

# Te Kaunihera ā rohe o Rotorua

## THE ROTORUA DISTRICT

### Te Rohe o Rotorua

Rotorua District lies within both the Bay of Plenty Regional Council and Waikato Regional Council areas. According to oral history, many of Rotorua's Maori residents trace their ancestry to Tamatekapua, captain of the Arawa canoe that arrived in New Zealand from the fabled homeland of *Hawaiki* more than six centuries ago. The Arawa canoe was beached at Maketu on the Bay of Plenty coast where the new arrivals settled down to live.



They had been at Maketu for some time when an ancestor called Kahumatamomoe journeyed inland to explore. He discovered Lake Rotorua, and settled at what is now Kawaha Point.

The local environment encompasses 16 lakes, active geothermal areas, and a considerable amount of public open space. Land cover in the district is now dominated by pasture (48%) and planted forest (20%), as well as indigenous forest and lakes. There are 137 Protected Natural Areas in the district, covering more than 30,620 ha. More than half of this area comprises scenic reserves. Rotorua has an increasingly broad industry base that includes tourism, agriculture, forestry, retail, manufacturing, business services, social services and education.

## District Facts

Area:	2,614.9km <sup>2</sup>
Dwellings:	26,823 (2006 Census)
Gross Land Valuation:	\$6.6 billion
Gross Capital Valuation:	\$12.5 billion
Local Roads:	More than 1,000km - 82% sealed
Reserves:	800ha
Population:	65,901 (2006 Census)
	33,897 Female
	32,004 Male
	57% European
	34% Maori
	4% Pacific Islands
	5% Asian and others
Gross Domestic Product:	\$2.88 billion per annum

# Contents

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## COUNCIL OVERVIEW

---

- 3 Message from the Mayor and Chief Executive
- 5 Direction setting 2013/14
- 9 Major issues/improvements 2013/14
- 16 Capital works programme - urban
- 18 Capital works programme – rural

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## GOVERNANCE AND MANAGEMENT

---

- 21 Mayor and Councillors
- 22 Management
- 23 Council objectives

---

## SERVICE PERFORMANCE

---

- 27 Corporate and Customer Services Group
- 35 Economic and Regulatory Services Group
- 47 Infrastructure Services Group
- 62 Castlecorp Group

---

## FINANCIAL STATEMENTS

---

- 64 Purpose of financial statements
- 65 Understanding council's financial position
- 66 Whole of council activity summary
- 68 Prospective statement of comprehensive income
- 68 Prospective statement of changes in equity
- 69 Prospective statement of financial position
- 70 Prospective statement of cash flows

---

## FUNDING AND POLICIES

---

- 72 Statement of accounting policies
- 82 Rating policy
- 89 Funding impact statement

---

## FEES AND CHARGES

---

- 96 Animal control fees and charges
- 98 Building services fees and charges
- 100 Environmental health fees and charges
- 104 Resource Management Act fees and charges

---

## SUPPORTING INFORMATION

---

- 109 Changes to capital expenditure
- 110 Partners' support
- 111 Index

---

The Annual Plan 2013/14 has been prepared in accordance with the requirements of the Local Government Act 2002. This Annual Plan (which includes prospective financial statements) was adopted and authorised for public consultation at the extraordinary meeting of Rotorua District Council on Thursday 28 February 2013.



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- 9 Major issues/improvements 2013/14
- 16 Capital works programme - urban
- 18 Capital works programme – rural

# Message from the Mayor and Chief Executive

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Rotorua District Council chief executive, Peter Guerin (left) and Rotorua Mayor, Kevin Winters

Tena koutou katoa.

In 2008, as the world reeled from the sudden jolt of the Global Financial Crisis, there was every reason to anticipate that things would return to normal in a year or two. As we all know now, that proved not to be the case.

Today, five years on, Rotorua District Council has become accustomed to the complex and challenging balancing act of delivering high quality services to our community in an environment of decreasing available funding in real terms and rising operational costs - while at the same time endeavouring to hold rates increases to an absolute minimum without cutting service levels.

In this Annual Plan for the 2013/14 year we show that for the fifth year in a row we are signalling one of the lowest overall rates increases of any council in the country - less than 1 percent.

The overall amount of general rates we propose to collect will be only 0.99% more than last year - less than official inflation estimates of 1.2% for the coming year, and substantially below the 3.5% rates increase signalled last year in the Long-term Plan. This means Rotorua District Council rates will have increased, on average, less than 2% for each of the last five years. The actual impact on each rating sector will vary from the 0.99% overall rates increase across all sectors. The impact on the business sector will be a decrease of 0.20%, and increases for rural residential of 1.40%, urban residential of 1.02% and farming of 2.20%.

In achieving another sub-inflation rates increase in this plan we have been very conscious that there is no will from our residents for service levels to be reduced to match funding limitations. Indeed there are substantial community demands for the council to spend significantly more on some activities, in particular those that will help stimulate the local economy.

We can reassure residents that the economy will remain a focus of our attention in the coming year, in line with the three overarching themes of our Long-term Plan. These themes - economic prosperity, environmental improvement and continuous business improvement - are reinforced in this year's Annual Plan.

Maintaining a vibrant CBD is a vital element of economic prosperity for our city and a raft of new measures in this plan will help achieve that. As part of revitalising our central city area we will investigate a new time-based free parking regime replacing meters and 'pay & display' units with new 'Smart Eye' technology linked to our parking enforcement team.

We are also establishing a new Inner City Enterprises (ICE) unit integrating on-the-ground city services with the CBD revitalisation programme, and working in partnership with CBD stakeholders. This unit will draw together the planning, development and implementation of CBD revitalisation projects alongside operations for maintaining the CBD, under one management structure. This unit will include Safe City Guardians, Economic Projects and our Castlecorp CBD cleaning and maintenance team.

One of the proposals for development this year is the introduction of trial 'Smart eye technology' to provide designated areas of time-limited free parking in the CBD. This follows the trial of 'free parking' in the lead up to Christmas 2012. The results of that trial showed that there was a strong demand for a more robust and clearly defined parking regime to attract more people back into the CBD and create a greater flow of traffic in and around retail stores and other businesses.

# Message from the Mayor and Chief Executive cont.

Following testing of the technology it is anticipated that by December, following a parking policy review, this new technology will be fully installed and operational. The annual estimated cost of the ICE programme operations including time-limited free parking is \$400,000 per annum.

Rotorua International Airport remains another key element of our city's economic future. Three million dollars has been included in council budgets over the next two years (\$1 million in 2013/14 and \$2 million in 2014/15) to continue supporting joint venture marketing with airlines in the key overseas visitor market of Australia. The council will also continue allocating \$4 million per annum to service loans related to airport infrastructural development undertaken in recent years. This is in keeping with the way the council funds other key community infrastructure such as roads, sewerage schemes and event facilities.

Council Controlled Organisation Grow Rotorua Ltd is now fully operational and will play an increasingly important role alongside partner organisations to help achieve the specific objectives of the Rotorua Sustainable Economic Growth Strategy. Funding of \$800,000 is included within the ICE activity budgets for Grow Rotorua this coming year.

Over the next two years the council will be taking its proposed District Plan through the critical phases of notification and appeals with a view to the plan becoming operative in 2014/15. The District Plan is the foundation for all land use decisions ensuring sustainable management of the district's natural and physical resources. It identifies where activities can take place, what land can be developed, requirements to be met before any change in use or development, and what natural or cultural features need to be considered.

