who creates the need for the activity?

- The entire community for structure, consistency and certainty.
- Legislation and regulation.

#### Funding source

Costs associated with the provision of this service are recovered by way of user fees

### Environmental Health – Noise Control

#### Who benefits from the activity?

- The community as a whole benefits from safe, reliable infrastructure and resources, and consistent council procedures.

#### What is the period of benefit?

- Benefits of regulation in general are ongoing although the specific regulations may change over time.

#### Who creates the need for the activity?

- The entire community creates the need for structure, consistency and certainty.
- Legislation.

#### Funding source

This activity essentially serves the community as a whole. Council cannot legally charge for noise complaint callouts, other health issues and general complaints. Costs are therefore funded from general rates.

### Sale of Liquor

#### Who benefits from the activity?

- Benefit from this activity is received by individuals being certificated or those applying for liquor licenses for premises.
- The community as a whole also benefits from the knowledge that licensees are checked and vetted as being appropriate and competent persons to be involved in the sale of liquor, and who comply with the conditions of their licences.

#### What is the period of benefit?

- Benefits of regulation in general are ongoing although through the specific regulations may change over time.

#### Who creates the need for the activity?

- The entire community creates the need for structure, consistency and certainty.
- Legislation and regulation.

#### Funding source

Some of the costs associated with the provision of this service are recovered by way of user fees. The level of fees payable for liquor licence applications is fixed by government regulation and a portion of most of those fees is paid to the liquor licensing authority.



# Environmental and regulatory group **cont.**

## Inspection **cont.**

### Bylaws and Geothermal

#### Who benefits from the activity?

- The community as a whole benefits from safe, reliable infrastructure and resources and consistent council procedures.

#### What is the period of benefit?

- Benefits of regulation in general are ongoing although specific regulations may change over time.

#### Who creates the need for the activity?

- The community as a whole, particularly in regard to safety and health.

#### Funding source

- While 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 unrealistic to contemplate charging a fee for lodging a complaint, therefore user pays is not considered an option. Costs are funded from general rates.

### Hazardous Substances

#### Who benefits from the activity?

- The community as a whole benefits from safe, reliable infrastructure and resources and consistent council procedures.

#### What is the period of benefit?

- Benefits of regulation in general are ongoing although specific regulations may change over time.

#### Who creates the need for the activity?

- A legislative requirement and the community as a whole, particularly in regard to safety and health.

#### Funding source

- While the bulk is generated by complaints from individuals, the resolution of such complaints frequently results in benefits to the wider community. It is unrealistic to contemplate charging a fee for lodging a complaint, therefore user pays is not considered an option. Costs are funded from general rates.

## Parking enforcement

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>By enforcing the parking regime and ensuring that vehicles are roadworthy.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>By encouraging more businesses to invest in the area due to the availability of parking for customers and workers alike.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Ensure CBD retailing is provided with a regular turnover of parking spaces for potential customers.	% average parking availability (1 in 7 spaces available between 10am and 3pm as measured by periodic survey*).	15%	15%
Ensure parking restrictions are enforced.	Number of days enforcement is undertaken.	5.5 days/week	5.5 days/week

### Funding considerations

#### Who benefits from the activity?

The community as a whole benefits from accessibility of the city and ease of transportation throughout the city.

#### What is the period of benefit?

Benefits are ongoing as long as the infrastructure is maintained.

#### Who creates the need for the activity?

The community as a whole creates the need for an accessible urban environment where transport links are readily available for both business and public use.

#### Funding Source

Individuals derive a direct benefit from this activity and costs are therefore recovered 100% by user fees and charges.

# Tourism and economic development group

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## Overview of Group

This group is made up of the following activities of Council:

- Economic Development
- Tourism
- Rotorua Regional Airport

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

The Ten Year Plan was prepared against a background of international economic turmoil unprecedented in the lives of most New Zealanders. How this international environment will affect the Rotorua economy is as yet unclear. However, it is unlikely that the tactical

responses that have served us well over the last three years will be as effective, or indeed valid, in the future. Flexibility in response to changing circumstances is critical. Current examples of this would be a change in focus for tourism marketing initiatives from long-haul European and US markets to short-haul east coast Australia and domestic visitors.

## Large budget variances explained

- Increase in provision for trans-Tasman marketing which will be mostly funded by Tourism NZ (Tourism Promotion Fund) and an increase in the Business and Economic Development rate.
- Additional capital expenditure for the airport (southern runway extension) due to work unlikely to be completed for 2009/10.

# Tourism and economic development group

## cont.

### Projected cost of service for year ended 30 June 2011

	Annual Plan 2009/10	Ten Year Plan 2010/11	Annual Plan 2010/11
	(\$'s in 000's)		
<b>OPERATING EXPENDITURE</b>			
Destination Rotorua Economic Development	1,253	1,375	1,263
Rotorua Regional Airport	3,728	4,332	4,423
Tourism	4,493	4,720	6,113
<b>Total Operating Expenditure</b>	<b>9,474</b>	<b>10,427</b>	<b>11,799</b>
<b>Less Revenue for Operations</b>			
Destination Rotorua Economic Development	1,055	1,288	1,051
Rotorua Regional Airport	1,439	1,834	1,367
Tourism	3,931	4,047	5,412
<b>Total Operating Revenue *</b>	<b>6,425</b>	<b>7,169</b>	<b>7,830</b>
<b>Net Cost of Service</b>	<b>3,049</b>	<b>3,258</b>	<b>3,969</b>

\* Excludes any capital revenue

#### Total Operating Expenditure funded by:

General Rates	673	675	796
Fees & Charges	3,432	3,888	3,420
Investment Income	60	60	60
Subsidies & Grants	262	269	1,165
Targeted Rates	2,670	2,952	3,185
Self Funding/Reserve movements	1,230	1,424	2,252
Depreciation not funded	1,147	1,159	921
<b>Total Operating Expenditure</b>	<b>9,474</b>	<b>10,427</b>	<b>11,799</b>

#### CAPITAL EXPENDITURE

Destination Rotorua Economic Development	45	-	-
Rotorua Regional Airport	7,108	758	5,147
Tourism	40	-	40
<b>Total Capital Expenditure</b>	<b>7,193</b>	<b>758</b>	<b>5,187</b>

#### Total Capital Expenditure funded by:

Funding from Depreciation (Rates)	-	-	-
Loans from/(to) Corporate Fund	85	-	40
Capital Grants	-	-	-
Development Contributions	-	-	-
Reserves Net	7,108	758	5,147
Asset Sales	-	-	-
<b>Total Capital Expenditure</b>	<b>7,193</b>	<b>758</b>	<b>5,187</b>

# Tourism and economic development group cont.

## Economic development

### Community outcomes

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

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Market Rotorua nationally and internationally as a great place to live, work, learn, invest and do business.	Number of website visits per month	Maintain at 20,000 by June 2010	Maintain at 20,000 by June 2010
	% of business and relocation enquiries responded to within 3 working days	> 95%	> 95%
	Number of new clients pa attracted and maintained into the BMNZ programme	12	12
	Number of new Rotorua specific business enquiries; and film and commercial enquiries generated pa	100 30	100 30

# Tourism and economic development group cont.

## Economic development cont.

Level of Service	Performance measures	2009/10 targets	2010/11 targets
	Amount of government and private sector funding attracted to assist in implementing the BrightEconomy strategy	\$50,000	\$50,000
	Number of businesses involved in the Rotorua Employment Skills Programme	250	250
	Number of students involved in the YES (Young Enterprise Scheme)	50	50

### Funding considerations

#### Who benefits from the activity?

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

#### What is the period of benefit?

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

#### Who creates need for the activity?

- The need to undertake this activity derives from the community as a whole from economic development.
- However the Business community plays a key role in influencing the specific areas of focus for the unit;

in the main this will be communicated through the activity of the recently created BrightEconomy Advisory Board.

- The economy as a whole creates the need for city marketing as a tool for regional promotion.
- Businesses create the need for exposure to wider markets.

#### Funding source

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

# Tourism and economic development group cont.

## Tourism

### Community outcomes

Community Outcome	How the Council contributes
Environment	<ul style="list-style-type: none"> <li>By helping to protect a range of natural resources in the district.</li> <li>By encouraging people to use and enjoy our natural environment.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>By promoting our district's unique qualities to encourage more people to visit, to stay longer and spend more.</li> <li>By ensuring Rotorua is renowned for tourism; a vibrant tourism sector provides more employment opportunities for locals.</li> </ul>
Maori Culture	<ul style="list-style-type: none"> <li>By fostering Maori cultural activities and expression.</li> <li>By encouraging a community that recognises the value of partnerships, including the Treaty of Waitangi.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
<b>Destination Marketing</b>			
Market Rotorua as a preferred destination for leisure, conference/ incentive and events visitors of both international and domestic origin.	Contribute to the number, the length of stay and the average spend of visitors to Rotorua.	1.6 million visitors	1.7 million visitors
		> 2.3 average nights	> 2.3 average nights
		> \$120 spend per person/day	> \$120 spend per person/day
Encourage the Rotorua tourism industry to deliver on the promise of Manaakitanga (provision of exceptional hospitality) to the visitor experience.	Average visitor satisfaction rating of Rotorua experience as measured by the Rotorua Regional Visitor Monitor.	8 out of 10 score achieved.	8 out of 10 score achieved
Encourage the uptake of sustainability within the tourism industry.	% of businesses advertising in the Rotorua Visitor Guide that are associated with the Rotorua Sustainable Tourism Charter, Qualmark or Green Globe.	80%	80%
<b>Rotorua Travel Office</b>			
Booking services are provided to visitors to Rotorua to encourage extended length of stay and visitor spend.	Amount of commissions revenue generated by Travel Office.	\$1.5 million	\$1.5 million
	% of satisfaction of industry members of the Tourism Advisory Board with the booking services provided by the Travel Office.	Review against benchmark as set in 2008/09	Review against benchmark as set in 2008/09
Provide an accessible, informative and friendly point of contact to visitors to Rotorua.	% of customers satisfied or very satisfied as per annual customer survey.	80%	80%

# Tourism and economic development group

## cont.

### Tourism cont.

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Provide Conference and Group services.	% of clients satisfied or very satisfied with levels of service.	80%	80%

### Funding considerations

#### Who benefits from the activity?

- The community as a whole benefits from improved economic activity and positive outlook/attitudes.
- Individual businesses benefit directly from specific initiatives.
- Visitors to Rotorua benefit from this service
- Residents of Rotorua benefit from this service through the provision of information.

#### What is the period of benefit?

- Benefits are ongoing for the entire economy.

#### Who creates need for the activity?

- The economy as a whole creates the need for city marketing as a tool for regional promotion.
- Businesses create the need for exposure to wider markets.
- Visitors both domestic and international to the Rotorua District create the need for the service.

#### Funding source

- It is considered this activity primarily benefits those who use its services. These beneficiaries are visitors to the centre who obtain information and the tourism operators whose services are sold to the tourist.
- The service also benefits the district as a whole by way of positive effects on the local economy created by the spending of tourists and visitors. Further, the activity compliments Tourism Marketing and the community benefits of that activity.
- Funding of this activity is approximately 40% - 50% from user fees and charges, 50% - 60% from targeted rates and up to 10% from general rates.

(NB: The increase in tourism promotion is being mostly funded by Tourism NZ).

### Rotorua regional airport

#### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>▪ By providing a safer option for those wanting to travel directly to or from Rotorua rather than having to travel between Rotorua and other cities, particularly Auckland, by road.</li> <li>▪ By ensuring that the infrastructural assets are designed, built and managed in accordance with the appropriate safety standards and legislation.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>▪ By providing direct air access to and from Rotorua, the council is directly supporting the growth, employment opportunities and economic development of the city, district and wider Bay of Plenty community.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>▪ By contributing to an integrated transport system and a modern, safe airport for the region. The airport asset is subject to an asset management plan to ensure it remains intact and serviceable for future generations.</li> </ul>

# Tourism and economic development group cont.

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## Rotorua regional airport cont.

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
The airport assets will be developed and managed in a safe manner and in compliance with the relevant legislation.	Number of airport closures or flight delays caused by the failure of the airport to meet industry safety and operational standards.	Nil	Nil
The assets will be provided at reasonable cost.	% of programmed construction and maintenance work completed on time and within budget.	100%	100%

### Funding considerations

#### Who benefits from the activity?

The community as a whole benefits from:

- A safe, efficient and accessible air service
- Increased employment opportunities
- Increased economic growth

Passengers, in particular, benefit from an efficient service. Visitors and tourists benefit from direct access to Rotorua and the surrounding region and attractions.

#### What is the period of benefit?

Benefits are ongoing as long as the airport continues to operate at its current location.

#### Who creates the need for the activity?

Users of air transport create the need for a safe and efficient infrastructure for supporting air transport. Rotorua is generally regarded as the premier tourist destination in the North Island and a significant sector of the community relies on and benefits from the provision of direct air services to Rotorua. Legislation requires that these services be provided safely and efficiently.

#### Funding Source

The airport activity is funded by users.



# Infrastructural group

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## Overview of Group

This group is made up of the following activities of Council:

- City Services operations
- Stormwater and land drainage
- Transport
- Waste management
- Wastewater
- Water supplies

Infrastructural Group activities provide many of the traditional key services associated with councils, such as water, sewerage, roads and refuse collection. To provide these services, Council owns and manages many large and complex assets on behalf of the community.

## Large budget variances explained

- Reduced depreciation costs for roading.
- Increased depreciation costs and trade waste charges for the landfill.
- Less reduce collection rates than budgeted for in the Ten Year Plan.
- Reduced provision for road reseals.
- Lake Okareka sewerage scheme brought forward to 2009/10, and also reduced construction costs for the Okere/Otaramarae/Whangamarino sewerage scheme.

# Infrastructural group cont.

## Projected cost of service for year ended 30 June 2011

	Annual Plan 2009/10	Ten Year Plan 2010/11	Annual Plan 2010/11
	(\$'s in 000's)		
<b>OPERATING EXPENDITURE</b>			
C B D Service Operations	2,693	3,019	3,176
Engineering Support	206	212	212
Roading & Transport	15,199	16,758	15,300
Stormwater & Land Drainage	2,820	2,957	2,969
Waste Management	6,592	7,295	8,178
Wastewater Schemes	9,630	10,600	10,621
Water Supplies	6,218	6,510	7,117
HYDRUS	5	49	(287)
<b>Total Operating Expenditure</b>	<b>43,363</b>	<b>47,400</b>	<b>47,287</b>
<b>Less Revenue for Operations</b>			
C B D Service Operations	1,500	1,545	1,545
Engineering Support	206	212	212
Roading & Transport	15,157	19,515	19,202
Stormwater & Land Drainage	106	121	109
Waste Management	5,292	6,520	6,672
Wastewater Schemes	10,765	10,975	11,144
Water Supplies	6,918	7,126	6,972
HYDRUS	-	-	-
<b>Total Operating Revenue *</b>	<b>39,944</b>	<b>46,014</b>	<b>45,855</b>
<b>Net Cost of Service</b>	<b>3,419</b>	<b>1,386</b>	<b>1,432</b>
* Excludes any capital revenue			
<b>Total Operating Expenditure funded by:</b>			
General Rates	4,914	5,293	4,077
Fees & Charges	5,178	5,709	6,577
Investment Income	576	406	785
Subsidies & Grants	3,703	3,812	3,812
Targeted Rates	27,982	29,603	29,079
Self Funding/Reserve movements	(18,846)	(6,009)	(5,387)
Depreciation not funded	20,126	8,587	8,344
<b>Total Operating Expenditure</b>	<b>43,633</b>	<b>47,401</b>	<b>47,287</b>
<b>CAPITAL EXPENDITURE</b>			
City Services Operations	163	84	82
Laboratory	7	4	4
Transport (Subsidised)	6,635	13,196	12,515
Transport (Unsubsidised) & Works General	2,544	2,508	1,791
Land Drainage	1,289	1,019	1,173
Landfill	1,341	309	3,359
Waste Management	-	1,813	1,000
Eastern Sewerage Scheme	6,236	6,800	5,569
Waste Water Rural	3,701	9,187	8,063
Waste Water Urban	7,348	10,145	11,593
Hamurana Water	-	-	34
Kaharoa Water	4	-	-
Mamaku Water	37	17	362
Reporoa Water	700	252	627
Rotoiti Water	29	-	-
Urban Water	6,892	4,773	3,901
Water Investigations & Overheads	40	31	31
<b>Total Capital Expenditure</b>	<b>36,966</b>	<b>50,138</b>	<b>50,104</b>
<b>Total Capital Expenditure funded by:</b>			
Funding from Depreciation (Rates)	3,502	3,357	2,998
Loans from/(to) Corporate Fund	3,324	4,693	3,759
Capital Grants	8,119	14,808	13,322
Development Contributions	4,567	5,995	5,211
Reserves Net	17,454	21,284	24,814
Asset Sales	-	-	-
<b>Total Capital Expenditure</b>	<b>36,966</b>	<b>50,137</b>	<b>50,104</b>

# Infrastructural group cont.

## City services operations

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>By providing safe public places, buildings, and streets.</li> <li>By providing and managing a crime prevention camera network.</li> <li>By ensuring a very high standard of cleaning and maintenance in the areas administered.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>By removing tagging by 7.30 am daily.</li> <li>By maintaining public conveniences to a very high standard of upkeep and cleanliness.</li> <li>By ensuring the central city area is always clean and tidy.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>By ensuring ease of getting from place to place.</li> <li>By providing a good quality infrastructure for now and the future.</li> </ul>
Happening	<ul style="list-style-type: none"> <li>By providing well managed and organised events.</li> <li>By ensuring activity in the City Focus and Central Business District is encouraged, adds flavour, and enhances Rotorua's character and reputation.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Provide a high standard of CBD cleaning and maintenance.	% of residents that are satisfied with appearance and cleanliness of CBD (as measured by annual survey).	70%	70%
Car parking availability in CBD is managed to the satisfaction of users.	% satisfied with parking in the CBD (as measured by periodic survey).	60%	60%
Provision of public toilets in the CBD that meets the expectation of users.	% satisfied with public toilets (as measured by annual survey).	55%	55%
Facilitating events at the city centre which contribute to the vibrancy of the city.	Number of events held in the city centre annually.	> 300 events	> 300 events .

### Funding considerations

This activity comprises two sub-activities is that are considered separately for funding. They are:

- City Services
- City Parking, both on-street and off-street

#### Who benefits from the activity?

- The community as a whole benefits from this activity; it is available and accessible to everyone. It provides an attractive, clean, well maintained, safe city and environs with easy and unobstructed access to attractive and safe shops and the surrounding environment.
- Retailers and landlords benefit from the commercial opportunity of operating in an attractive environment.
- Visitors to the city also derive a benefit.

- The entire community from the accessibility of central areas and transportation throughout.
- Road users and parking facility users.
- Retailers and landlords who benefit from shopping centres being made accessible.

#### What is the period of benefit?

- Benefits are intergenerational and ongoing as long as the infrastructure and service are maintained.

#### Who creates need for the activity?

- The need to undertake this activity derives from the community as a whole, by public expectation rather than any particular individuals or group.
- The need to undertake this activity is also partly created by shops and shoppers, including visitors.

# Infrastructural group **cont.**

## City services operations **cont.**

### Funding source

- Users of the off-street service are the prime beneficiaries and pay for the service as they use it.
- Fees are set at a level that will not dissuade use of the parking facilities, but meets the cost of this activity.
- Funding of this activity is 45% - 55% from user fees and charges and 45% - 55% from general rates.

## Stormwater and land drainage

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>By protecting people and property from flooding.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>By controlling the level of pollutants in stormwater flows and protection of natural stream channel environments. This contributes to improved lake water quality.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>By providing good quality infrastructure that will last for another 50-100 years.</li> </ul>

### Measuring our achievement

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Provision of a stormwater network to minimise the impact of flooding.	Number of dwellings per year affected by flood waters.	< 3*	< 3*
	% of blockages responded to within 24 hours.	> 95%	> 95%
	% satisfaction of people protected by urban land drainage schemes as measured by annual survey.	> 80%	> 80%
Provision of a stormwater network to minimise the impact on the environment.	Number of breaches of consent conditions notified by Regional Council.	0	0

\* Records show that in most years no dwellings are affected by flooding but in a significant rainfall event some dwellings would be expected to be affected by flood waters. The performance target shown is therefore an average per year over the 10 year period.

### Funding considerations

#### Who benefits from the activity?

- The community as a whole benefits from safe and efficient discharge of stormwater.
- Owners of property more prone to effects of stormwater also gain a particular benefit.

#### What is the period of benefit?

- Benefits are ongoing as long as the infrastructure is maintained.

#### Who creates the need for the activity?

- The community as a whole creates the need for a safe urban environment where stormwater discharges are adequately dealt with.
- Property owners directly affected by stormwater create a need for infrastructure to maintain adequate protection.

# Infrastructural group cont.

## Stormwater and land drainage cont.

### Funding source

This activity benefits:

- Both existing and future owners and occupiers of properties.
- Owners and occupiers who are connected to the system and those who are not connected but are within the catchment.
- The community as a whole by reducing the risk to public health resulting from storm events.

- It is considered all residents live within a catchment so benefit to greater or lesser extent.

This activity is currently funded by general rates after allowing for some development contributions. It is proposed that development contributions be used more in future. This, however, is subject to specific analysis per development, as the capital programme in this Ten Year Plan addresses backlog only.

## Transport

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>By increased public awareness leading to reduced road injuries, deaths and crashes.</li> <li>By improved safety in public places and when travelling, from provision of a safe transport system.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>By providing roading and transport services in a sustainable manner that mitigates the impact on our air and water resources.</li> </ul>
Health	<ul style="list-style-type: none"> <li>By improving health through the encouragement and awareness of more active travel choices and more opportunities to walk and cycle.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>By encouraging growth and more investment in our district through the provision of an efficient and affordable transport system.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>By making it easier to get from place to place and to walk and cycle in the city.</li> <li>By provision of good, safe, maintained services and roads.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Improve the safety of the roading network.	RDC at or below peer* group for crashes per 100 million vehicle km travelled.	Continued decline over 10 year period (compared against peer group statistics annually*)	Continued decline over 10 year period (compared against peer group statistics annually*)
Provision of an efficient transport system that enables generally free movement from place to place.	Public bus services run on time	95% of bus services are on time (Measured by EBOP)	95% of bus services are on time (Measured by EBOP)
Maintain parking availability in CBD.	% average parking availability (1 in 7 spaces available between 10am and 3pm as measured by survey**).	15%	15%
Maintain road condition ratings at a level near to national average (local road only).	Cumulative road condition indices to be a minimum of -1.5% below national average.	- 1.5% minimum	- 1.5% minimum
Educational and sustainability programmes are supported.	At least 6 programmes are delivered per year.	100%	100%

\* peer group is similarly sized councils in New Zealand e.g. New Plymouth, Hastings.

\*\* a number of blocks are surveyed each year in response to feedback from parking enforcement officers or queries from retailers and shoppers.

# Infrastructural group cont.

## Transport cont.

### Funding considerations

#### Activity Distinction

Transport activity consists of activities related to State Highway management, local roading management and road safety.

Funding of part of the activity is governed by NZ Transport Agency Policy so it is appropriate that maximum advantage is taken of this funding source.

#### Who benefits from the activity?

- The community as a whole benefits from accessibility of city and ease of transportation throughout the city and district.
- Road users gain a specific benefit.
- Users of parking facilities gain a specific benefit.
- Owners of properties adjacent to or connected to the network, and commercial operators derive a benefit, depending on the network.
- Visitors to the district also benefit.
- Developers gain specific benefits.
- All road users benefit through increased safety.

#### What is the period of benefit?

- Benefits are ongoing as long as infrastructure is maintained.
- Benefits will be ongoing and be intergenerational.

#### Who creates need for the activity?

- The community as a whole creates the need for an accessible urban environment where transport links are readily available for both business and public use. Growth also creates the need for expansion and upgrading of the network.
- Transport operators and businesses derive a benefit from being able to carry out their activities.
- The need is created by Council taking on community leadership and responsibility to try to

reduce the effects of road crashes on personal lives in terms of death and injury for those directly involved and wider with family and work.

- Users for provision of facilities, encouragement and education to increase walking and cycling as more active modes of transport for Health and sustainability.
- Road users create the need for the activity by way of education to increase safety.
- Road users also create the benefit by way of provision of facilities, encouragement and education to increase walking and cycling as active modes of transport for health and sustainability.
- The community as a whole creates the need for a sustainable, accessible and planned transport network.
- Development pressures place constraints on the activity by lowering level of service and creating uneven distribution of demand. It is appropriate that the growth portion is funded from Development Contributions.

#### Funding source

- This activity essentially serves the community as a whole. Council cannot practically recover costs for this activity.
- The New Zealand Transport Agency (NZTA) pays 46% of roading maintenance costs, 56% of capital upgrade costs, 100% of state highway costs and 75% of road safety costs from transport and petrol taxes collected. The financial assistance rate (FAR) is set by NZTA policy. The local share for capital work can be met by a combination of development contributions and general rates.

## Waste management

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>▪ By providing safe collection and disposal of refuse.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>▪ By encouraging waste reduction and minimisation.</li> <li>▪ By looking after our air, land and water resource.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>▪ By providing good quality infrastructure for the future.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>▪ By providing waste minimisation education.</li> </ul>

# Infrastructural group cont.

## Waste management cont.

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Provide recycling facilities within 13km to 95% of population.	Increase in recovery of recyclable materials of at least 5% pa.*	3,675 tonnes	3,860 tonnes
Provide for recovery of green waste and concrete.	Number of tonnes per annum of green waste and concrete recovered.	16,000 tonnes/pa $\pm$ 10%	16,000 tonnes/pa $\pm$ 10%
Provision of weekly refuse collection to communities where majority request service.	Refuse collection is completed as scheduled.	Completion by 4pm daily	Completion by 4pm daily
Provision of landfill/hazardous waste disposal facilities.	% reduction in total landfilled volume.	62,500 tonnes $\pm$ 10%	62,500 tonnes $\pm$ 10%
Minimise impact on environment.	Number of breaches of consent conditions notified by Regional Council.	No breaches	No breaches

\* Performance targets show a 5% year on year increase from the base figure of 3,500 tonnes in 2008/09

### Funding considerations

This activity comprises three sub-activities that are considered separately for funding. They are:

- Refuse Collection
- Waste Management
- Landfill

#### Who benefits from the activity?

- The community as a whole, including future generations, benefit from:
  - The safe and efficient disposal of solid waste.
  - Maintaining a clean and healthy environment, removing
  - Hazardous wastes, and protecting standards of health and safety.
- The landfill benefits users so it is appropriate that users pay.
- Recycling benefits the landfill along with a wider public good.
- Litter control activities essentially benefit the whole community.
- Refuse collection benefits those using the service so it is appropriate that this is funded on a user pays basis.

#### What is the period of benefit?

- Benefits are intergenerational and ongoing as long as the infrastructure and service is maintained.

#### Who creates need for the activity?

- The need to undertake this activity is created by the community as a whole.
- The need to undertake this activity derives from individuals, groups, households, and businesses that create solid waste.

#### Funding source

Funding for this activity is apportioned approximately 35% - 45% from user fees and charges, 25% - 35% from targeted rates and 20% - 40% from general rates. However, within the activity funding is more specifically apportioned as follows:

#### Refuse Collection

This activity benefits residential properties and businesses by removing solid waste. The service does not cover all properties. Those that are not serviced have to make their own provision at their own cost. It is practical to identify and direct charge properties that receive the benefit. Council therefore recovers this cost by way of targeted rate.

#### Waste Management

This activity benefits both the community as a whole and individuals and groups in the community.

Whilst litter is typically deposited by the public, it is primarily generated from packaging originating from commercial premises. These owners and operators receive a primary benefit from litter clearance.

Since the service is available to the community as a whole, inclusive of external visitors, and there are no practical mechanisms to identify individual contributors, the cost is recovered mainly from general rates.

# Infrastructural group cont.

## Waste management cont.

### Landfill

The main benefits derive to individuals and businesses who use the landfill to dispose of solid waste. This also benefits the community as a whole.

Costs can reasonably be recovered by direct charges to users of the landfill in line with the NZ Waste Strategy.

## Wastewater

### Community outcomes

Community Outcome	How the Council contributes
Environment	<ul style="list-style-type: none"> <li>By protecting the environment and lake water quality through wastewater treatment.</li> </ul>
Health	<ul style="list-style-type: none"> <li>By providing a sanitary wastewater collection and treatment service.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>By providing good, quality infrastructure for the future.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Implementation and management of schemes to minimise the impact on the environment.	% compliance with air, land and water discharge requirements.	100%	100%
	Completion of new sewerage schemes.*	Brunswick/Rotokawa	Okareka Okere/Otaramarae/Whangamarino
Provision of an efficient collection and disposal service.	Number of overflows to waterways.	< 2	< 2
	Total number of overflows caused by network faults (per 100km of mains).	< 14	< 14
	% of customers satisfied with wastewater services as measured by annual survey.	99%	99%

\* Performance targets show a 5% year on year increase from the base figure of 3,500 tonnes in 2008/09

### Funding considerations

#### Who benefits from the activity?

- The community as a whole including domestic, commercial, institutional and industrial premises connected to the public wastewater reticulation system.
- Visitors to the District.
- Developers gain specific benefits.

#### What is the period of benefit?

- Benefits are intergenerational and ongoing as long as the infrastructure is maintained and the service continued.

#### Who creates need for the activity?

- The community as a whole creates the need for environmentally safe and efficient treatment and disposal of wastewater.
- The need to undertake this activity is also created by legislation.
- The need to undertake this activity derives from households and businesses.

#### Funding source

Funding is 100% from targeted rates.