Rotorua District Council has been awarded a government grant of \$4.7 million to build a full scale waste treatment plant using the world-leading TERAX technology developed by Scion in partnership with the council. This will provide significant economic and environmental benefits to Rotorua District Council in the long term. A new company, TERAX Ltd, is jointly owned by the two organisations and will take on responsibility for New Zealand-wide and international commercialisation of the TERAX process.

Helping to improve the water quality of Rotorua's lakes remains an important priority of the council in the coming year and reinforces our key Long-term Plan theme of environmental improvement. We will continue to work with our Rotorua Te Arawa Lakes

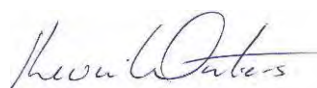
Programme partners – Te Arawa Lakes Trust, Bay of Plenty Regional Council and the Crown – to this effect, and we will be focussing on a number of waste water treatment enhancements during the year. For more information on lakes programmes visit [www.rotorualakes.co.nz](http://www.rotorualakes.co.nz).

Conservative and prudent management of debt will continue to ensure debt levels remain within manageable parameters and below maximums set by council policy. Debt levels are programmed to commence a pattern of continual reduction from the 2018/19 year.

As we aspire to be the best local authority in the country, customer service continues to be a constant focus of our attention. We have a challenging and on-going array of enhancements underway that will further boost customer service across the organisation, regardless of whether customers contact us in-person, by phone, by email or online. We are currently working in partnership with Hamilton City Council to increase the number of areas where Rotorua residents can conduct business with us online, 24 hours a day, seven days a week. 'Dogs Online,' enabling residents to register their dogs without having to come into the council, is one such programme already successfully operating via our website.

'Lean Thinking' is an international business concept which is being progressively implemented throughout the operations of the council and is already changing the way we conduct much of our council business. The Lean Thinking programme is aimed at continuous improvement and increased efficiencies to deliver more value to our customers. It involves council teams working together to review operational systems, increase flexibility, reduce wastage, provide more innovation and find creative solutions to problems. The momentum built up in the last year from Lean Thinking will be maintained in the 2013/14 year.

This introduction to the 2013/14 Annual Plan touches on only a selection of the plan's components. We encourage residents to read the full plan.



Kevin Winters  
Mayor



Peter Guerin  
Chief Executive

# Direction setting 2013/14

## What do the major changes to the purpose of Local Government mean to this Annual Plan?

Council is producing this Annual Plan against a backdrop of major changes in legislation that guide and direct Local Government. On 5 December 2012 a new purpose for Local Government was enacted by Parliament. This purpose is:

**"To meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses."**

'Good-quality' has been defined as 'effective, efficient and appropriate to the present and future.' In his speech to Local Government New Zealand Finance Minister Hon. Bill English said "... at a time when our finances are constrained, it is vital we get the most out of this investment. That means projects must be properly selected and must provide justifiable return on taxpayers' funds".

'Cost- effective' makes it important to consider the 'how' as much as the 'what' in terms of projects and services. To make this judgment we must also clearly articulate the objectives we are seeking to achieve from a project or service, otherwise it will be difficult to evaluate costs against benefits. Rotorua District Council continues to use the 'community objectives' as a way of ensuring we

provide services that meet the needs and aspirations of this community.

In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:

- (a) network infrastructure
- (b) public transport services
- (c) solid waste collection and disposal
- (d) the avoidance or mitigation of natural hazards
- (e) libraries, museums, reserves, recreational facilities, and other community infrastructure.

'Other community infrastructure' is not specifically defined in the Act. Council takes the view that the Long-term Plan, community objectives and the three key themes identified in this plan guide Council's expenditure on other projects, infrastructure and services.

Within this Annual Plan elected members have carefully reviewed the projects and services identified in the earlier Long-term Plan to ensure they remain appropriate when considered against the new purpose. Over the next 12 months Council will also undertake a review of all services, assessing their delivery and efficiency against the new purpose and council's objectives, to ensure they are being delivered in the most cost effective way. The plan contains some extra commentary for each activity covering some of the considerations the council has undertaken, particularly the objectives of projects and evaluation of their cost effectiveness.

## Core services and the link to the purpose of local government

Core services (as per Act)	RDC activity	Focus
<b>Infrastructure</b>	Roads and Footpaths Stormwater and Land Drainage Water Supplies Sewerage and Sewage	<b>Local Government purpose</b> "good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses"
<b>Public transport services</b>		
<b>Solid waste collection and disposal</b>	Waste Management Recycling TERAX technology and plant	
<b>Avoidance or mitigation of natural hazards</b>	Emergency Management Rural Fire	
<b>Libraries, museums, reserves, recreational facilities and other community infrastructure</b>	District Library Rotorua Museum Events and Venues Aquatic Centre Public Gardens, Reserves and Cemeteries Community Engagement and Support	
<b>Regulatory functions</b>	Building Services Planning Services Regulatory Services	<b>Long-term Plan priority</b>
	Rotorua Airport infrastructure Destination Rotorua Marketing Economic Development	

# Direction setting 2013/14 cont.

## Three key themes

Council is reinforcing its vision by delivering on three key themes:

**Theme 1: Economic prosperity** – investment focussed on the district's economic growth as set out in the Long-term Plan.

**Theme 2: Environmental improvements:** a sustainable and targeted contribution to improving natural and built environments.

**Theme 3: Continuous business improvement:** a council that is focussed on customer services and continuous productivity improvement.

The three key themes help council to deliver the goals and objectives set out in the Long-term Plan and to manage costs and revenue. Looking towards 2013/14 Council has reflected on the themes and has carefully considered the impacts and projects associated with them. This ensures that the direction of council's delivery of services and costs remains in line with the intent of the Long-term Plan. Council has outlined in the following sections (major issues/projects 2013/14) how the goals and objectives of the three key themes will drive strategies, plans, project implementation and customer service delivery.

## Financial strategy

As part of the Long-term Plan 2012-2022 Council developed a financial strategy. The financial strategy is both an overall direction for financial matters and a synthesis of the financial issues and consequences of council policies and service delivery decisions. It tells our community what will be provided and how much it will cost, taking into account pressures and demands from competing wants and needs of the community. In planning its business, the council must undertake a balancing act of delivering services while keeping funding affordable, ensuring equity between current and future generations, fairly sharing the costs of delivering services across different users and maintaining a strong balance sheet. In Council's financial strategy 2012-2022, five drivers of financial management were identified. They acknowledged an initial focus on economic prosperity and development, a subsequent return to a balance across all four wellbeings, the need for effective cost controls to achieve low rates increases (i.e. less than 3.5% for years 1-3), managing debt in a prudent financial manner and preserving levels of service.

Council has tested this financial strategy and is of the view that the drivers of the financial strategy continue to be the priorities despite some minor changes developing out of Local Government Reform. Economic prosperity continues to be a

major focus for the council as seen in the commitment to Grow Rotorua Ltd, joint venture marketing with airlines and continuation of the CBD revitalisation programme. The four well-beings have been removed from the definition of local government functions. However Council believes that the functions and activities it undertakes continue to meet the new purpose of local government.