# Infrastructural group cont.

## Water supplies

### Community outcomes

Community Outcome	How the Council contributes
Safe & Caring	<ul style="list-style-type: none"> <li>By maintaining sufficient water for fire fighting purposes.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>By using water efficiently and encouraging others to do so too.</li> </ul>
Health	<ul style="list-style-type: none"> <li>By providing safe drinking water to the community.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>By providing opportunities for businesses to develop and grow through meeting commercial water needs.</li> </ul>
Facilities & Services	<ul style="list-style-type: none"> <li>By providing good quality infrastructure for the future.</li> </ul>

### Measuring our achievements

Level of Service	Performance measures	2009/10 targets	2010/11 targets
Provision of safe drinking water.	% compliance with the DWSNZ monitoring requirements.	100%	100%
	Ministry of Health public health gradings are maintained at appropriate minimum levels for all supplies.	Ee	Cc
Water supply is adequate for fire fighting purposes within urban fire districts.	% of fire hydrants comply with NZ Fire Service Code of Practice within urban fire districts.	95%	95%
Reliable and effective water network and treatment facilities.	% of connections meet minimum flow and pressure at point of supply during normal operation.	95%	95%
	% of urban customers satisfied with water services as measured by annual survey.	93%	93%
	Number of water restrictions imposed on consumers due to inability to meet full demand.	None	None

### Funding considerations

This activity comprises five sub-activities that are considered separately for funding. They are:

- Urban supply - operating (cost of running and monitoring the scheme) and capital (major improvements/ extensions).
- Rural residential - capital (major improvements/ extensions).
- Rural residential - operating (cost of running and monitoring the scheme).
- Rural farming - capital (major improvements/ extensions).
- Rural farming - operating (cost of running and monitoring the scheme).

Funding of capital expenditure for growth will be by development contributions as described in Appendix E Capital Expenditure Related to Growth of the draft Development Contributions Policy contained in Volume 2, Part C of the Ten Year Plan.

# Infrastructural group cont.

## Water supplies cont.

### Urban Supply (Operating And Capital)

#### Who benefits from the activity?

- The community as a whole benefits from:
  - Safe and efficient provision of drinking water.
  - Provision of water services for fire fighting to maintain community safety services.
- Commercial businesses benefit specifically from the provision of water services.
- Households benefit from the provision of water services.
- Developers gain specific benefits.

#### What is the period of benefit?

- Benefits are intergenerational and ongoing as long as the infrastructure is maintained and the service continued.

#### Who creates need for the activity?

- The community as a whole creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprises create need for water services applicable to their business.
- Fire fighting services create need for water services to carry out their job.
- Property owners create the need for the service.

#### Funding source

- The primary beneficiaries are existing and future users (consumers) of the water supply, and nonusers within the water supply area (whose property values increase due to the availability of the supply and the improved fire protection capability).
- The community as a whole benefits in terms of improved health, clean environment and fire fighting capabilities.
- The activity is funded by user charges comprising:
  - Domestic by way of targeted rate of a uniform amount.
  - Business by way of targeted rate based on metered use.

### Rural Residential (Capital)

#### Who benefits from the activity?

- The community as a whole benefits from:
  - Safe and efficient provision of drinking water.
  - Provision of water services for fire fighting to maintain community safety services.
- Commercial businesses benefit specifically from the provision of water services.
- Households benefit from the provision of water services.
- Developers gain specific benefits.

#### What is the period of benefit?

- Benefits are intergenerational and ongoing as long as the infrastructure is maintained and the service continued.

#### Who creates need for the activity?

- The community as a whole creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprises create need for water services applicable to their business.
- Fire fighting services create need for water services to carry out their job.
- Property owners create the need for the service.

#### Funding source

- The primary beneficiaries are existing and future users (consumers) of the water supply, and nonusers within the water supply area (whose property values increase due to the availability of the supply and the improved fire protection capability).
- The community as a whole benefits in terms of improved health, clean environment and fire fighting capabilities.

### Rural Residential (Operating)

#### Who benefits from the activity?

- The community as a whole benefits from:
  - Safe and efficient provision of drinking water.
  - Provision of water services for fire fighting to maintain community safety services.
- Commercial businesses benefit specifically from the provision of water services.
- Households benefit from the provision of water services.

#### What is the period of benefit?

- Benefits are intergenerational and ongoing as long as the infrastructure is maintained and the service continued.

#### Who creates need for the activity?

- The community as a whole creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprises create need for water services applicable to their business.
- Fire fighting services create need for water services to carry out their job.
- Property owners create the need for the service.

# Infrastructural group cont.

## Water supplies cont.

### Funding source

- The primary beneficiaries are existing and future users (consumers) of the water supply, and nonusers within the water supply area (whose property values increase due to the availability of the supply and the improved fire protection capability).
- The community as a whole benefits in terms of improved health, clean environment and fire fighting capabilities.
- The Mamaku, Rotoiti, Rotoma, Hamurana, Kaharoa and Okareka supplies are 100% user pays by a combination of fixed quarterly charge.

### Rural Farming (Capital)

#### Who benefits from the activity?

- The community as a whole benefits from:
  - Safe and efficient provision of drinking water.
  - Provision of water services for fire fighting to maintain community safety services.
- Commercial businesses benefit specifically from the provision of water services.
- Households benefit from the provision of water services.
- Developers gain specific benefits.

#### What is the period of benefit?

- Benefits are intergenerational and ongoing as long as the infrastructure is maintained and the service continued.

#### Who creates need for the activity?

- The community as a whole creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprises create need for water services applicable to their business.
- Fire fighting services create need for water services to carry out their job.
- Property owners create the need for the service.

### Funding source

- It is considered that the benefits obtained from expenditure on this activity are primarily private in relation to each farm. The private beneficiaries are the existing and future users (consumers) of the water supply, with water for stock being the predominant use (commercial purposes). Funding is 100% by user charges (metered consumption).
- It is noted that new farming water supply schemes are used primarily to increase farm productivity and are based on a commercial decision by the farming community to increase productivity and the wealth of the district.

### Rural Farming (Operating)

#### Who benefits from the activity?

- The community as a whole benefits from:
  - Safe and efficient provision of drinking water.
  - Provision of water services for fire fighting to maintain community safety services.
- Commercial businesses benefit specifically from the provision of water services.
- Households benefit from the provision of water services.

#### What is the period of benefit?

- Benefits are intergenerational and ongoing as long as the infrastructure is maintained and the service continued.

#### Who creates need for the activity?

- The community as a whole creates the need for a safe urban environment where water services are adequately provided and health standards maintained.
- Commercial and industrial enterprises create need for water services applicable to their business.
- Fire fighting services create need for water services to carry out their job.
- Property owners create the need for the service.

### Funding source

- This activity relates solely to the Reporoa water supply at this stage. It is considered that the benefits obtained from expenditure on this activity are primarily private in relation to each farm. The private beneficiaries are the existing and future users (consumers) of the water supply, with water for stock being the predominant use (commercial purposes). Residents receive the benefit of supply to the farms.
- It is noted that currently the activity is funded by way of 100% user charges by a combination of fixed quarterly charges and metered consumption over and above a fixed quarterly quantity.

# Castlecorp

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## Overview of Castlecorp

Castlecorp's purpose is to provide infrastructural services for the residents of Rotorua District, representing Council as a service provider. Council undertakes this activity to deliver services to meet legislative requirements and community expectations.

Castlecorp is a business unit of Council that earns its income from regularly reviewed and negotiated contracts and service level agreements for in-house services provided to departments of 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
- Cemetery maintenance and operation, and management of crematorium

- Sportsfield and reserve maintenance
- Public garden and horticultural maintenance
- Purchasing and maintenance of small plant and fleet vehicles
- Rural Fire

Castlecorp's aim is to improve the quality of life for residents and visitors through provision of quality services and the maintenance of essential infrastructure, through sound business practices based on continuous improvements that match the quality and cost effectiveness of the private sector.

Castlecorp not only maintains essential networks of underground services and parks, but also helps maintain the overall-well being of the Rotorua community by participating in a wide range of community activities, and developing close working relationships with external community organisations. Customer-based strategies and a strong commitment to sustainable operations reflect the values of continuous improvement and value for customers.

# Castlecorp cont.

## Projected cost of service for year ended 30 June 2011

	Annual Plan 2009/10	Ten Year Plan 2010/11	Annual Plan 2010/11
	(\$'s in 000's)		
<b>OPERATING EXPENDITURE</b>			
Castlecorp	148	152	191
<b>Total Operating Expenditure</b>	<b>148</b>	<b>152</b>	<b>191</b>
<b>Less Revenue for Operations</b>			
Castlecorp	148	152	188
<b>Total Operating Revenue *</b>	<b>148</b>	<b>152</b>	<b>188</b>
<b>Net Cost of Service</b>	<b>0</b>	<b>0</b>	<b>3</b>

\* Excludes any capital revenue

### Total Operating Expenditure funded by:

General Rates	1,021	(168)	300
Fees & Charges	148	152	191
Investment Income	-	-	-
Subsidies & Grants	-	-	-
Targeted Rates	-	-	-
Self Funding/Reserve movements	-	-	-
Depreciation not funded	(1,021)	168	(300)
<b>Total Operating Expenditure</b>	<b>148</b>	<b>152</b>	<b>191</b>

### CAPITAL EXPENDITURE

Castlecorp	26	15	15
Fleet	1,497	806	935
<b>Total Capital Expenditure</b>	<b>1,523</b>	<b>821</b>	<b>951</b>

### Total Capital Expenditure funded by:

Funding from Depreciation (Rates)	778	1,023	1,184
Loans from/(to) Corporate Fund	1,083	-	-
Capital Grants	-	-	-
Development Contributions	-	-	-
Reserves Net	-	-	-
Asset Sales	(338)	(202)	(233)
<b>Total Capital Expenditure</b>	<b>1,523</b>	<b>821</b>	<b>951</b>

# Forecast financial statements

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# Purpose of financial statements

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## Prospective Statement of Comprehensive Income

This statement discloses the net surplus or deficit and their components, arising from activities or events during the year that are significant for assessing past and future financial performance.

## Prospective Statement of Changes in Equity

This financial statement presents a measure of comprehensive income. Equity is measured as the difference between the total value of assets and total liabilities. Accumulated Equity represents the community's investment in publicly owned assets resulting from past surpluses.

## Prospective Statement of Financial Position

Information about 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. The information is also useful in assessing how successful the council is likely to be in raising further finance.

## Prospective Statement of Cashflows

This statement reflects Council's prospective 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
- Reinvest to maintain or expand operating capacity.

## Statement of Accounting Policies

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

- a) the measurement system underlying preparation of 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 such items; and
- c) any changes in the measurement system, assumptions or particular accounting policies.

## Notes to the Financial Statements

These provide further explanation of accounting policies adopted by the council and the assumptions used in preparing the financial statements. Some rounding differences may occur.

# Prospective statement of comprehensive income

(\$'s in 000's)	Annual Plan 2009/10	Ten Year Plan 2010/11	Annual Plan 2010/11	Variance
<b>General Rates</b>	34,648	36,207	34,629	(1,578)
Less Rates Paid by Council	(820)	(820)	(1,575)	(754)
<b>Total Rates</b>	<b>33,828</b>	<b>35,387</b>	<b>33,054</b>	<b>(2,332)</b>
Castlecorp Business Unit	148	152	188	36
Community Leadership	832	858	956	97
Corporate Wide	1,790	1,843	1,852	8
Environmental & Regulatory	5,282	5,451	5,546	96
Infrastructure	48,536	59,714	55,895	(3,819)
Social & Cultural	16,027	15,098	14,851	(247)
Tourism & Economic Development	6,444	10,189	10,841	652
Less Water by Meter used internally	(173)	(177)	(254)	(77)
<b>Total Other Revenue</b>	<b>78,885</b>	<b>93,129</b>	<b>89,875</b>	<b>(3,254)</b>
<b>Total Revenue</b>	<b>112,713</b>	<b>128,516</b>	<b>122,929</b>	<b>(5,586)</b>
<b>Operating Expenditure</b>				
Castlecorp Business Unit	148	152	191	(39)
Community Leadership	4,245	4,496	4,954	(458)
Corporate Wide	849	874	874	-
Environmental & Regulatory	10,251	10,188	10,092	96
Infrastructure	43,633	47,401	47,287	114
Social & Cultural	31,299	32,280	32,381	(101)
Tourism & Economic Development	9,474	10,427	11,799	(1,372)
Less Internal Charges Included in Operating Expenses	(993)	(997)	(1,828)	831
<b>Total Operating Expenditure</b>	<b>98,905</b>	<b>104,822</b>	<b>105,750</b>	<b>(928)</b>
<b>Operating Surplus</b>	<b>13,808</b>	<b>23,694</b>	<b>17,179</b>	<b>(6,515)</b>
Income Taxation	-	-	-	-
<b>NET SURPLUS</b>	<b>13,808</b>	<b>23,694</b>	<b>17,179</b>	<b>(6,515)</b>
Gains/(Loss) on property Revaluations	23,564	40,184	24,125	(16,059)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>37,372</b>	<b>63,878</b>	<b>41,304</b>	<b>(22,574)</b>

Footnote1:- Included in above Operating Expenditure

Finance Costs	7,184	9,575	8,754	821
Depreciation/Amortisation	23,823	24,856	24,288	568



# Prospective statement of changes in equity

	Annual Plan 2009/10	Ten Year Plan 2010/11	Annual Plan 2010/11	Variance
	(\$'s in 000's)			
<b>Opening Equity</b>	787,964	825,339	821,743	3,596
Net Surplus for the period	13,810	23,694	17,179	6,515
<b>Asset Revaluation Changes</b>	23,564	40,184	24,125	16,059
	<b>825,338</b>	<b>889,217</b>	<b>863,047</b>	<b>26,170</b>
<b>RATEPAYERS EQUITY</b>				
General Reserves	786,237	822,990	833,918	(10,928)
Self funding Accounts	(56,791)	(65,356)	(69,441)	4,085
Council Crated Reserves	31	33	35	(2)
Restricted Reserves	1,769	562	955	(393)
Revaluation Reserves	99,775	139,959	109,412	30,547
Fair Value Reserves	230	230	(120)	350
Development Contributions	(5,912)	(9,202)	(11,712)	2,510
<b>TOTAL RATEPAYERS EQUITY</b>	<b>825,339</b>	<b>889,216</b>	<b>863,047</b>	<b>26,169</b>

# Prospective statement of financial position

(\$'s in 000's)	Annual Plan 2009/10	Ten Year Plan 2010/11	Annual Plan 2010/11	Variance
<b>Current Assets</b>				
Cash & Cash Equivalents	4,409	2,504	2,837	(333)
Trade & Other Receivables	17,479	19,712	20,308	(596)
Inventories	1,373	1,414	1,388	26
<b>Total Current Assets</b>	<b>23,261</b>	<b>23,630</b>	<b>24,533</b>	<b>(903)</b>
Less Current Liabilities				
Trade and Other Payables	18,954	28,218	31,533	(3,315)
Provisions	453	467	413	54
Employee Entitlements	4,427	4,546	6,085	(1,539)
Borrowings	41,091	42,324	18,600	23,724
<b>Total Current Liabilities</b>	<b>64,925</b>	<b>75,555</b>	<b>56,631</b>	<b>18,924</b>
<b>WORKING CAPITAL</b>	<b>(41,664)</b>	<b>(51,925)</b>	<b>(32,098)</b>	<b>(19,827)</b>
<b>Non-Current Assets</b>				
Trade and Other Receivables	23	24	14	10
Other Financial Assets	2,778	3,078	2,860	218
Fixed Assets	961,649	1,054,579	1,022,087	32,492
Intangible Assets	1,983	1,983	9,245	(7,262)
Biological Assets (Forestry)	409	409	468	(59)
<b>Total Non-Current Assets</b>	<b>966,842</b>	<b>1,060,073</b>	<b>1,034,674</b>	<b>25,399</b>
<b>Less Non-Current Liabilities</b>				
Borrowings	97,633	116,707	137,214	(20,507)
Provisions	1,486	1,486	1,515	(29)
Employee Entitlements	720	720	800	(80)
<b>Total Non-Current Liabilities</b>	<b>99,839</b>	<b>118,913</b>	<b>139,529</b>	<b>(20,616)</b>
<b>TOTAL NET ASSETS</b>	<b>825,339</b>	<b>889,235</b>	<b>863,047</b>	<b>26,188</b>
<b>Ratepayers Equity</b>				
General Reserves	786,237	822,990	833,918	(10,928)
Self Funding Reserves	(56,791)	(65,356)	(69,441)	4,085
Council Created Reserves	31	33	35	(2)
Restricted Reserves	1,769	562	955	(393)
Fair Value through Equity	230	230	109,412	(109,182)
Asset Revaluation Reserve	99,775	139,959	(120)	140,079
Development Contributions	(5,912)	(9,202)	(11,712)	2,510
<b>TOTAL RATEPAYERS EQUITY</b>	<b>825,339</b>	<b>889,216</b>	<b>863,047</b>	<b>26,169</b>

# Prospective statement of cashflows

(\$'s in 000's)	Annual Plan 2009/10	Ten Year Plan 2010/11	Annual Plan 2010/11	Variance
<b>Cash Flows from Operating Activities:</b>				
Cash was provided from :				
Rates*	65,788	69,073	66,621	(2,452)
General Revenue	44,278	56,168	54,414	(1,754)
Interest on investments	60	57	60	3
	<b>110,126</b>	<b>125,298</b>	<b>121,095</b>	<b>(4,203)</b>
Cash was applied to:				
Payments to employees and councillors	32,394	33,241	33,152	(89)
Other Payments	31,974	33,868	34,909	1,041
Interest on Public Debt	7,184	9,575	8,754	(821)
	<b>71,552</b>	<b>76,684</b>	<b>76,815</b>	<b>131</b>
<b>Net Cash from Operating Activities</b>	<b>38,574</b>	<b>48,614</b>	<b>44,280</b>	<b>(4,334)</b>
<b>Cash Flow from Investing Activities:</b>				
Cash was Provided from:				
Proceeds from sale of Fixed Assets	200	206	234	28
	<b>200</b>	<b>206</b>	<b>234</b>	<b>28</b>
Cash was applied to:				
Purchase of Fixed Assets	71,197	71,032	74,699	3,667
	<b>71,197</b>	<b>71,032</b>	<b>74,699</b>	<b>3,667</b>
<b>Net Cash used in Investing Activities</b>	<b>(70,997)</b>	<b>(70,826)</b>	<b>(74,465)</b>	<b>(3,639)</b>
<b>Cash Flow from financing Activities:</b>				
Cash was provided from :				
Proceeds from Borrowings	38,724	25,308	35,518	10,210
Cash was applied to:				
Repayment of Borrowings	4,000	5,000	5,000	-
<b>Net Cash Used in financing Activities</b>	<b>34,724</b>	<b>20,308</b>	<b>30,518</b>	<b>10,210</b>
Net Increase (Decrease) in Cash	2,302	(1,905)	333	2,238
Opening Cash Brought Forward	2,107	4,409	2,504	(1,905)
<b>Closing Cash Carried Forward</b>	<b>4,409</b>	<b>2,504</b>	<b>2,837</b>	<b>333</b>

\* rates above include both general rates and targeted rates

# Statement of accounting policies

## Reporting Entity

The Rotorua District Council is a Local Authority governed by the Local Government Act 2002 and is domiciled within New Zealand.

The primary objective of Rotorua District Council is to provide goods or services for the community, or social benefit; rather than making a financial return. Accordingly, Rotorua District Council has designated itself and the group as Public Benefit Entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZIFRS).

Financial information contained within the Annual Plan may not be appropriate for purposes other than those described.

## Basis of Preparation

### Statement of Compliance

The financial statements have been prepared in accordance with the generally accepted accounting practice in New Zealand as required under section 111 of the Local Government Act 2002 (LGA), and the Long Term Council Community Plan requirements of section 93 of the LGA. It is audited under section 94 of the Local Government Act 2002.

The financial statements comply with applicable Financial Reporting Standards, which include New Zealand equivalents to International Financial Reporting Standards (NZIFRS). The financial statements incorporated in the Long Term Council Community Plan have been prepared in accordance with Financial Reporting Standard (FRS) number 42; Prospective Financial Statements.

Rotorua District Council is a Public Benefit Entity (PBE) and has applied the PBE exemptions allowable under New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

## Significant Accounting Policies

This set of financial statements has been prepared based on NZ IFRS and opening balances for the year ended 30 June 2010. Estimates have been reinstated accordingly if required.

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this statement of accounting policies.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated.

Where individual financial statements of subsidiaries, associates and joint ventures of Rotorua District Council are prepared using accounting policies different from those of the group, appropriate adjustments are made on consolidation, in order to ensure that uniform accounting policies have been applied.

## Basis of Consolidation

### Subsidiaries

These financial accounts are for the parent only. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

### Associates

Associates are entities in which the Council has significant influence, but not control, over their operating and financial policies. The Council's share of the assets, liabilities, income and expenditure of associates is included in the financial statements of the Group on an equity accounting basis. Dividends from associates are recognised in the parent's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. The parent financial statements show investments in associates at cost.

## Income

Revenue is measured at the fair value of consideration received or receivable.

### Rates Revenue

Rates and levies are set annually by a resolution from the Council. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when (instalment invoices are issued) when payable.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end is accrued on an average usage basis.

# Statement of accounting policies cont.

## Development and Financial Contributions

The Council's development and financial contributions are governed under its development and financial contribution policies. Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Development and financial contributions are classified as part of "Other Revenue".

## Grants

Government grants are recognised when claimed on previously approved programmes, or when eligibility has been established by the grantor.

Government grants are received from the New Zealand Transport Agency, which subsidises part of the Rotorua District Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

## Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Rotorua District Council are recognised as revenue when control over the asset is obtained.

## Interest

Interest Income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

## Dividends

Dividends are recognised when they are entitled to be received.

## Parking Infringements

Parking Infringements are recognised when payment of the ticket is received.

## Rental income

Rental income is recognised on a straight line basis over the term of the lease. Lease incentives granted are recognised evenly over the term of the lease as a reduction in total rental income.

## Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

## Other income

All other revenue is recognised at the time goods and services are provided.

## Donated Services

The Council benefits from the voluntary service of many community minded organisations and individuals in the delivery of its activities and services. Since these services are not purchased by the Council and because of the difficulty of determining their value with reliability, donated services are not recognised in these statements.

## Expenses

### Grants and Donations

Expenditure is classified as a grant if it results in a transfer of resources to another entity in return for past or future compliance with certain conditions relating to the operating activities of that entity. Grants expenditure includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants are distinct from donations which are discretionary charitable gifts.

Because grants and subsidies are discretionary until payment, the expense is generally recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled and notice has been given.

### Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

### Overhead/Support Services Allocation

Rotorua District Council has derived the cost of service for each Council activity using the following cost allocation system.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner for a specific Council activity. Direct Costs are charged directly to the Council activities that incur those costs. Indirect costs are charged to Council activities using appropriate cost drivers such as amount of floor space, staff time, direct use when available, volume of records used, level of activity areas supported and percentage of service utilised.

### 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.

# Statement of accounting policies cont.

## Leases

### Finance Lease Payments

These are leases that transfer to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Rotorua District Council recognises finance leases as assets and liabilities in the Prospective Statement of Financial Position at the lower of the fair value of the leased term or the present value of the minimum lease payments.

The finance charge is charged to the Prospective Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Rotorua District Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of either the lease term or its useful life.

### Operating Lease Payments

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## Prospective Statement of Cashflows

Operating activities include cash received from all income sources of the Council and record the cash payments made for the supply of goods and services. Agency transactions are not recognised as receipts and payments in the Prospective Statement of Cashflows.

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

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

## Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Prospective Statement of Financial Position.

## Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

## Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax (e.g. residential housing) then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Prospective Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Prospective Statement of Cashflows.

## Financial assets

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss, in which case the transaction costs are recognised in the statement of comprehensive income.

Purchases and sales of investments are recognised on trade-date, the date on which the Rotorua District Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

### Financial assets at fair value through profit or loss

Financial Assets at fair value through profit and loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. Rotorua District Council's financial assets at fair value through profit and loss include derivatives that are not designated as hedges.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the statement of comprehensive income.

# Statement of accounting policies cont.

## Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Rotorua District Council's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits, community and related party loans.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive income.

Loans to community organisations made by Rotorua District Council at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of comprehensive income as a grant.

## Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. Currently council does not hold any financial assets in this category.

## Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. Rotorua District Council's financial assets at fair value through equity comprise local authority stock and investments in quoted and unquoted shares. Rotorua District Council includes in this category:

- Investments that council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that council holds for strategic purposes.

Rotorua District Council's investments in its subsidiary is not included in this category as they are held at cost (as allowed by NZ IAS 27 *Consolidated and Separate Financial Statements*) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses recognised directly in equity except for impairment losses, which are recognised in the statement of comprehensive income.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income.

## Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Rotorua District Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

## Impairment of financial assets

At each balance sheet date council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of comprehensive income.

## Loans and other receivables

Impairment of a loan or a receivable is established when there is objective evidence that Rotorua District Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cashflows, discounted using the effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that Rotorua District Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

# Statement of accounting policies cont.

## Quoted and unquoted equity instruments

For equity instruments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income) is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity investments are not reversed through the statement of comprehensive income.

## Derivative financial instruments, hedging activities and foreign currency transactions

Rotorua District Council uses derivative financial instruments to hedge exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, Rotorua District Council does not hold or issue derivative financial instruments for trading purposes.

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of comprehensive income.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Rotorua District Council designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- Hedges of highly probably forecast transactions (cashflow hedge).

The Rotorua District Council documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Rotorua District Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cashflows of hedged items.

The full fair value of hedging derivatives is classified as non-current if the remaining item of the hedged item is more than 12 months and as current if the remaining maturity of the hedged item is less than 12 months.

## Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the statement of comprehensive income. Rotorua District Council only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the statement of comprehensive income within "finance costs". The gain or loss relating to the ineffective portion is recognised in the statement of comprehensive income as part of "gains" or "other expenses". Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognised in the statement of comprehensive income within "finance costs".

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

## Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of changes in equity and the ineffective portion of the gain or loss on the hedging instrument is recognised in the statement of comprehensive income as part of "gains" or "other expenses".

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity will be reclassified into profit and loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss. However, if Rotorua District Council expects that all or a portion of a loss recognised directly in equity will not be recovered in one or more future periods, it will reclassify into profit or loss the amount that is not expected to be recovered.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised directly in equity will be included in the initial cost or carrying amount of the asset or liability.



# Statement of accounting policies cont.

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will be recognised in the statement of comprehensive income.

## Inventory

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost, adjusted where applicable, for any loss of service potential.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the average cost method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the prospective statement of comprehensive income in the period of the write down.

## Forestry assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the prospective statement of comprehensive income.

The costs to maintain the forestry assets are included in the prospective statement of comprehensive income.

## Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of comprehensive income.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

## Property, plant and equipment

Property, plant and equipment consist of;

*Operational assets* – These include land, buildings, landfill post closure, library books, plant and equipment and motor vehicles.

*Restricted Assets* - Restricted assets are parks and reserves owned by Rotorua District Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

*Infrastructure assets* – Infrastructure assets are the fixed utility systems owned by Rotorua District Council. Each class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

## Revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this result is a debit balance in the asset revaluation reserve, this balance is expensed in the statement of comprehensive income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the prospective statement of comprehensive income will be recognised first in the prospective statement of comprehensive income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

## Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Rotorua District Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

# Statement of accounting policies cont.

## Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the prospective statement of comprehensive income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

## Depreciation

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:

### General

Bathroom building	40 years
Buildings (other)	50 years
Plant and Equipment	10 to 15 years
Office Equipment	5 years
Furniture and Fittings	10 to 20 years
Computer Systems	3 to 5 years
Library Books (excl Reference)	2 to 15 years
Parking	10 to 50 years
Landfill Improvements	3 to 100 years

### Wastewater Reticulation

Man holes	110 years
Treatment Plant	10 to 100 years
Pump Stations	10 to 75 years
Pipes	100 years
Pipes	50 to 90 years
Motors/Pumps	20 to 30 years
Reservoirs and other	
Water-Retaining Structures	50 to 100 years
Meters	15 to 100 years

### Parks

Street and Outdoor Furniture	15 years
Street Signals	15 years
Fencing and Related Structures	15 years
Playgrounds	25 years
Jetties and Related Structures	20 years
Irrigation Pipes and Sprinklers	6 to 50 years
Park roads, paths	20 to 100 years
Kerbs	100 years
Bridges	70 to 100 years
Top surface (seal)	1 to 15 years
Pavement (basecourse)	20 to 100 years
Drainage	100 years
Shoulders/Feathers	20 to 100 years
Culverts	100 years
Footpaths (concrete)	100 years
Footpaths (bitumen)	10 to 15 years

### Stormwater systems

Pipes	70 to 100 years
Manholes, Cesspits	70 to 100 years
Service connections and outlets	70 to 100 years

### Airport

Runway 150mm AC surface	10 to 15 years
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The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

## Intangible assets

### Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by Rotorua District Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

### Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

# Statement of accounting policies cont.

## Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in statement of comprehensive income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3-5 years	20-33%
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## Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of comprehensive income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of comprehensive income, a reversal of the impairment loss is also recognised in the statement of comprehensive income.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of comprehensive income.

## Employee benefits

### Short-term employee entitlements

Employee benefits that Rotorua District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Rotorua District Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Rotorua District Council anticipates it will be used by staff to cover those future absences.

Rotorua District Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave 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.

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.

## Superannuation schemes

### Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of comprehensive income as incurred.

### Defined benefit schemes

The council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

# Statement of accounting policies cont.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, to the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

## Landfill post closure costs

Rotorua District Council has resource consent to operate the Rotorua Landfill. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

The management of the landfill will influence the timing of recognition of some liabilities. A liability relating to stage one will only be created when this stage is commissioned and when refuse begins to accumulate in this stage.

The cash outflows for landfill post-closure are expected to occur in about fifteen year's time. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate that reflects current market assessments of the time value of money and the risks specific to the Council.

## Provisions

Rotorua District Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

## Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Rotorua District Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

## Critical Accounting Estimates and Assumptions

In preparing these financial statements, Rotorua District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

### Cautionary Note

The information in the prospective financial statements is uncertain and the preparation requires the exercise of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or the Council may subsequently take actions that differ from the proposed courses of action on which the prospective financial statements are based.

The information contained within these prospective financial statements may not be suitable for use in another capacity.

### Assumptions underlying Prospective Financial Information

The financial information contained within these policies and documents is prospective financial information in terms of FRS42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Rotorua District Council, and to provide a broad accountability mechanism of the Council to the Community.