Delivering the lowest possible rates increases is an ongoing commitment. The financial strategy worked on the assumption that rates increases would be held to less than 3.5% for years 1-3 of the Long-term Plan. This annual plan proposes a small rate increase of 0.99% for the 2013/14 year. This is achievable while still delivering the same services previously provided. Being more efficient, reducing waste and enhancing customer services has provided the catalyst to achieve this.

Financial strategy
1. Focus on economic prosperity
2. Return to sustainable balance across the well-beings
3. Rates increase less than 3.5% in years 1-3
4. Retain/improve service levels
5. Ten year debt below policy limits

## Council debt/Debt reduction

Submissions to the draft Annual Plan from residents, business people and elected members included concern about the level of debt being proposed. This has led to questions being raised about the use of debt for council growth and increased levels of service capital expenditure. Council closely monitors debt levels, particularly debt in ten years time. This is to ensure that debt levels are always managed within prudent debt management policy and to retain 'head room' in the last three years of the Long-term Plan for future generations to use that capacity for their aspirations.

However as a result of community concern about the level of debt, Council has agreed to establish a debt reduction programme. This may include a number of tools such as:

- **Strategic property reviews** – review of strategic property to identify where council is holding property that may no longer be required and could be disposed of.
- **Rate rises** – targeting rate rises which would be directly put towards lowering the debt.
- **Levels of service review** – undertaking reviews of services provided by Council to establish if there are opportunities to reduce the level of service without significant change in services provided. If this is undertaken, a full

# Direction setting 2013/14 cont.

programme of consultation would be required to ensure council fully understands expectations around the services provided. The overall objective would be to allow Council to either defer expenditure or make savings that can be used to repay debt.

- **Capital works programmes** – for capital expenditure related to “new” growth and levels of service projects establish a framework to assess capital projects, fully evaluating costs, return to council, impacts on borrowing, need, ability to enter into joint venture funding etc. These will test the need, timing and funding of projects that require large amounts of borrowing to proceed.

Council has set a goal of \$2 million revenue from the sale of property within the 2013/14 year for reduction of debt. Other debt reduction goals will be developed in line with Council decisions on what level of debt reduction is appropriate given community concerns.

The reduced debt level now forecast as compared to the Long-term Plan is also the result of a number of capital projects not proceeding as previously planned for the 2013/14 year in the Long-term Plan. These include:

- Sewerage schemes not proceeding due to consenting issues (Rotoma, Gisborne Point, Hinehopu)
- Deletion of lighting project for Rotorua Museum
- Deferring development of a health centre at the Aquatic Centre
- Deferral of Kuirau Park development
- Deferring initial development of a public transport centre due to lack of NZTA support

At the time this Annual Plan was adopted debt forecast for 30 June 2013 was \$159.40 million. Over the life of the 2013/14 Annual Plan this is forecast to rise to \$168.00 million (this reflects \$2 million of debt repayment from property sales) at 30 June 2014.

<b>Long-term Plan projected debt</b> (\$ in thousands)	<b>2012/13</b>	<b>2013/14</b>
Long-term Plan 2012-2022	158,114	172,781
Annual Plan 2013/14 debt	159,400 estimate	168,001 estimate

## Continuous business improvement – Lean Thinking

The Council is progressively implementing a bold programme of increased efficiencies and continuous improvement based on the successful international business concept known as ‘Lean Thinking.’ Under Lean Thinking, staff members are encouraged to bring more flexibility to their work,

to be innovative, and to find creative solutions to problems, so the expectations of customers are better met. Within the first year, Lean Thinking delivered a number of improvements to our organisation including improved service to customers, recognition from our peers in other local authorities and the private sector, national awards and financial savings. Throughout the 2013/14 year we will maintain this momentum by continuing to better understand and meet our customers’ needs and recognising what they value, while focussing on reducing waste of resources.

## Refocus council’s maintenance and operations business unit - Castlecorp

In line with the new purpose of Local Government, the council has examined how it uses and manages its operational service arm, Castlecorp.

Council has refreshed its business model to better reflect the partnership relationship that exists, with the aim of improving overall efficiency, effectiveness and economy of services provided by Castlecorp to the organisation.

This builds on similar reviews in the past. In 2009 a review of Castlecorp’s activities was undertaken by consultants, Management Toolbox. This review identified a number of improvement areas, including increasing the scope of the Castlecorp range of services. Savings of close to \$800,000 were made at that time.

In today’s operating environment the quasi-separate approach (treating Castlecorp like a separate contractor) leads to:

- a considerable amount of duplication (quotes, and invoicing);
- an adversarial relationship at times within Council; and consequently
- increased costs.

The main point is that Castlecorp is not like any other contractor. It is a department of council and uses staff who are employed by council. Therefore it is sensible to treat Castlecorp as a partner and not a contractor. Council has now assigned more costs previously ring-fenced to Castlecorp, to the activity areas that directly use those staff and incur those costs.

No changes in leadership, management or its staff are anticipated for Castlecorp. The talent, skills and experience developed at Castlecorp will continue to be vital to ensure efficiency and effectiveness in its operations and activities.



# Direction setting 2013/14 cont.

## Rating framework / Rates for 2013/14

The 2012/13 rating year saw major shifts in the incidence of rates as a result of the change to capital value rating and the 2011 revaluation. It meant significant decreases for the farming sector and slight increases for the rural residential sector. Because of changes resulting from the introduction of capital value, Council decided to have one year free from more major changes to the rating system and to focus the 2013/14 year on the business rate differential. However Council remains committed to its intentions as set out in the Long-term Plan 2012-2022 to:

- *consult on a fixed charge for holiday homes and other home businesses as a contribution to the Business and Economic Development Targeted Rate.*
- *moving all differentials to 1.0 over time through the annual plan process.*

Council has confirmed an overall rate rise for 2013/14 of 0.99%. This includes a \$4 per property (GST excl) increase in the cost of refuse collection for rural and urban areas. In addition, there is a \$1 (GST excl) increase in the targeted rate to fund the Lakes Community Board. The 0.99% rate increase is well below that signalled for year 2 of the Long-term Plan, to reflect the drop in inflation and CPI.

It has been particularly challenging for the mayor and councillors to determine exactly what level the business differential should be moved to for 2013/14. While the rates increase is to be held to 0.99% overall, there was some concern that moving the business differential down would result in higher rates increases for other sectors of the community, such as the urban residential, rural residential and farming sectors. In particular there is sensitivity to the current plight of the farming community and the impacts they are suffering from the recent drought, as well as to the situation faced by the business sector from the on-going effects of the global financial environment.

Council confirmed its intention to adjust the business differential down from 2.2 to 2.1 in the 2013/14 year. This would mean the actual rates increase for each sector would vary slightly from the overall 0.99% increase in rates across all sectors. The average changes for individual rating sectors therefore in this Annual Plan are:

- **Overall rates increase across all sectors+0.99%**
- Business sector (decrease) -0.20%
- Rural residential sector 1.40%
- Urban residential sector 1.02%
- Farming sector 2.20%

Other changes include minor downward adjustments to capital contribution targeted rates for completed sewerage schemes.

## Local Government Funding Agency

Rotorua District Council joined the Local Government Funding Agency (LGFA) in February 2013 and currently has sourced \$20m of funding through this agency.

By joining the LGFA the council has significantly enhanced certainty of access to debt markets, at lower interest rates than would otherwise be available. This is due to the LGFA's strong credit rating (AA+) being in line with the New Zealand sovereign rating. Through the LGFA, Council also has access to longer term borrowings.

The LGFA only lends to local authorities and each participating council must adhere to a number of financial undertakings. For example, "net debt" is not to exceed 175% of "total revenue". Each council must also provide a charge over rates to secure their debt and/or guarantee obligations to the LGFA.

There is currently no history of default by a local authority but if a council were to default a receiver appointed by the LGFA could assess and collect sufficient rates in that district or region to eventually recover the defaulted payments.

LGFA has a range of internal and foundation policies to protect and minimise risks of default and a liquidity standby facility with the NZ Debt Management Office of \$500m, in addition to participating councils' guarantee obligations. The guarantee is a contingent liability shared by participating councils to LGFA and is on a pro-rata basis based on annual rates income.

Council does not currently have a shareholding interest in LGFA.

Currently 30 councils have joined LGFA as Shareholder/Guarantor Local Authorities and eight, including Rotorua District Council, as Borrower/Guarantor Local Authorities.

# Major issues/improvements 2013/14

## CBD revitalisation investment program - Urban Design Framework

Council is committed to continuing revitalisation of the central city through implementation of the CBD revitalisation project which commenced in 2007 and led to the subsequent Urban Design Framework adopted in 2011. The framework is based on an activity precinct approach where distinctive areas within the city centre have been identified for improvement.

A number of projects form part of the CBD revitalisation programme these include:

- **'Walkable City'** – this project follows on from 'way-finding' signage that has been erected throughout the city during the 2012/13 year. Tutanekai Street intersections will be altered to enable better pedestrian crossing, a redesign of seating areas and greater use of landscaping to define the street.



- **Local transport centre** – investigating the location of a local transport centre and links with the regional bus network.
- **Eat Street** – continuing to develop a destination within Tutanekai Street that attracts people and provides a sense of arrival and alfresco dining that is safe, inviting and commercially viable. Construction will commence in August and is expected to be completed by December 2013.
- **Lakefront development** – working towards a defined development concept with Lakefront land owners and Lakefront business operators. Due to the scale of this project it is expected to take two years for the completion of consultation with all parties and the development of a defined concept.

- **On-street time-limited CBD parking regime** – Installation of 'a SmartEye' vehicle detection sensor system in combination with a new parking regime to attract more people back into the CBD and create a greater flow of traffic in and around retail and offices. Following testing of the technology, and a review of the parking policy, it is anticipated that by December this new technology will be fully installed and operational. Annual costs of \$400,000 per year have been included to support the concept of time-limited parking and ICE programme operations.
- **ICE department** – creation of a new department that integrates on-the-ground city service functions with the CBD revitalisation programme. The function of this department will be to plan and implement CBD projects alongside the operations of maintaining the city centre including the safe city guardians, street cleaning, security camera network and the activities of the parking wardens.



## Rotorua International Airport

- **Airport development funding**

In developing the Long-term Plan the council determined that it was prudent for rates-sourced funding to continue. An allocation of \$4 million in each year of the Long-term Plan 2012-2022 has been re-confirmed in this plan for the 2013/14 year.

The airport needs to be considered the same way other community infrastructural assets are considered. Like those other assets the airport is community-owned, providing a range of benefits to residents, and is of significant strategic importance to the district's economic future.

*"Providing an airport comes at significant cost to ratepayers ... but failure to provide an airport comes at an even greater cost - to our community and to our future potential."*

# Major issues/improvements 2013/14 cont.

## ▪ Joint Venture marketing for trans-Tasman air services



The Long-term Plan 2012-2022 did not specifically signal a joint venture marketing campaign as previous annual plans had. With the recent withdrawal of flights from Hamilton to Brisbane and a new Rotorua Airport chief executive, the commitment to tourism is at an all time high. It is now seen as time to grow the business. It took visionary leadership by the council to decide to fund airport development eight years ago; now the vision is being focused on development of new business opportunities. To be really serious about the council's vision for growing the business council have agreed to commit funds of up to \$3 million over two years within the Economic Development activity to provide for joint venture marketing. Structuring this funding will be finalised between council and the airport company in due course. In the meantime Council has retained \$1 million in the 2013/14 budget and included up to \$2 million for the 2014/15 Annual Plan.

## District Plan

The next two years will be a critical time for Rotorua as the council takes the new District Plan through the notification and appeals phases with the aim of it becoming operative in the 2014/15 year. This is one of the most important documents Council has as it defines what people can do on their land as permitted activities or through a resource consent, and what their neighbours can do. Council notified the District Plan in October 2012 with a submission period that closed 1 March 2013. At closing 516 submissions had been received. Over July submitters will be given the opportunity to present their submissions in person to council.

## Grow Rotorua Limited – council controlled organisation (CCO)

Grow Rotorua began operating in November 2012. It was established as a result of the Rotorua Sustainable Economic Growth Strategy and is 100% owned by Rotorua District Council, operating as a council controlled organisation (CCO). Grow Rotorua has an independent skills-based board of six members plus chairperson, and employs its own chief executive and staff.

Grow Rotorua was created to bring a professional investment approach to the understanding and development of initiatives to strengthen Rotorua's value proposition in its four key economic driver areas: forest industry, tourism, agriculture and geothermal (main opportunity area). Grow Rotorua has recently released its statement of intent (2013-2015) which unveiled its plan to be a catalyst for growth. The focus for the next year is on projects where there are synergies across sectors, to maximise growth opportunities. The projects range from growing tourism through the spa and wellness sector, to increasing infrastructure and events for mountain biking, and using geothermal resources in direct heat applications. In each project work will be undertaken next year to determine growth potential, analyse barriers and investment opportunities, and identify potential investors.

2013-2015 Grow Rotorua economic growth projects:

- **Spa & wellness** – grow the spa and wellness sector across a range of facilities.
- **Biking** – grow tourism revenue through opportunities for biking infrastructure, services and events.
- **Processed timber** – identify market segments and distribution channels to process and supply products from pine.
- **Specialist living** – investigate opportunities for aged care and specialist living, utilising geothermal resources and wood.
- **Innovation Park** – assist in development of an Innovation Centre.
- **Geothermal** – identify alternative uses and values of geothermal resources.
- **Geothermal direct heat** – provide strategy on economics for utilising geothermal in direct heat applications.
- **Manuka honey** – determine opportunities for manuka honey.
- **Land use change** – research on alternative land uses in conjunction with Rotorua Te Arawa Lakes Programme.
- **Te Arawa investment** – engage with Te Arawa and develops iwi investment opportunities.

# Major issues/improvements 2013/14 cont.

- **Centres of Excellence** – work with tertiary and research institutions to determine feasibility of Centres of Excellence in Rotorua.
- **Start-up facilitation** – establish programmes to create a start-up community, provide a business incubation framework and develop angel investor network.
- **Business retention and attraction** – target businesses that would gain real value from re-locating to Rotorua.
- **Investment capital** – build confidential database of companies for capital investment.

For more information visit the Grow Rotorua section of the RDC website.