# Statement of accounting policies **cont.**

## Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method where the difference to carrying value is material. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Borrowings are classified as current liabilities unless Rotorua District Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

## Third party transfer payment agencies

Rotorua District Council collects monies for many organisations. Where collections are processed through Rotorua District Council's books, any monies held are shown as Accounts Payable in the Prospective Statement of Financial Position. Amounts collected on behalf of third parties are not recognised as revenues, but commissions earned from acting as agent are recognised in revenue.

## Equity

Equity is the community's interest in the Rotorua District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Self-funding reserves
- Council created reserves
- Restricted reserves
- Fair value through equity reserves
- Asset revaluation reserves

### **Restricted reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Rotorua District Council.

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

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

# Funding

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# Funding impact statement

## Revenue and Financing Mechanisms

Council has decided to use the following revenue and financing mechanisms to cover the estimated expenses for each financial year covered by the plan. In relation to each year covered by the plan, there is an indication of the level or amount of funds to be produced by each mechanism.

Description	Ten Year Plan	Ten Year Plan	Annual Plan	Variance
(\$000s)	2009/10	2010/11	2010/11	
<b>Rating Mechanisms</b>				
Rates	21,106	22,191	20,485	(1,706)
Uniform Annual General Charge	13,542	14,016	14,144	128
Less RDC Rates	(820)	(820)	(1,575)	(755)
Water Rates	3,320	3,420	3,321	(99)
Sewerage Rates	9,957	10,256	9,957	(299)
Sewerage Capital Rates	255	226	849	623
Refuse Rates	1,872	2,746	2,042	(704)
Water by Meter	3,419	3,521	3,521	-
Water by Meter Penalty	8	9	8	(0)
Lakes Enhancement Rate	407	419	419	-
Urban Sewerage Development Rate	117	121	57	(64)
Lakes Community Board Rate	50	52	50	(2)
Business and Economic Development Rate	4,239	4,553	4,673	120
Roading Targeted Rate	8,627	8,886	8,914	28
Less Water by Meter	(174)	(178)	(254)	(76)
<b>Total From rating Mechanisms</b>	<b>65,925</b>	<b>69,416</b>	<b>66,612</b>	<b>(2,804)</b>
Development Contributions	2,512	3,244	2,866	(378)
Resource Management Contributions	600	618	618	-
Subsidies & Grants	19,828	29,497	26,298	(3,199)
Investment Revenue	746	609	947	338
Fees & Charges	5,443	5,617	5,687	70
Trading Revenue	15,862	17,665	18,052	387
Profit on Disposal	6	6	6	-
<b>Other Revenue Sources</b>	<b>44,997</b>	<b>57,256</b>	<b>54,474</b>	<b>(2,782)</b>
<b>Total Revenue Funding Mechanisms</b>	<b>110,922</b>	<b>126,672</b>	<b>121,086</b>	<b>(5,586)</b>
<b>Finance Mechanisms</b>				
Debt (Net Funding)	17,070	11,719	11,956	(237)
Sale of Assets	200	206	234	(28)
Net Council and Created Reserves	18,539	10,647	17,019	(6,372)
Working Capital Funding	(1,681)	(3,434)	1,341	(4,775)
<b>Total Funding From Financing Mechanisms</b>	<b>34,128</b>	<b>19,138</b>	<b>30,550</b>	<b>(11,412)</b>
<b>Total Revenue &amp; Financing Mechanisms</b>	<b>145,050</b>	<b>145,810</b>	<b>151,636</b>	<b>(5,826)</b>

# Funding impact statement **cont.**

## Rates set for 2010/11 (GST exclusive)

Council sets the following rates, pursuant to the Local Government (Rating) Act 2002, for the 2010/11 rating year:

- A uniform annual general charge;
- A differential general rate;
- Targeted rate for lakes enhancement;
- Targeted rates for water supply;
- Targeted rates for sewage disposal;
- Targeted rates for capital costs of sewerage schemes (including scheme connection costs);
- Targeted rate for urban sewerage development;
- Targeted rates for refuse collection;
- Targeted uniform fixed rate for part of the roading costs;
- Targeted rate, undifferentiated rate in the dollar on capital value for part of the roading costs;
- Targeted differentiated fixed rate for part of the business and economic development costs;
- Targeted differentiated rate in the dollar on capital value for part of the business and economic development costs.

### Proportion of total rates paid by each sector

	Land Value 2008 Valuations	Capital Value 2008 Valuations	Rates Take 2009/10	Rates Take 2010/11
Farming	39.5%	26.9%	13.11%	13.19%
Business	11.4%	18.2%	24.95%	24.79%
Residential	49.0%	54.9%	61.94%	62.02%

## Uniform Annual General Charge

Council sets a uniform annual general charge for each rating unit (plus GST at the prevailing rate).

The amount to be collected is \$14,144,000

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

2010/2011	\$511.11
2009/2010	\$488.89

## Targeted Rate for Lakes Enhancement

Council sets a lakes enhancement rate by way of a uniform amount for each rating unit that pays a UAGC, excluding those within the Environment Waikato region (plus GST at the prevailing rate).

The amount to be collected is \$418,984.

The lakes enhancement rate is set at:

2010/2011	\$16.00
2009/2010	\$15.56

## General Rates

Council sets a general rate on land value on a differential basis (plus GST at the prevailing rate).

The amount to be collected is \$20,485,094.

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

	Relative differentials %	Rate per \$ of land value 2009/10	2010/11
<b>Residential rating group</b>			
1 Residential – General – Urban	100%	0.00237	0.00237
2 Residential – General – Rural	76%	0.00180	0.00180
3 Residential – Two Unit – Urban	110%	0.00261	0.00260
4 Residential – Three Unit – Urban	230%	0.00546	0.00543
5 Residential – Four Unit – Urban	300%	0.00712	0.00709
6 Residential – Multi Unit	360%	0.00902	0.00850
<b>Farming rating group</b>			
7 Farming – General	76%	0.00180	0.00180
<b>Business rating group</b>			
8 Business – Urban	360%	0.00902	0.00850
9 Business – Rural	228%	0.00541	0.00539

## Targeted Rates for Roothing

**(Plus GST at the prevailing rate)**      **2009/10**      **2010/11**

Council sets a fixed uniform targeted rate for each rating unit      \$88.89      \$88.89

The amount to be collected is \$2,461,844.

In addition, Council sets an undifferentiated rate in the dollar on the capital value on every rating unit.      0.00045      0.00048

The amount to be collected is \$6,452,000.

## Targeted Rates for Business and Economic Development

	(per rating unit)	
<b>(Plus GST at the prevailing rate)</b>	<b>2009/10</b>	<b>2010/11</b>
Business Urban and Rural	\$177.78	\$177.78
Industrial	\$177.78	\$177.78
Farming	\$44.44	\$44.44

The amount to be collected is \$406,099.

In addition, Council sets a targeted differentiated rate in the dollar on capital value for the following categories of properties:

	(rate in \$ on CV)	
<b>(Plus GST at the prevailing rate)</b>	<b>2009/10</b>	<b>2010/11</b>
Business Urban and Rural	0.00191	0.00219
Industrial	0.00058	0.00056
Farming	0.00004	0.00006

The amount to be collected is \$4,267,000.



# Funding impact statement **cont.**

## Targeted Rates for Water Supply

Council has set targeted rates for water supply to properties within the respective service areas 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.

A "separately used or inhabited part" is any part of a rating unit that is or is able to be used or inhabited by the ratepayer or by any other person or body having a right to use or inhabit that part by virtue of tenancy, lease, licence or other agreement. Subject to any rating unit used primarily as a residence of one household being deemed to have a single part.

The Targeted Rates for water supply are as follows (plus GST at the prevailing rate):

Urban (Plan number 11015 Sheet 1)	Charging unit	2009/2010	2010/2011
The amount to be collected is \$5,814,165 (plus GST at prevailing rate) (Metered water \$2,580,802; General water rate \$3,308,533)			
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 (and not metered)</li> </ul>	Annual for rating units connected	\$168.89	\$168.89
<ul style="list-style-type: none"> <li>A fixed amount on each serviceable rating unit capable of connection.</li> </ul>	Annual for rating units capable of connection	\$84.44	\$84.44
<ul style="list-style-type: none"> <li>A fixed amount on each separately used or inhabited part of a rating unit connected (and metered)</li> </ul>	Annual for rating units connected and metered	\$168.89	\$168.89
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 56 cubic metres per quarter.	Per cubic metre	\$0.76	\$0.76
Mamaku (Plan number 11015 Sheet 4)	Charging unit	2009/2010	2010/2011
The amount to be collected is \$81,141 (plus GST at the prevailing rate)			
A targeted rate of a fixed amount per connection on each rating unit connected.	Annual for rating units connected	\$172.44	\$184.89
A targeted rate on each metered rating unit of a fixed charge per cubic metre supplied to the rating unit.	Per cubic metre	\$0.48	\$0.52
Rotoiti (Plan number 11015 Sheet 5)	Charging unit	2009/2010	2010/2011
The amount to be collected is \$77,753 (plus GST at the prevailing rate)			
A differential targeted rate:			
<ul style="list-style-type: none"> <li>A fixed amount per connection on each rating unit connected.</li> </ul>	Annual for rating units connected	\$124.44	\$129.78
<ul style="list-style-type: none"> <li>A fixed amount on each serviceable rating unit capable of connection.</li> </ul>	Annual for rating units capable of connection	\$62.22	\$64.89
A targeted rate on each metered rating unit of a fixed amount per cubic meter supplied to the rating unit.	Per cubic metre	\$0.42	\$0.44

# Funding impact statement cont.

<b>Rotoma</b> (Plan number 11015 Sheet 6)	<b>Charging unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$52,097 (plus GST at the prevailing rate)			
A differential targeted rate:			
<ul style="list-style-type: none"> <li>A fixed amount per connection on each rating unit connected.</li> </ul>	Annual for rating units connected	\$257.78	\$270.22
<ul style="list-style-type: none"> <li>A fixed amount on each serviceable rating unit capable of connection</li> </ul>	Annual for rating units capable of connection	\$128.89	\$135.11
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.	Per cubic metre	\$0.87	\$0.91
<b>Kaharoa</b> (Plan number 11015 Sheet 7)	<b>Charging unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$189,678 (plus GST at the prevailing rate)			
A targeted rate of a fixed amount per connection on each rating unit connected.	Annual for rating units connected	\$272.00	\$277.33
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.	Per cubic metre	\$0.27	\$0.28
<b>Reporoa</b> (Plan number 11015 Sheet 8)	<b>Charging unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$447,010 (plus GST at the prevailing rate)			
A differential targeted rate:			
<ul style="list-style-type: none"> <li>A fixed amount per connection on each Domestic/Non-Farming rating unit connected</li> </ul>	Annual for rating units connected	\$117.33	\$122.67
<ul style="list-style-type: none"> <li>A fixed amount per connection on each Farming/Dairy-Factory rating unit connected.</li> </ul>	Annual for rating units connected	\$183.11	\$192.00
A differential targeted rate:			
<ul style="list-style-type: none"> <li>A fixed amount on each metered Domestic/Non-Farming rating unit per cubic metre supplied in excess of the 82 cubic metres per quarter.</li> </ul>	Per cubic metre	\$0.36	\$0.37
<ul style="list-style-type: none"> <li>A fixed amount on each metered Farming/Dairy-Factory rating unit per cubic metre supplied in excess of 208 cubic metres per quarter.</li> </ul>	Per cubic metre	\$0.22	\$0.23
<b>Hamurana</b> (Plan number 11015 Sheet 9)	<b>Charging unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$66,424 (plus GST at the prevailing rate)			
A differential targeted rate:			
<ul style="list-style-type: none"> <li>A fixed amount per connection on each rating unit connected</li> </ul>	Annual for rating units connected	\$103.82	\$108.44
<ul style="list-style-type: none"> <li>A fixed amount on each serviceable rating unit capable of connection</li> </ul>	Annual for rating units capable of connection	\$51.91	\$54.22
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied.	Per cubic metre	\$0.30	\$0.31

# Funding impact statement **cont.**

<b>Okareka</b> (Plan number 11015 Sheet 10)	<b>Charging unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$38,329 (plus GST at the prevailing rate)			
A differential targeted rate:			
<ul style="list-style-type: none"> <li>▪ A fixed amount per connection on each rating unit connected</li> </ul>	Annual for rating units connected	\$77.33	\$80.00
<ul style="list-style-type: none"> <li>▪ A fixed amount (being 50% of the above amount) on each serviceable rating unit.</li> </ul>	Annual for rating units capable of connection	\$38.67	\$40.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied.	Per cubic metre	\$0.25	\$0.26

## Targeted Rates for Sewage Disposal

Council sets the following targeted rate on a differential basis for all rating units from which sewage is collected or are serviceable rating units. For these purposes:

- A "rating unit connected" means a rating unit from which sewage is collected either directly or by private drain to a public sewerage system.
- A "serviceable rating unit" means a rating unit from which sewage is not collected but the rating unit (part) is within 30 metres of Council's sewerage system and could be effectively connected to the sewerage scheme.

Council sets the following targeted rates (plus GST at the prevailing rate):

<b>Urban</b> (Plan number 11163 Sheet 2) and <b>Eastern and Rural</b> (Plan number 11163 Sheets 4, 5 and 14)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$9,956,889 (plus GST at the prevailing rate)			
<b>1. Residential Property</b>			
A targeted rate on each rating unit connected.	Annual for rating units connected	\$321.33	\$321.33
<b>2. Commercial/Industrial Property</b> as follows:			
Category 1 - means the rating units with 1 to 4 toilets (water closets or urinals)	Uniform charge for each toilet	\$321.33	\$321.33
Category 2 - means the rating units with 5 to 10 toilets (water closets or urinals)	Uniform charge for each toilet	\$273.14	\$273.14
Category 3 - means the rating units with 11 or more toilets (water closets or urinals)	Uniform charge for each toilet	\$257.04	\$257.07
<b>3. Availability</b>			
- means the rating units which are serviceable rating units.	Annual for rating units capable of connection	\$160.67	\$160.67

## Targeted Rates for Urban Sewerage Development

Council sets an urban sewerage development rate by way of a uniform amount for each rating unit in the "Urban Sector" that pays a UAGC (plus GST at the prevailing rate).

The amount to be collected is \$56,987.

The urban sewerage development rate is set at:	2010/2011	\$2.67
	2009/2010	\$5.42

# Funding impact statement **cont.**

## Targeted Rates for Connection to Sewerage Schemes

Council sets targeted rates on a differential basis for connecting properties to the following sewerage schemes (plus GST at the prevailing rate):

<b>Mourea</b> (Plan number 11163, Sheet 4)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$7,306 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	-	\$228.31
<b>Hinemoa Point</b> (Plan number 11608, Sheet 8)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$4,124 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	-	\$137.49

## Targeted Rates for Capital Cost of Sewerage Schemes

Council sets targeted rates on a differential basis for the following sewerage schemes (plus GST at the prevailing rate).