## Famously Rotorua Campaign – Destination Rotorua Marketing

Our destination marketing function contributes significantly to the Rotorua tourism sector which makes a 13-15% direct contribution to Rotorua's gross domestic product and just over 20% of employment. At the direction of the Tourism Committee, Destination Rotorua Marketing has facilitated development of a significant "game changing" Rotorua branding and marketing campaign based around the brand Famously Rotorua. This campaign is domestically focussed in Auckland, Waikato and Bay of Plenty as well as a large focus on locals of Rotorua. Its ultimate aim is to create 70,000 resident ambassadors. A campaign such as this is budgeted to cost around \$1.5 million to \$2 million. In order to make a real impact in Year One a goal of raising \$1 million to \$1.5 million has been set. Council's commitment to provide additional one-off funding towards this project brings the DRM contribution up to approximately \$700,000. Added to that are commitments from the industry of \$300,000. Further funding is also being applied for via grants and ongoing work with industry.

## Development Contributions

The Development Contributions Policy was reconfirmed by Council in adoption of the Long-term Plan 2012-2022. At present the policy is being reviewed by central government in the suite of policies/processes under review as part of the local government reform programme. While this is underway council has made the decision to continue with the existing policy in its current form and to not undertake any further reviews until the direction of central government is made clear on this issue.

Development contributions are a mechanism by which councils can secure contributions towards the construction of infrastructure resulting from growth. With the decline of growth since the global economic crisis the amount expected to be collected has declined. In the 2013/14 annual plan council expects to receive around \$700,000 from development contributions.

## Fees and charges

Council's suite of regulatory fees and charges must be reviewed on an annual basis and the revised fees adopted by the council. These include: Animal Control, Building Services, Environmental Health and Resource Consents. For each of these the fee has been increased by approximately 3%.

## TERAX

Rotorua District Council has received a grant from the government of \$4.7 million to build a full scale waste treatment plant using the world-leading TERAX technology developed by Scion in partnership with the council. This will provide significant economic and environmental benefits to Rotorua District Council in the long term. A new company, Terax Ltd, is jointly owned by the two organisations and will take on responsibility for New Zealand-wide and international protection and commercialisation of the TERAX process.

## Customer service – mobile solutions

Part of making it easier to interact and do business with the council is the opportunity to use on-line services through Council's website. This is an area of investment for the council and links to work being done around shared services and simplifying council processes and documentation (continuous improvement and Lean Thinking). The council is also focusing on enhancing customer service for those people who choose to make contact in person at a council location or by telephone.

Council is currently working in a shared services arrangement with Hamilton City Council to add a number of e-services to council's website. This is intended to help improve customer service for residents and reduce costs.

Council is also looking to improve the effectiveness and speed of service by enhancing mobile services where there is a good business case. This includes enhancements for building inspections and consents, requests for service and asset management information capture.

# Major issues/improvements 2013/14 cont.

## Staffing and staff costs

Council has undertaken a major review of its staffing and staff costs. Within this review a move away from reporting only full time equivalent staff to a more transparent and understandable analysis of budgeted staff has been introduced. Under this form of reporting all staff, be they fulltime, part time, or fixed term are now counted in council's overall staffing head count total and therefore the head count matches staffing budgets.

Below are tables summarising the four operational groups within council to illustrate staff numbers employed at Rotorua District Council as at 1 July 2013:

<b>Corporate and Customer Services Group</b>	<b>2013/14</b>	<b>2012/13</b>
Community Engagement and Support	6.00	6.50
District Library	34.91	37.70
Emergency Management	1.00	1.00
Governance and Strategic Direction		
Chief Executive Group	5.00	5.00
Corporate planning and support	12.00	11.80
Corporate property	4.50	3.00
Customer Centre	19.23	17.00
Democracy	3.00	3.00
Financial Services	24.48	24.88
Human Resources	6.30	6.50
Information Services	16.40	17.20
Kaupapa Maori	2.00	2.00
Land information services	4.00	4.00
Pensioner housing	1.00	1.00
Procurement and Sustainability	3.25	3.25
Records	7.25	9.00
<b>Total</b>	<b>151.11</b>	<b>152.83</b>

<b>Economic and Regulatory Services Group</b>	<b>2013/14</b>	<b>2012/13</b>
Building Services	17.05	16.00
Economic Development		
City Services operations	23.71	5.57 <sup>1</sup>
Destination Rotorua Marketing	9.08	10.00
Economic Projects	2.02	3.00
Rotorua Visitor Centre and i-Site	19.31	19.83
Events and Venues Rotorua		<sup>2</sup>
Convention Centre	11.85	1.75
Energy Events Centre	7.24	1.00
Event and community programmes	3.00	3.00
Event and venues administration	5.00	22.00
Venues other	1.02	1.02
Planning Services	20.96	17.75
Regulatory Services		
Animal Control	8.40	8.33
Inspection	9.39	9.33
Parking Enforcement	6.97	6.71
Rotorua Museum	27.21	20.50 <sup>3</sup>
<b>Total</b>	<b>172.21</b>	<b>145.79</b>

<b>Infrastructure Services Group</b>	<b>2013/14</b>	<b>2012/13</b>
Aquatic Centre	31.85	31.65
Engineering Services	0.00	12.57 <sup>4</sup>
Asset Management	3.75	4.75
Dezignworx	4.00	4.00
HYDRUS	13.90	13.00
Infrastructure administration	7.00	7.00
Works administration	0.00	8.82
Public Utilities administration	0.00	9.32
Laboratory	6.00	5.00
Public Gardens, Reserves and Cemeteries	72.13	8.75 <sup>5</sup>
Cemeteries/Crematorium	2.52	0.15 <sup>5</sup>
Nursery	8.40	8.55
Roads and Footpaths	7.59	0.00 <sup>5</sup>
Transport (road safety and state highways)	2.23	2.23
Sewerage and Sewage	28.85	11.89 <sup>5</sup>
Stormwater and Land Drainage	8.05	0.00 <sup>5</sup>
Waste Management	2.53	0.00 <sup>5</sup>
Refuse collection	19.93	0.00 <sup>5</sup>
Landfill	0.54	0.54
Water supplies	33.28	0.00 <sup>5</sup>
<b>Total</b>	<b>252.55</b>	<b>128.22</b>

<b>Castlec corp Group</b>	<b>2013/14</b>	<b>2012/013</b>
Castlec corp – staff cost/numbers now allocated across Infrastructure Services Group	0.00	119.00 <sup>5</sup>
Fleet	3.72	3.00
<b>Total</b>	<b>3.72</b>	<b>122.00</b>

### **Rotorua District Council staff total**

- |  | <b>2013/14</b> | <b>548.84</b> |
|--|----------------|---------------|
| <sup>1</sup> Additional staff from previously external city cleaning contracts being brought in-house and from Castlec corp business re-focus        |                |               |
| <sup>2</sup> Redistribution of staff to align costs with main functions of staff positions – overall reduction of 0.9                                |                |               |
| <sup>3</sup> Additional staff resulting in management of museum café being fulfilled by the museum and not a private contractor                      |                |               |
| <sup>4</sup> Staff costs aligned with main functions of staffing positions spread across Infrastructure Services Group                               |                |               |
| <sup>5</sup> Staffing costs reallocated as a result of Castlec corp re-focus – alignment of staffing costs with main functions of staffing positions |                |               |

## Increased emphasis on spatial planning

One frequent community comment on the draft District Plan was a request for a clear strategic direction on how and where the district is going to grow. A spatial plan is a good way of responding to this request and provides a simple, easy to follow document bringing together other key technical documents that inform the future shape of the district. The spatial plan will articulate likely future growth scenarios for the district and will become a key future planning tool for Council, residents, regional council, central government agencies and investors. The plan will also be an important step in ensuring the proposed new District Plan and future infrastructure investment is aligned with the growth aspirations of the community.