<b>Okawa Bay</b> (Plan number 11163, Sheet 5)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$11,570 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$462.06	\$462.06
<b>Mourea</b> (Plan number 11163, Sheet 4)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$28,004 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$298.48	\$298.48
<b>Marama Point</b> (Plan Number 11163, Sheet 14)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$9,545 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$238.61	\$238.61
<b>Duxton</b> (Plan number 11163, Sheet 5)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$12,535 (plus GST at the prevailing rate)			
A fixed amount	Annually	\$12,535.24	\$12,535.24
<b>Hinemoa Point</b> (Plan Number 11608, Sheet 8)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$35,032 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$529.96	\$529.96
<b>Rotokawa</b> (Plan Number 11608, Sheet 2)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$22,679 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$201.11	\$201.11
<b>Brunswick Stages 4 and 6</b> (Plan Number 11608, Sheet 11)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$12,488 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$313.24	\$313.24
<b>Brunswick</b> (Plan Number 11608, Sheet 10)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$66,780 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$652.18	\$652.18
<b>Lake Okareka/Blue Lake</b> (Plan Number 11608, Sheet 3)	<b>Charging Unit</b>	<b>2009/2010</b>	<b>2010/2011</b>
The amount to be collected is \$266,205 (plus GST at the prevailing rate)			
Okareka	Per HUE Annually	-	\$1,011.23
Blue Lake Camping Ground	Per HUE Annually	-	\$16,179.65
Rotorua District Council (Public Toilets and Amenities)	Per HUE Annually	-	\$19,213.33

# Funding impact statement **cont.**

## Voluntary Lump Sum Capital Contributions

Council sets the following amounts (plus GST at the prevailing rate) for ratepayers who elect to pay a one-off voluntary lump sum capital contribution for the capital cost of these sewerage schemes:

Okareka	Per HUE	\$12,747.00
Blue Lake Camping Ground	Per HUE	\$203,951.84
RDC (Public Toilets and Amenities)	Per HUE	\$242,192.81

## Targeted Rates for Lakes Community Board

Council sets a lakes community board rate by way of a uniform amount for each rating unit that is wholly or partially within the area defined by the 2006 decision of the Local Government Commission, comprising the area delineated on SO Plan No.379278.

The amount to be collected is \$50,000 (plus GST at the prevailing rate).

The lakes community board rate is set at:

2010/2011	\$18.67
2009/2010	\$18.67

## Targeted Rates for Refuse Collection

(Plan number 10196, Sheets 1 and 2)

A "separately used or inhabited part" is any part of a rating unit that is or is able to be used or inhabited by the ratepayer or by any other person or body having a right to use or inhabit that part by virtue of tenancy, lease, licence or other agreement. Subject to any rating unit used primarily as a residence of one household being deemed to have a single part.

Council set targeted rates for refuse collection from each separately used or inhabited part 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 (plus GST at the prevailing rate):

Refuse Collection (Plan numbers 10196-002 [urban] and 10196-001 [rural])	Charging Unit	2009/2010	2010/2011
The total amount to be collected is \$2,042,000 (plus GST at the prevailing rate)			
Urban (weekly collection)	Annual	\$65.33	\$71.10
Urban (CBD twice-weekly collection)	Annual	\$130.67	\$142.20
Rural (weekly collection)	Annual	\$67.56	\$73.35

## Rates Postponement

To cover costs, the following fees and charges are set for the 2010/2011 rating year. All fees and charges for this will be added as either a one-off or annual charge as the case may be, to the approved applicants rate account.

Initial Charges - One-Off (plus GST at the prevailing rate)	Charging Unit	2009/2010	2010/2011
Application Fee	One-Off	\$88.89	\$88.89
Contribution to Counselling	One-Off	\$266.67	\$266.67
Half Year Interest Charges			
Interest calculated on Councils marginal borrowing rate 6 monthly on all amounts outstanding			
Annual Charges (plus GST at the prevailing rate)			
Annual Account Fee	Annual	\$44.44	\$44.44
Administration Fee	Annual	1.00%	1.00%
Reserve Fund Fee	Annual	0.25%	0.25%
Property Insurance *	Annual	TBA	TBA

\* Property Insurance: A ratepayer must submit a current insurance certificate annually. If the ratepayer cannot afford separate cover Council will arrange cover.

# Funding impact statement **cont.**

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## Due dates for payment of rates

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

Instalment	Due Date
Instalment Number 1	25 August 2010
Instalment Number 2	25 November 2010
Instalment Number 3	25 February 2011
Instalment Number 4	25 May 2011

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 due date for the first instalment. The discount for 2010/2011 is 2.00%.

## 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 of 10% will be added on rates assessed in any previous financial year and which remain unpaid on 12 July 2010.
  - A further penalty of 10% will be added on rates assessed in any previous financial year, plus any previous further penalty, and which remain unpaid on 12 January 2011.
- **Postponed rates:**  
Penalties will not be applied to any postponed rates

## 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 six months after the above further penalty was added. The penalty will be 10% of the unpaid amount.

# Treasury policy

## Introduction

Council's Treasury Policy establishes borrowing limits that are realistic in the current and anticipated future financial climate. The policy also ensures inter-generational equity and enables prudent financial management for ratepayers of the district.

## Philosophy

Council has treasury risks arising from raising loans, investments and associated interest rate management activity.

Council carries out its borrowing and investments (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 and Ten Year 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 inter-generational 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, Liquidity and Credit Risk Management

In managing borrowing, Council determines appropriate control limits based on the following covenants:

- The gross interest expense of all borrowings will not exceed 15% of total annual revenue.
- Net cashflows from operating activities are to exceed gross annual interest expense by a multiple of at least 2.
- Maximum debt not to exceed 20% of total assets.

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 \$60 million or 50% of existing external borrowing (whichever is the greater) 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 overleaf 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.

# Treasury policy cont.

**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 Ten Year Plan 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.

Term of Exposure	Minimum Fixed Rate Exposure	Maximum Fixed Rate Exposure
0 – 1 year	60%	100%
1 – 2 years	40%	90%
3 – 5 years	20%	60%
5 – 10 years	0%	50%
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.



# Treasury policy cont.

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## 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.

## 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.

# Fees and charges

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# Animal control fees and charges

## Sources of Funding

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

- Rates – This activity is funded approximately 45% 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 13 February 2010 a total of 9,808 dogs had been registered.

## Proposed New Fee Structure

	Existing Fees (excl GST)	New Fees (excl GST)
Urban Domiciled Dogs	\$60.00	\$52.44
Rural Domiciled Dogs	\$30.22	\$32.00
Selected Dog Owner Status	\$30.22	\$32.00
Rebate for de-sexed dogs	\$8.89	\$8.89
Rebate for superannuitants	\$8.89	\$8.89
<i>Note – In terms of Council policy only one of either of these rebates is able to be claimed.</i>		
Penalty for Late Payment		
- Urban Dog	\$25.78	\$26.67
- Rural Dog	\$15.11	\$16.00
Dog Impounding Fees:		
- First Impounding	\$44.44	\$44.44
- Second Impounding	\$110.22	\$113.78
- Third and Subsequent Impounding	\$128.89	\$133.33
Sustenance Fee (per day)	\$6.84	\$7.11
Microchip implant	\$17.78	\$17.78
Replacement Tag	\$5.69	\$5.78
Collars:		
- Toy Dog	\$4.53	\$4.89
- Small	\$5.87	\$6.22
- Medium	\$6.40	\$7.11
- Large	\$8.71	\$8.89
- Extra Large	\$10.58	\$10.67
- Nylon	\$8.44	\$8.89

	Existing Fees (excl GST)	New Fees (excl GST)
Leads:		
- Narrow	\$7.56	\$8.00
- Wide	\$8.00	\$8.44
Muzzles:		
- Nylon Mesh	\$15.20	\$15.56
- Wire	\$24.44	\$25.33
- Plastic – Size 2	\$14.04	\$14.67
3	\$15.11	\$15.56
4	\$16.36	\$16.89
5	\$16.53	\$16.89
6	\$17.78	\$18.67
7	\$20.27	\$20.89
8	\$20.98	\$21.33
9	\$21.33	\$22.67
10	\$22.40	\$23.11
Kennel Licensing:		
- Initial Licence	\$43.56	\$44.44
- Renewal of Licence	\$15.64	\$16.00

## 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.

It is proposed that re-homing fees remain as follows:

	Existing Fees (excl GST)	New Fees (excl GST)
Female dog	\$113.78	\$117.33
Male dog	\$75.56	\$78.22
Already 'desexed' dog	\$55.11	\$56.89

## Hire of Bark Collar

	Existing Fees (excl GST)	New Fees (excl GST)
Hire for seven (7) days	\$20.62	\$21.33
Purchase – Ag'tronics	\$150.67	\$155.56

# Animal control fees and charges [cont.](#)

## Stock Impounding Fee

It is proposed that stock impounding fees be increased to cover actual staff costs on a time involved basis.

### 1. Callout Charges (minimum)

	Existing Fees per 2 hours (excl GST)	New Fees per 2 hours (excl GST)
7am to 6pm	\$87.55	\$90.22
6pm to 10pm	\$110.67	\$114.22
10pm to 7am	\$165.33	\$170.22
Weekends and Holidays	\$165.33	\$170.22

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

### 2. Transportation:

In addition, transport costs as charged by the service provider will be added.

### 3. Release Fee:

	Existing Fees (excl GST)	New Fees (excl GST)
Release Fee	\$25.33	\$26.22

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

### 4. Poundage Fees:

	Existing Fees (excl GST)	New Fees (excl GST)
For every horse, donkey, cattle beast or deer	\$13.78	\$14.22
For every sheep, goat or pig	\$9.24	\$9.78

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.

# Building control fees and charges

The Building Control Service has two key components – consent processing and providing information to the public.

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.

Fees have increased 3% on average to cover cost increases. This is consistent with the level of fee increase anticipated in the Ten Year Plan. In the majority of cases, inspection fees will be assessed and calculated at the time of consent processing. The additional costs of gaining accreditation will come from building consent and PIM (Property Information Memorandum) / TAR (Territorial Authority Review) fees.

Code	Category	Consent Fee 2009/10 (excl GST)	PIM Fee 2009/10 (excl GST)	Consent Fee 2010/11 (excl GST)	PIM / TAR Fee 2010/11 (excl GST)
<b>FIXED COST BUILDING CONSENTS</b>					
1	Proprietary garages, carports, playgrounds (2 inspections)	\$391.11	\$168.89	\$404.44	\$173.33
2	Proprietary garages with fire wall (3 inspections)	\$455.11	\$168.89	\$471.11	\$173.33
3	Proprietary farm buildings	\$520.88	\$168.89	\$537.78	\$173.33
4	Minor works (single inspection) – sewer connection, garden sheds	\$248.89	\$22.22	\$257.78	\$22.22
4a	Free standing solid fuel heater, gas or solar water heating, spa pool (Add half hour extra charge for in-built solid fuel heaters)	\$248.89	\$22.22	\$266.67	Nil
5	Minor works (2 inspections) – retaining walls, pergolas, simple decks, conservatories	\$391.11	\$168.89	\$404.44	\$173.33
5a	Plumbing and drainage alteration, accessible showers	\$391.11	\$168.89	\$471.11	Nil
6	Demolition – Residential	\$262.22	\$32.00	\$271.11	\$35.56
7	Demolition – Commercial	\$328.00	\$168.89	\$337.78	\$173.33
<b>LODGEMENT DEPOSITS FOR BUILDING CONSENTS</b>					
8	Custom designed garages, carports, farm buildings	\$360.00	\$168.89	\$368.89	\$173.33
9	Small projects (less than \$20,000) – shop fitouts, shop fronts, residential alteration altering footprint, complex decks	\$422.22	\$168.89	\$435.56	\$173.33
9a	Internal residential alteration, alteration to a specified system (does not include change of use)	\$422.22	\$168.89	\$502.22	Nil
10	Ancillary habitable buildings	\$422.22	\$168.89	\$435.55	\$173.33
11	Additions and alteration to residential buildings (over \$20,000)	\$617.77	\$168.89	\$635.56	\$173.33
12	New dwellings	\$808.89	\$444.44	\$831.11	\$457.78
13	Additions and alterations to commercial and industrial buildings (over \$20,000) (Add additional \$100.00 for each \$100,000 or part thereof in excess of \$300,000 <b>for building consents only</b> )	\$680.00	\$444.44	\$697.11	\$457.78
14	New commercial and industrial buildings (Add additional \$100.00 for each \$100,000 or part thereof in excess of \$300,000 <b>for building consents only</b> )	\$808.89	\$497.78	\$831.11	\$511.11

# Environmental health fees

The following fees are proposed by Council for the 2009/2010 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.

## Food Premises

The table below (Table 1) sets out the different classifications of food premises that require registration/inspection, the 2009/10 fees, as well as the proposed fees for 2010/11.

In general, the increases range between 0% to 3.3%, a proportion of which is to supplement the cost of purchasing specialist equipment and necessary to enable the proper inspection of food premises.

**TABLE 1**

### Food Premises requiring Registration/ Inspection

#### 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 the Food Hygiene Regulations. Some examples are: restaurants, delicatessens and takeaway food premises.

Category FP1A	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$333.33	\$343.11
Transfer Notation	\$34.67	\$35.56

- ii) **Category FP1B.** Premises required to be registered within the terms of the Food Hygiene Regulations. Some examples are: school canteens, fruit and vegetable shops, confectionery shops and health food shops.

Category FP1B	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$200.00	\$206.22
Transfer Notation	\$34.67	\$35.56

#### 2. Other Food Premises

- i) **Category FP2A.** Premises used by the Crown and state owned enterprise; any partially exempt premise and some premises within the meaning of the Sale of Liquor Act. Some examples are: sports clubs, service clubs, taverns, lodges and resorts.

Category FP2A	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$333.33	\$343.11
Transfer Notation	\$34.67	\$35.56

- ii) **Category FP2B.** Occasional food premises as defined by the Food Hygiene Regulations. Some examples are: food kiosks and premises open on a seasonal basis.

Category FP2B	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$137.78	\$142.22
Transfer Fee	\$34.67	\$35.56

- iii) **Category FP2C.** Premises which are an off-licence within the meaning of the Sale of Liquor Act.

Category FP2C	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$200.00	\$206.22
Transfer Notation	\$34.67	\$35.56

- iv) **Category FP2D.** Any premises used as a warehouse, storeroom or similar for the storage of food, food packages and containers.

Category FP2D	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$86.22	\$88.89
Transfer Notation	\$34.67	\$35.56

- v) **Category FP2E.** Premises which supply or sell food incidental to the rendering of a service and is not otherwise registered or licensed, e.g. a training facility.

Category FP2E	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$86.22	\$88.89
Transfer Notation	\$34.67	\$35.56

# Environmental health fees cont.

### 3. Miscellaneous fees

	Existing Fees (excl GST)	New Fees (excl GST)
New premises establishment fee	\$177.78	\$183.11
Inspection/re-inspection, redefinition inspection	\$177.78	\$183.11
Closed premises re-inspection	\$441.78	\$455.11
Transfer Notation (owner transfer)	\$34.67	\$35.56
Registration of food vending machine	\$86.22	\$88.89
Keeper of mobile and travelling food shops	\$86.22 <sup>1</sup>	\$88.89 <sup>1</sup>
Food stall	\$126.22 - \$192.89	High Risk - \$199.11 Low Risk - \$130.67
Consultation and miscellaneous duties	Officer charge out of \$97.78/hr plus disbursements	Officer charge out \$100.44/hr plus disbursements

<sup>1</sup> Plus food premise registration fee

**TABLE 2**

### Food Premises Falling into the "Off the Peg" Food Control Plans, Food Control Plans and Food Handler Guidance

	Existing Fees (excl GST)	New Fees (excl GST)
Verification of Food Control Plan	Fixed fee of \$86.22 per application plus \$97.78/hour thereafter	Fixed fee of \$88.89 per application plus \$100.44/hour thereafter
Audit of Food Control Plan	Fixed fee of \$86.22 per application plus \$97.78/hour thereafter	Fixed fee of \$88.89 per application plus \$100.44/hour thereafter
New premises establishment fee	\$266.67	\$274.67
Inspection/re-inspection, investigation, redefinition inspection	\$177.78	\$183.11
Notation of transfer fee	\$34.67	\$35.56
Notation of minor food premise or activity	\$86.22	\$88.89
Consultation and miscellaneous duties	Officer charge out \$97.78/hour plus disbursements	Officer charge out \$100.44/hour plus disbursements

**TABLE 3**

### Health and Bylaw Licences and Miscellaneous Activities and Duties

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

Premises required to be registered within the terms of the Health (Burial) Regulations.