Phase 1 of the spatial plan will be completed in 2013/14, in close alignment with the District Plan review process. Subsequent reviews will be linked with long-term planning triennial review milestones at 2015/16 and 2018/19.

It is important to emphasise it will not be "just another plan". Its name may yet change from 'spatial plan' and its key function in its first phase will be a map-focused document that reflects a user-friendly raft of technical documents.

## Enhanced infrastructure design – representing the character and culture of Rotorua

Urban design has been evolving over the last couple of decades. As a result, a greater emphasis is being factored into infrastructure projects to consider how the final structure will look within the built and cultural environment. This approach is recognised internationally and is demonstrated through integration of public art, design features on solid structures, landscaping, screening etc. At an operational level a policy has been developed to ensure that future infrastructure projects include an allowance within budgets to provide for the "look and feel". The policy allows for 1% of the budget to be set aside for the aesthetic value of the project. To cement this approach even further, an idea has been put forward to remove 1% from the overall capital budget and ring-fence this as a fund to ensure that appropriate urban design is factored into projects at the initial planning/design phase and not left to the end of the build. The fund will sit under the responsibility of the Community Arts Officer within Community Engagement and Support. Capital budgets have been reduced accordingly meaning no additional rates funding is required. Based on capital expenditure for 2013/14 this will make available \$270,000 for integration of urban design/infrastructure construction.

## Urban wastewater treatment plant

The urban wastewater treatment plant uses the latest technology to ensure treatment of effluent is of the highest standard. It uses a Membrane Bio Reactor, which is technology borrowed from drinking water systems. The plant uses this technology to ensure that, to the extent possible, nutrients are stripped from the discharged wastewater. This wastewater is then irrigated in the Whakarewarewa Forest and uses the forestry and land to further strip nutrients. However, in recent years the consent which allows up to 40 tonnes of nitrogen per annum has been exceeded on a number of occasions and the Bay of Plenty Regional Council issued an Abatement Notice. This matter was addressed by the Environment Court which requires council to apply for a variation to the consent for the wastewater treatment plant.

The process of applying for consent variation has commenced and includes consultation with landowners, iwi and other parties. The landowners, where council has an easement for spray irrigation, do not believe the process is sustainable into the future and have requested Council to explore alternatives. The alternatives are numerous and the council is assessing a range of them. These include alternative land areas for treatment using a range of methods not available on leasehold land with a plantation forest, as is the current situation. Added to this is the need to find a wastewater treatment option for a reticulated scheme at Rotoma, Gisborne Point, etc. Council's original proposal was to develop a small wastewater treatment plant in the vicinity. However, this was appealed to the Environment Court, and the court did not support council's proposal.

A range of alternatives have been evaluated and shortlisted to two key options, one being to pipe waste to the Kawerau District Council's wastewater treatment plant and the other to pipe the effluent to the Rotorua wastewater treatment plant. No decision has been made as yet.

Council is handling the wastewater treatment plan consent variation, alternative land treatment options and treatment for Rotoma/Gisborne Point community sewerage schemes as a package. This will require a lot of research, technical design, consultation and various consents. It is an important matter and one that needs to be supported by the community, landowners and iwi. Further information will be made widely available to the community as plans are developed in order to seek support for the particular direction eventually identified. Council remains committed to a programme towards more advanced land treatment options.

# Major issues/improvements 2013/14 cont.

## Local authority shared services – BOPLASS Limited

BOPLASS Ltd is a company jointly owned by Bay of Plenty local authorities, and was established in 2008 to explore shared services. The early years of the company's history were focused on using the scale of the nine local authorities to collectively leverage procurement gain.

Local authority	Population 2011	Expenditure 2011 (\$m)	Revenue 2011 (\$m)	Staff 2010
Bay of Plenty Regional Council	277,100	76	75	280
Gisborne District Council	46,600	77	70	277
Kawerau District Council	6,940	8.5	9	57
Opotiki District Council	8,950	11	11	46
Rotorua District Council	68,900	104.5	97	522
Taupo District Council	34,100	75	63.5	357
Tauranga City Council	115,700	148	145	490
Western BOP District Council	45,800	63	62	165
Whakatane District Council	34,500	55	54	165

BOPLASS Ltd has made great progress with procurement savings over and above what could have been achieved individually by each local authority. However, in many cases with the government's "all of government" tendering also available to local government, even greater gains are possible.

Therefore the company requires a step change into more joined-up local government in the Bay of Plenty. A fruitful area being explored is the provision of shared services which require two or more of the local authorities to work collaboratively to deliver a service jointly to the local authority, ratepayers and customers. There are effectively four approaches that can be used -

1. One local authority delivers the service on behalf of a number of local authorities.
2. Two or more local authorities work together to jointly deliver the services effectively.
3. A separate service delivery structure such as BOPLASS delivers the services on behalf of the participating local authorities.
4. The services are outsourced using a market approach and the local authority simply procures from that external provider.

Areas being explored are back-of-house services, e.g. information technology. Other services that are delivered to households and businesses are also being examined. An example is the building consent process. The challenge for shared service building consent activity is that the service will need to ensure improved customer service where customers are prepared to pay for that high level of service, reduced waste and ultimately lower costs.

Some of the issues associated with such decisions require:

- Multiple levels of service to meet the needs of each participating local authority;
- Understanding downstream effects on the local authorities' GDP, i.e. job losses or gains;
- Other levels of service increasing cost reduction sufficient to create a positive benefit cost ratio.

Bay of Plenty and Waikato local authorities are applying resources and urgency to proceed in order that gains can be realised from shared services for the benefit of residents and businesses of the region.

## Redevelopment opportunities for 20 pensioner bedsits in the Rawhiti complex, Miller Street

Council has 20 old and tired bedsit units in the Rawhiti complex on Miller Street. As these units are no longer providing the quality of accommodation needed for tenants, the council had included in the Long-term Plan a budget of \$3.6m to demolish the units and replace them with modern units. Most of the rest of the Rawhiti complex was upgraded a number of years ago with half the cost of the upgrade being covered by a Housing New Zealand grant. There are 12 older units on the north end of the property which will need to be upgraded.

While Housing New Zealand grants are no longer available to councils, RDC included \$1.8 million of external funding in the Long-term Plan budget to reflect some form of future partnership with a yet-to-be identified external group or body. Since these budgets were set, Council has been approached by the Rotorua Continuing Care Trust which operates Whare Aroha. The trust provides hospital care, short term relief and day care, and accommodation for patients and carers. The trust has a lease on a lakefront property that expires in 2016, with a right of renewal. The trust feels it is important to find a new site that provides longer tenure and reduced costs.

# Major issues/improvements 2013/14 cont.

## Proposal

The trust is interested in leasing, on a 'peppercorn' basis, the area of the Rawhiti complex currently occupied by the 20 old bedsits.

The trust proposes to build a supported living complex that would include 24 apartment bedsits with a communal lounge and eating area. The trust would service this complex. In addition, the trust would build a new two-storey hospital on the site comprising 72 rooms in three connected blocks. Beds in the hospital would be allotted for the hospital and dementia unit as required.

The council's relationship with the trust would be as a landlord (of the land) only. The operations and management of the complex would remain entirely with the Trust. However, it is hoped that some additional services could be provided to other council tenants within the remainder of the Rawhiti complex. Any discussions on this would be separate to the main proposal.