Category	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$130.67	\$135.11
Transfer Notation	\$34.67	\$35.56

#### 2. Offensive Trades

Premises required to be registered within the terms of the Health Act.

Category	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$200.00	\$206.22
Transfer Notation	\$34.67	\$35.56

# Environmental health fees **cont.**

## 3. Hairdressers

Premises required to be registered within the terms of the Health (Hairdressers) Regulations.

Category	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$130.67	\$135.11
Transfer Notation	\$34.67	\$35.56

## 4. Camping Grounds

Premises required to be registered within the terms of the Camping Ground Regulations.

Category	Existing Fees (excl GST)	New Fees (excl GST)
Application Fee	\$233.78	\$240.89
Transfer Fee	\$34.67	\$35.56

## 5. Miscellaneous Fees

	Existing Fees (excl GST)	New Fees (excl GST)
Keeper of mobile and travelling shops (non food)	\$86.22	\$88.89
Hawker (non food)	\$34.67	\$35.56
Itinerant trader (non food)	\$34.67	\$35.56
Stall (non food)	\$34.67	\$35.56
Bee keeping	\$34.67	\$35.56
Billiard room	\$86.22	\$88.89
Return of seized equipment	1st 2 <sup>nd</sup>	\$147.56 \$276.44
New premise establishment fee	\$177.78	\$183.11
Transfer notation (owner transfer) fee	\$34.67	\$35.56
Inspection/re-inspection, redefinition inspection	\$177.78	\$183.11
Consultation and miscellaneous duties	Officer charge out of \$97.78/hour plus disbursements	Officer charge out of \$100.44/hour plus disbursements



# Resource management act charges

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## Matters relevant to all fees and charges

The following charges shall take effect from 1 July 2010. The following charges have been set under Section 36 of the Resource Management Act 1991. The charges relate to services provided by the Rotorua District Council. Charges are expressed as either a fixed fee or a deposit. All charges are GST exclusive.

## Deposits

Where a deposit applies Council will charge the actual and reasonable cost of the goods and services provided. Where costs exceed the deposit by \$55.00, there shall be an additional charge. This charge shall be sourced from the Project Time Recording Sheet kept by the assessing planner.

## Additional costs

Applicants shall be advised in advance of the estimate of the additional costs that are to be levied. Applicants will also be advised at what stage in the process the additional costs are to be paid to the Council. The charge out rate for additional costs shall be \$137.78 plus GST per hour. This charge shall be sourced from the Project Time Recording Sheet kept by the assessing planner.

## Maximum costs

Any deposit may be increased up to a maximum cost of \$45,000 in the case of a land use or subdivision consent, or up to a maximum of cost \$40,000 in the case of a private plan change.

## Refunds

Where costs are less than the deposit held, a refund will be due to the applicant where the difference is greater than \$55.00.

## Actual and reasonable costs

Actual and reasonable costs will relate to any matters for which a charge is payable under Section 36(1) of the Resource Management Act 1991, 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.

## Application of charges

A charge applies to each document required in the case of certificates and legal documents. A charge applies to each identifiable application of consent being applied for.

## Monitoring charges

For all land use consents that require monitoring they will be charged a monitoring fee, this shall exclude Controlled CBD and Controlled Minor applications. The monitoring fee is set at \$137.78 plus GST per hour, plus Actual Costs. A higher monitoring charge may be applied as a condition of consent to implement a specific monitoring programme, or to review particularly complex consent conditions. The higher monitoring charge may be incorporated by way of condition of consent as either a fixed charge or as an annual charge where ongoing monitoring is required.

Where no monitoring is required by the consent, or where a resource consent has been declined the monitoring charge will be refunded to the applicant

# Resource management act charges **cont.**

## Land Use Fees

	Classification	2009/10 (excl GST)	2010/11 (excl GST)
<b>A.</b>	<b>Notified land use</b> (235-50114-6722)		
1	Notified land use	*\$2,000.00+A+M	*\$2,222.22+A+M
2	Notified sign	\$48.89	\$53.33
3	Limited notified	*\$866.67+A+M	*\$1,066.67+A+M
4	Statutory Hearing fee	\$146.67	\$151.11
5	Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
<b>B.</b>	<b>Non-notified land use</b> (235-50114-6734)		
6	Application for consents related to conservation, restoration, and protection of heritage buildings and features listed in Appendix A	No charge	No charge
7	Controlled CBD Design Guide	\$266.67	\$275.56
8	Controlled (Minors)	\$266.67	\$275.56
9	Controlled	\$400.00+M	\$413.33+M
10	Restricted/Limited discretionary	*\$466.67+M	*\$484.44+M
11	Discretionary	*\$600.00+M	*\$622.22+M
12	Non-complying	*\$600.00+M	*\$622.22+M
13	Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
<b>C.</b>	<b>Monitoring</b> (235-50114-6819)		
14	For all land use consents excluding Controlled CBD and Controlled (Minors) that require monitoring. See Footnote 3	*\$133.33+A	*\$137.77+A
<b>D.</b>	<b>Related land use</b> (235-50114-6720)		
15	Extension of time (S125)	\$133.33	\$137.77
16	Cancellation of Approval (S126)	\$133.33	\$137.77
17	Change/Variation to conditions of consent (S127)	*\$400.00+A+M	*\$413.33+A+M
18	Review of consent conditions (S 128)	*\$666.67+A+M	*\$688.89+A+M
19	Compliance Certificates (S139)	*\$400.00+A	*\$413.33+A+M
20	Existing use rights Certificates (S139A)	*\$533.33+A	*\$551.11+A
21	Outline Plan approval(S176A)	*\$333.33+A	*\$346.67+A
22	Planning Certificate (Sale of Liquor)	\$133.33	\$137.78
23	Overseas Investment, Motor Vehicle Dealers, and other certificates	\$133.33	\$137.78
24	Applications for street naming	\$266.67	\$275.56
25	Contribution to valuation for heritage and reserve purposes	\$53.33	\$57.78
26	Certificate of title	\$13.33	\$13.33
65	Financial contribution for reserves purposes (410-30201-6356)	As valued	As valued

M Monitoring charges @ \$137.78 per hour

A Additional charges @ \$137.78 per hour

\* The fees stated are deposits, where additional charges will be in accordance with 'A' above. Additional costs will be incurred for additional processing and partial costs for independent assessments commissioned in relation to applications

# Resource management act charges **cont.**

## Subdivision Fees

Classification		2009/10 (excl GST)	2010/11 (excl GST)
<b>A.</b>	<b>Notified subdivision</b> (235-50114-6735)		
27	Notified	*\$2,000.00+A+M	*\$2,222.22+A+M
28	Notified sign	\$48.89	\$53.33
29	Limited Notified	*\$866.67+A+M	*\$1,066.67+A+M
30	Statutory Hearing	\$146.67	\$151.11
31	Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
<b>B.</b>	<b>Non-notified subdivision</b> (235-50114-6744)		
32	Controlled, including cross lease to freehold	*\$733.33+A	*\$755.56+A
33	Controlled, cross lease amendment	*\$733.33+A	*\$755.56+A
34	Restricted/Limited Discretionary	*\$733.33+A	*\$755.56+A
35	Discretionary	*\$866.67+A	*\$897.78+A
36	Non-complying	*\$866.67+A	*\$897.78+A
37	Additional lots	@\$44.44 per lots over 3	@\$48.89 per lots over 3
38	Survey Plan approval (S 223)	\$133.33	*\$271.25+A
39	Compliance Certificate (S 224c)	\$133.33	*\$271.25+A
40	Engineering inspection and plan approval	\$266.67 or min plus \$133.33 per hour (for each hour exceeding 2 hours)	\$266.67 or min plus \$133.33 per hour (for each hour exceeding 2 hours)
41	Contribution to valuation for heritage and reserve purposes	\$53.33	\$57.78
42	Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
<b>C.</b>	<b>Related subdivision</b> (235-50114-6720)		
43	Right of way	*\$333.33+A	*\$346.67+A
44	Extension of time (S125)	\$400.00	\$413.33
45	Cancellation of approval (S126)	\$133.33	\$137.77
46	Change/Variation to conditions of consent (S127)	*\$400.00+A	*\$413.33+A
	Variation or change to Consent Notice	Nil	*\$688.89+A
47	Review of consent conditions (S 128)	*\$666.67+A	*\$688.89+A
48	Section 226	*\$666.67+A	*\$688.89+A
49	Preparation of Bonds, Consent Notices, legal documents	*\$133.33+A	*\$137.78+A
50	Where separate from subdivision application, easement approval, cancellation of right-of-way, amalgamation, consent notice, easement, building line restriction, or other process related to subdivisions	*\$133.33+A	*\$137.78+A
65	Financial contribution for reserves purposes (410-30201-6356)	As valued	As valued

M Monitoring charges @ \$137.78 per hour

A Additional charges @ \$137.78 per hour

\*

The fees stated are deposits, where additional charges will be in accordance with 'A' above. Additional costs will be incurred for additional processing and partial costs for independent assessments commissioned in relation to applications

# Resource management act charges **cont.**

## Policy Fees

Classification		2009/10 (excl GST)	2010/11 (excl GST)
<b>A.</b>	<b>Designations</b> (230-50113-6849)		
51	Notice of Requirement	*\$3,111.11+A	*\$3,244.44+A
52	Alteration of Designation	*\$800.00+A	*\$3,244.44+A
53	Removal of Designation	*\$800.00+A	*\$826.67+A
54	Statutory Hearing fee	\$146.67	\$151.11
55	Commissioning reports, peer review, photocopying and other costs related to designations process	Actual costs	Actual costs
<b>B.</b>	<b>Plan Changes</b> (230-50113-6847)		
56	Private Plan Changes	*\$5,511.11+A	*\$800.00+A
57	Statutory Hearing fee	\$146.67	\$151.11
58	Commissioning reports, peer review, photocopying and other costs related to designations process	Actual costs	Actual costs
<b>C.</b>	<b>Policy documents</b> (230-50113-6825)		
59	Copy of Operative District Plan on CD	\$31.11	\$31.11
60	District Plan text (Hard Copy)	Actual costs	Actual costs
61	District Plan maps (Hard Copy)	Actual costs	Actual costs
62	Lakes A Zone on CD	\$26.67	\$26.67
63	Lakes A Zone text and maps	\$231.11	\$231.11
64	Copies of Plan changes, Variations, and publications	Actual costs	Actual costs

M Monitoring charges @ \$137.78 per hour

A Additional charges @ \$137.78 per hour

\* The fees stated are deposits, where additional charges will be in accordance with 'A' above. Additional costs will be incurred for additional processing and partial costs for independent assessments commissioned in relation to applications

# Amendments to Ten Year Plan 2009-2019

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# Amendments to Ten Year Plan 2009-19

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## Background

Long Term Council Community Plans (LTCCPs) are required to be reviewed every three years. In the intervening years councils can accommodate variances to 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 levels of services 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 Annual Plan.

The reasons for the amendments are:

1. To enable Council to more effectively implement or undertake the activities included in the Annual Plan.
2. To incorporate new policy or revisions to existing policy.
3. To provide improved clarity, or assist with interpretation of the plan.

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# Amendment 1

## Rating Policy (Removal of general rate differential category for Council property)

Reason:

To incorporate new policy or revisions to existing policy.

### Part C Financial Statements and Supporting Information

#### Page 63 Volume 2 of Ten Year Plan 2009-19

#### Background

Council, when preparing the Ten Year Plan 2009-19 and Rating Policy, continued with the policy of rating Council property all as though it was Business Urban.

While this practice mostly resulted in no additional cost to ratepayers, it did have the effect of there being high rates for Council's residential property.

Consequently if Council was selling any of these properties, it adversely affected the "saleability" of these properties.

#### Effect of amendment

Council property will be rated according to the purpose for which it is used. This will mean that residential property owned by Council will be charged the same rates as other residential property with the same value.

#### Amendment

Differential General Rate categories:

		Relative differentials for the general rate
<b>Residential rating categories</b>		
1	Residential – General Urban	100%
2	Residential – General Rural	76%
3	Residential – Two Unit Urban	110%
4	Residential – Three Unit Urban	230%
5	Residential – Four Unit Urban	300%
6	Residential – Multi Unit Urban	360%
<b>Farming rating category</b>		
7	Farming – General	76%
<b>Business rating categories</b>		
8	Business – Urban	360%
9	Business – Rural	228%
<b>Council rating category</b>		
10	Council Property	380%

# Amendment 2

## Rating Policy

1. Establishment of targeted rate for connection cost to Mourea sewerage scheme
  2. Establishment of targeted rate for connection cost to Hinemoa Point sewerage scheme
- 

### Reason:

To incorporate new policy or revisions to existing policy.

## Part C Financial Statements and Supporting Information

### Background

Council has recently constructed new lakeside sewerage schemes as one of the ways to improve Rotorua lake water quality. However, for two of these schemes a number of residents remain unconnected for one reason or another. Council has subsequently decided, pursuant to Section 459 of the Local Government Act 1974, to connect all properties capable of being connected that currently remain unconnected for the Mourea and Hinemoa Point sewerage schemes.

New targeted rates will be established to recover the cost of this work.

### Effect of amendment

1. Residents in the Mourea/Okawa Bay sewerage scheme area and not connected to the scheme at 1 July 2010 will be charged a new targeted rate annually to fund the cost of connecting to the scheme.

#### The sewerage scheme connection (Mourea) rate is set at:

2010/2011 \$228.31 (plus GST)

The amount to be collected is \$6,935.00 per annum (GST exclusive).

2. Residents in the Hinemoa Point sewerage scheme area and not connected to the scheme at 1 July 2010 will be charged a new targeted rate annually to fund the cost of connecting to the scheme.

#### The sewerage scheme connection (Hinemoa Point) rate is set at:

2010/2011 \$137.49 (plus GST)

The amount to be collected is \$3,422.00 per annum (GST exclusive).

### Amendment

1. Included in the Rating Policy and Funding Impact Statement is a targeted rate for Sewerage Scheme Connection (Mourea) rate.
2. Included in the Rating Policy and Funding Impact Statement is a targeted rate for Sewerage Scheme Connection (Hinemoa Point) rate.



# Amendment 3

## Expanding Rotorua waste minimisation services

Reason:

To incorporate new policy or revisions to existing policy.