It is anticipated that over the next 12-24 months existing tenants of the 20 bedsits will be moved into newer units within the complex as they become available. The old units will then be sold for removal. The Council would provide a clear site to the trust. With removal of the current driveway, 20 bedsit units and realignment of a sewer main, the cost to council is expected to be less than \$100,000.

Eligibility criteria for the trust's 24 apartments will be similar to Council's existing pensioner housing criteria. On this basis, council believes there is an



increase in the overall provision of accommodation for pensioners within our community. Council is also supporting an important community service and improved services within the remainder of the Rawhiti complex.

## Changes to the draft Annual Plan

Council received 176 submissions on the draft Annual Plan. The submissions covered a broad range of topics, including the Inner City Enterprises proposal, Destination Rotorua Marketing, Famously Rotorua Campaign funding, Grow Rotorua Ltd, Council debt and funding of the Rotorua airport.

Following careful consideration of all the submissions made Council made the following decisions:

- Addition of \$5,000 for additional lighting on Te Akau Road
- Addition of \$300,000 towards the Famously Rotorua Campaign
- Addition of \$50,000 towards renewal of the Rotoma walkway
- Removal of \$1,450,000 proposed to purchase 1251 Tutanekai Street (former bank building)
- Continue support of joint venture funding towards development of additional flights, destinations and marketing of Rotorua Airport

by committing up to \$3,000,000 over the next two years. (\$1,000,000 in 2013/14; \$2,000,000 in 2014/15)

Carry forward from 2012/13 projects not completed:

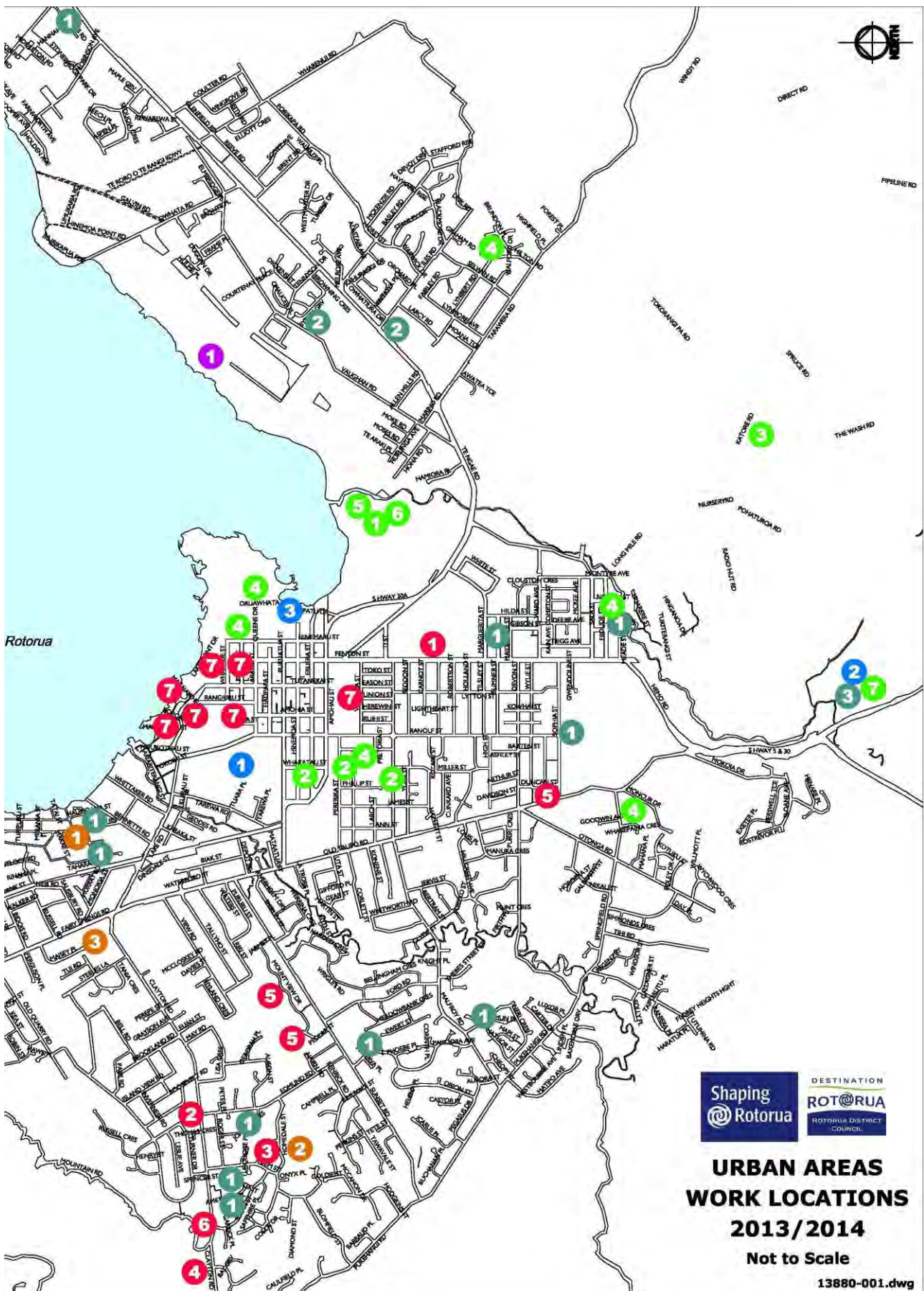
- Lake Road - \$1,300,000
- Eat Street - \$394,000
- Urban Design - \$235,750
- City Services - \$200,000 for automation of car parking building
- Destination Rotorua Marketing - \$170,000 for rebuild of website
- Waste Water - \$360,000 for waste water treatment plant renewals
- Water Supplies - \$20,000 for seismic value replacement
- Water Supplies - \$115,000 for urban water supply replacements