### Introduction

As a result of submissions to the Ten Year Plan 2009-19 Council called for a detailed investigation and report into the best way of delivering recycling services for the future. Various options have been costed and residents had an opportunity to consider what level of service they require.

The prevailing view is that the existing recycling service was working well, with comparable levels of recyclable material being collected with a kerbside collection.

In the 2008/09 financial year, 3,630 tonnes of material was recycled through the existing drop-off centres, the majority of which (55%) was collected at the In-Town Recycling Centre. This equates to approximately 55kg per person recycled annually. The Rotorua District's current recycling level exceeds most other cities and districts who use a bag kerbside recycling collection,

though is considerably less than those who use a wheelie bin service, but is at a significantly lower cost per ratepayer. The average cost of RDC's current In-Town Recycling Centre and rural drop-off centres is \$21.61 per property.

New waste minimisation initiatives were identified within one of the three key themes in the council's Ten Year Plan 2009-2019. The community outcome 'A community that respects its environment' also makes specific mention of waste reduction, re-use and recycling. The community wide discussion on waste minimisation and recycling services enabled Council to decide the appropriate service that meets the community's expectations, delivers acceptable levels of waste reduction through recycling opportunities and will be provided at an acceptable cost.

### Summary of options considered

The following table outlines the key aspects of all waste minimisation and kerbside recycling options considered, including the advantages, disadvantages, areas covered and costs:

Description of service	Current Service Status Quo – current provision	Option 1 Bag Kerbside (Urban)	Option 2 Open Crate Collection	Option 3A Comingled Wheelie Bin (Urban)	Option 3B Wheelie Bin, separate glass (Urban)
<b>Advantages</b>	<ul style="list-style-type: none"> <li>Low costs</li> <li>Yield good compared with other options</li> </ul>	<ul style="list-style-type: none"> <li>Some degree of user separation</li> <li>Low capital costs</li> </ul>	<ul style="list-style-type: none"> <li>Some separation at collection point</li> <li>Low capital costs</li> <li>Contamination can be identified at source</li> </ul>	<ul style="list-style-type: none"> <li>Reduced health and safety issues due to automatic lifting</li> <li>Higher yields</li> </ul>	<ul style="list-style-type: none"> <li>Reduced health and safety issues due to automatic lifting</li> <li>Higher yields</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>Only available for those prepared to transport material to centre</li> </ul>	<ul style="list-style-type: none"> <li>Minor contamination issues</li> <li>Health and safety issues for collectors</li> <li>Lower yields than alternatives and possibly lower yield than existing drop-off</li> <li>Unightly on residential streets</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety issues for collectors</li> <li>Capacity of crate may limit yield</li> </ul>	<ul style="list-style-type: none"> <li>Higher capital cost, particularly sorting facility</li> <li>Contamination issues</li> <li>Specialist collection vehicles are required</li> <li>Vehicle access to bins can be difficult in areas with a lot of roadside parking</li> <li>External storage of wheelie bins</li> <li>Wheelie bins can be difficult for elderly and disabled</li> </ul>	<ul style="list-style-type: none"> <li>Higher capital cost</li> <li>Contamination issues</li> <li>Specialist collection vehicles are required</li> <li>Vehicle access to bins can be difficult in areas with a lot of roadside parking</li> <li>External storage of wheelie bins may be difficult for some residents</li> <li>Wheelie bins can be difficult for elderly and disabled</li> </ul>
<b>Area covered</b>	District wide	Rotorua urban residential area	Rotorua urban residential area	Rotorua urban residential area	Rotorua urban residential area
<b>Increase in cost (\$):</b>					
Operating Expenditure	\$0	\$970,000	\$1,000,000	\$1,770,000	\$1,190,000
Debt Servicing	\$0	\$495,200	\$628,000	\$1,273,600	\$742,200
Per property	\$0 – Currently costs an average of \$21.61 per property	\$76.47 – Targeted rate	\$84.97 – Targeted rate	\$158.85 – Targeted rate	\$100.85 – Targeted rate
Loan(s)	\$0	\$4,510,000	\$5,720,000	\$11,600,000	\$6,760,000

# Amendment 3

## Expanding Rotorua waste minimisation services **cont.**

	Option 4A	Option 4B	Option 5
<b>Description of service</b>	Extend Drop Off Centre (All)	Extend Drop Off Centre (Ngongotaha) Plus Satellite Improvements to In-town Recycling Centre (All)	Allow private service
<b>Advantages</b>	<ul style="list-style-type: none"> <li>Lower cost to council</li> <li>Encourages user separation and responsibility</li> <li>High quality product achieved at low cost</li> </ul>	<ul style="list-style-type: none"> <li>Lower cost to council</li> <li>Encourages user separation and responsibility</li> <li>High quality product achieved at low cost</li> </ul>	<ul style="list-style-type: none"> <li>No cost to Council</li> <li>Completely user pays</li> <li>Residents can choose to use or not use the service</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>May be perceived as lower level of service to kerbside collections</li> <li>Relies on people being committed to recycling and is unlikely to encourage more people to recycle than existing</li> </ul>	<ul style="list-style-type: none"> <li>May be perceived as lower level of service to kerbside collections</li> <li>Relies on people being committed to recycling and is unlikely to encourage more people to recycle than existing</li> </ul>	<ul style="list-style-type: none"> <li>Higher cost to those choosing to have such a service</li> <li>No specific incentive for private provider to reduce waste volumes</li> </ul>
<b>Area covered</b>	All areas of the district	All areas of the district	Individual choice – economic
<b>Increase in cost (\$):</b>			
Operating Expenditure	\$0	\$300,000	-
Debt Servicing	\$80,150	\$109,800	-
Per Property	\$0	Approximately \$14.66 extra in general rates paid by all properties	Private cost
Loan(s)	\$730,000	\$1,000,000	-

### Detailed consideration of options

All options considered are for services to residential properties only. Currently private operators already collect approximately 2,100 tonnes of recyclables per annum from the commercial sector. At this stage there is no expectation that Council would institute a new service for the commercial sector, which already has access to the existing In-Town Recycling Centre.

Before reaching its preferred position, the council considered a number of factors in assessing the options. These are summarised in the points below:

- Waste Minimisation Effect
  - Beneficial Reuse of Material
  - Transportation Requirements
  - Cost of Service
  - Convenience / User Acceptability
  - User Accountability
  - Risks
- 

More detail on all options is included within the report 'Solid Waste Assessment, Recycling Business Case'. The report is available on the Council website at [www.rdc.govt.nz](http://www.rdc.govt.nz) or by contacting the Council by telephone on (07) 348-4199.

After considering the advantages and disadvantages of each option and the submissions received Council selected option 4B.

### Impact of Council's selected waste minimisation option

The following table shows the impact of Council's selected option (4B) over the period of the Ten Year Plan:

Changes (\$000)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Waste Management</b>										
Direct Cost (Net) <sup>1</sup>	-	-\$686	-\$490	-\$505	-\$520	-\$535	-\$550	-\$565	-\$580	-\$600
Funding:										
Targeted Rates		-\$824	-\$848	-\$814	-\$900	-\$927	-\$955	-\$984	-\$1,013	\$1,043
General Rate	-	\$138	\$358	\$369	\$380	\$392	\$405	\$419	\$433	\$443

<sup>1</sup> Council had made provision in the Ten Year Plan 2009-19 to establish an improved refuse collection service from 1 July 2010 to be funded from targeted rates. Council has selected option 4B (improving the in-town recycling centre and establishing a drop-off at Ngongotaha) from 1 March 2011. The figures show the net cost of option 4B and changes to funding over the period of the Ten Year Plan 2009-19.

# Amendment 3

## Expanding Rotorua waste minimisation services [cont.](#)

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### Summary

Following consideration of all submissions on this matter, Council has selected what it believes to be the most sustainable recycling option for residents of Rotorua District.

The extension of recycling drop-off centres, including provision of a new centre at Ngongotaha and improvements to the existing In-Town Recycling Centre will have a one-off capital cost of \$1 million to establish with additional ongoing annual operating costs of approximately \$352,500 per annum and the operating costs will be paid for from the general rate.

# Establishment of a Council Controlled Organisation (CCO) – Rotorua District Council Holdings Limited (RDCHL)

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# Establishment of a Council Controlled Organisation (CCO) – Rotorua District Council Holdings Limited (RDCHL)

## Introduction

In Council's Ten Year Plan 2009-19 there is a strong theme of partnership and investment with the private sector, Crown agencies and Iwi. The objectives of establishing partnerships with these groups are to ensure economic growth by stimulating the economy, having a sustainable development approach to Council's activities and services and sustainability. Sustainability and growth are part of the key themes of the Ten Year Plan which now needs to have a mechanism to allow Council to enter into partnerships with other organisations.

The Rotorua District Council will set up a company (Rotorua Holdings Ltd) which is a Council Controlled Organisation (CCO) in terms of the provisions of the Local Government Act 2002 (LGA).

## Description

The Rotorua District Council will set up a CCO which will be used as an umbrella company for partnerships at a strategic level and include as examples:

- Attracting inward investment and wealth creation initiatives
- CBD revitalisation and lakefront development integration
- Any energy and geothermal use
- Waste 2 Gold project
- Airport capital expenditure funding
- Property development.

The specific objectives of the CCO will be decided each year in accordance with the constitution of the CCO and the Statement of Intent to be agreed between the board of the CCO and the shareholders.

## Shareholding

Rotorua District Council (the 'Council') is the only shareholder in the umbrella company. Subsidiary companies will be established to govern any partnership arrangements with private companies, iwi groups or Government. Separate constitutions will be established for all of these companies and separate statements of intent produced.

## Reasons

A limited liability company has been identified as the best vehicle to coordinate Council's involvement with external parties to provide, develop or own new or non-core services.

This company is a council controlled organisation under the terms of the Local Government Act. This status imposes certain legal requirements in terms of having a statement of intent, reporting and monitoring.

The Company is defined by three documents:

- Statement of Intent;
- Shareholder Agreement; and
- Constitution.

An appropriate structure is required to do this for the following reasons:

- It will provide for a more transparent governance structure and keeps subsidiary companies at arms length from Council and any liabilities these subsidiary companies may attract
- It will provide an entity that can enter into commercial arrangements with partners on behalf of Council
- In some instances a separate entity allows Council to appoint directors or members of the governance arrangement who have specialist knowledge beyond that which is available from the Mayor, councillors and council management.
- A separate entity with shareholding from Council and other organisations is a way of sharing the risk and cost associated with any new development.
- A separate entity is a way of very formally ring fencing all the inputs and outputs associated with a particular activity. This may be required when Council does not want to be associated with any of the negative affects that may be associated with an activity or is a way of shielding itself from the risks.
- The Local Government Official Information and Meeting Act (LGOIMA) provides for open and transparent governance but it also threatens intellectual property that may be developed with a local authority and therefore acts as a disincentive for the private sector to engage.
- Separate entities with shares that can be issued to partners other than Council are another source of funding for Council activities. This applies particularly those activities that have a strong commercial emphasis and where there is a longer term opportunity for profits and dividends.
- Establishment of separate entities and the transfer of assets into those entities, followed by sale, is a way of Council divesting itself from the ownership of major assets.

The other structures considered included:

- Joint Venture / Partnership with commercial interest
- Business Unit of Council.

## Establishment of a Council Controlled Organisation (CCO) – Rotorua District Council Holdings Limited (RDCHL) [cont.](#)

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While the charitable trust option could provide some taxation benefits (though this is doubtful) it is not considered viable because it could limit the organisation's ability to respond to future initiatives.

Consideration of each of the options was undertaken, consistent with the requirements of s77 of the Local Government Act 2002.

### Summary

Following consideration of all submissions received, Council resolved to establish a Council Controlled Organisation as a Limited Liability Company.

This holding company will enable Council to progress the strong theme of partnership and investment with the private sector, Crown agencies and Iwi as set out in the 2009 – 2019 Ten Year Plan.

The main reasons for establishing a Council Controlled Organisation are:

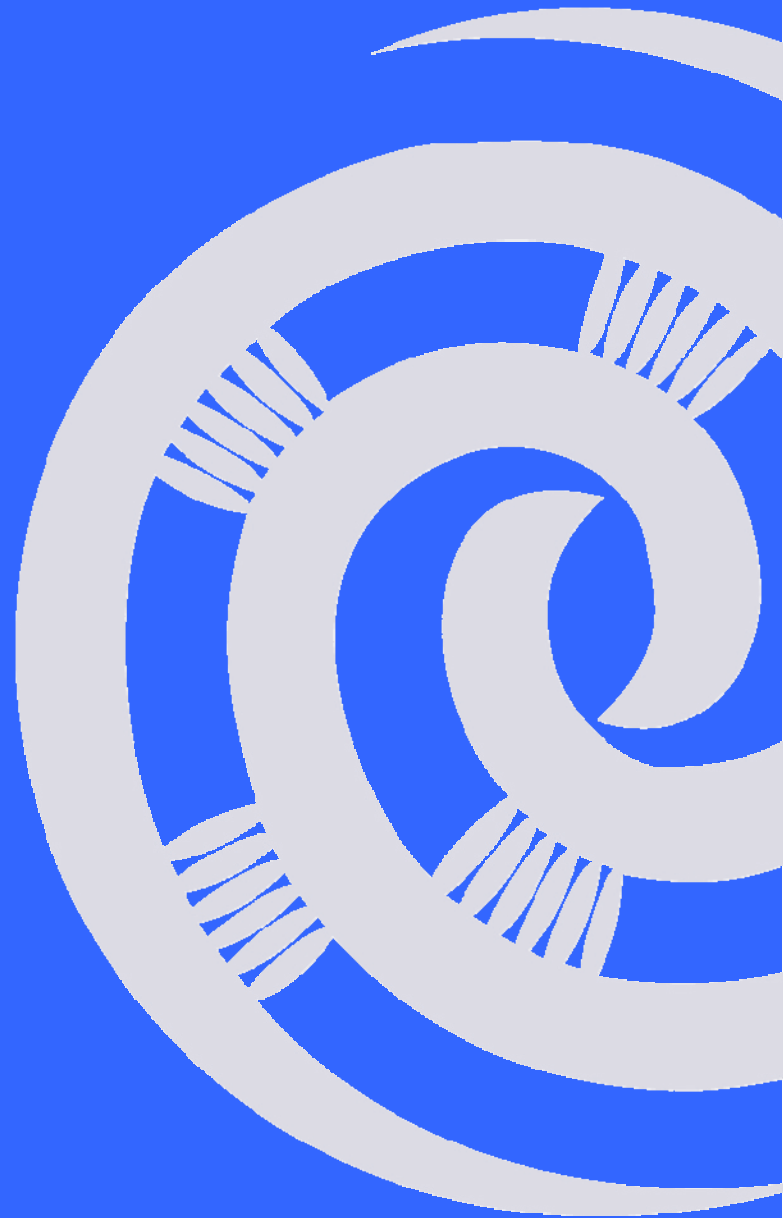
- Ability for Council to influence the entity to ensure that there is effective stewardship and utilisation of ratepayer funds (particularly via the Statement of Intent)
- Potential additional funding, reduced risk for ratepayers and strong accountability requirements.
- CCO director's legislative role is to assist the organisation to meet its objectives and any other requirements of the Statement of Intent.



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DESTINATION

ROTORUA

ROTORUA DISTRICT  
COUNCIL