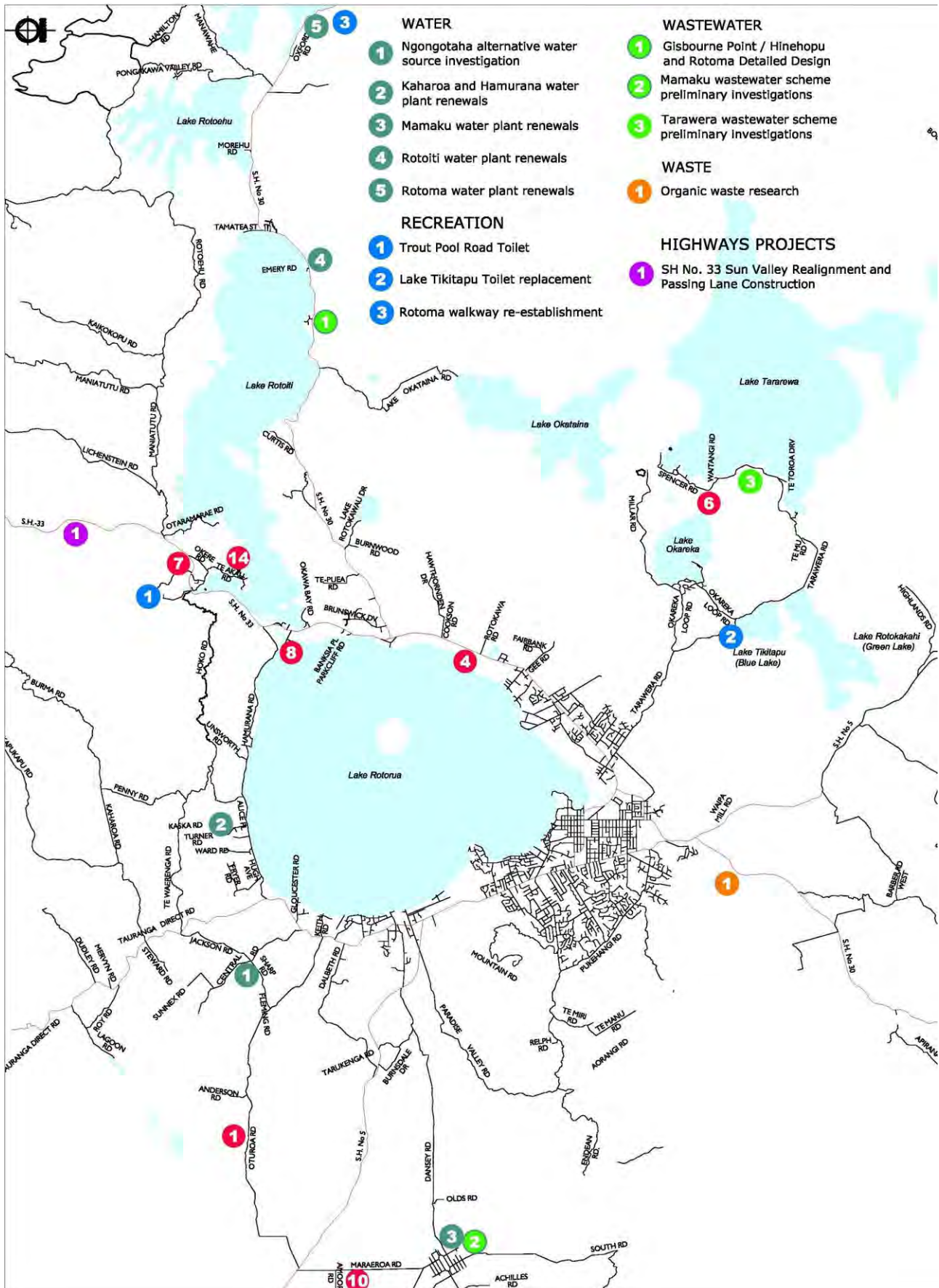
# Capital works programme – urban



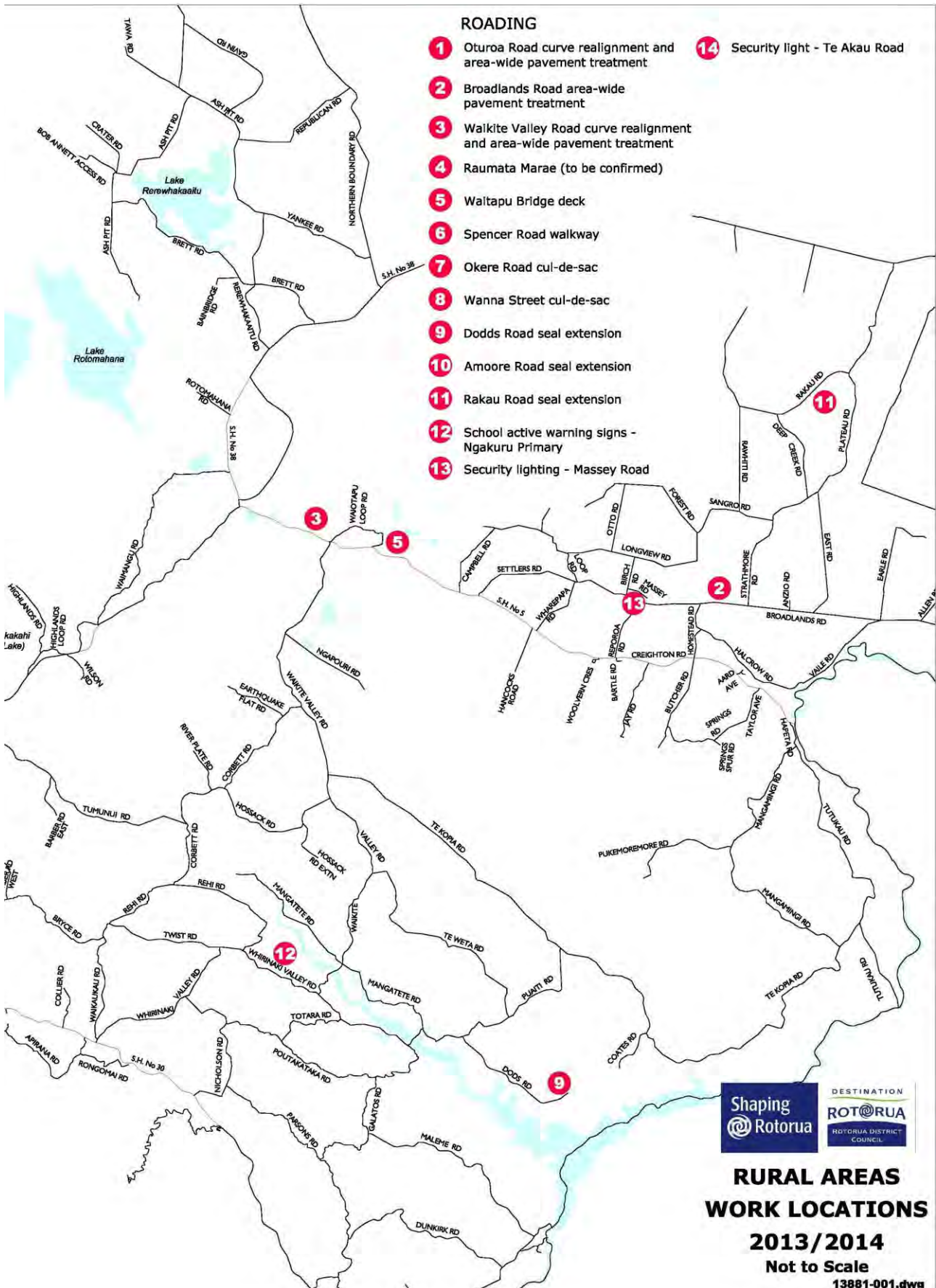
# Capital works programme – urban cont.



# Capital works programme – rural



# Capital works programme – rural cont.



# GOVERNANCE AND MANAGEMENT

- 21 Mayor and Councillors
- 22 Management
- 23 Community Outcomes

# Mayor and Councillors

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His Worship the Mayor  
Kevin Winters JP



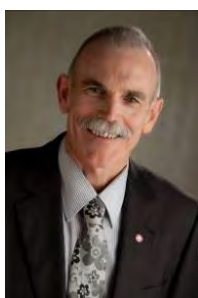
Cr Trevor Maxwell MNZM  
Deputy Mayor



Cr Maggie Bentley



Cr Julie Calnan JP



Cr Dave Donaldson QSM



Cr Mark Gould JP



Cr Karen Hunt



Cr Mike McVicker



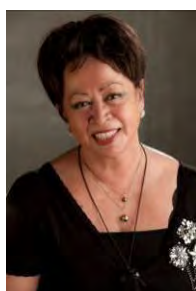
Cr Merepeka Raukawa-Tait



Cr Glenys Searancke QSM



Cr Charles Sturt

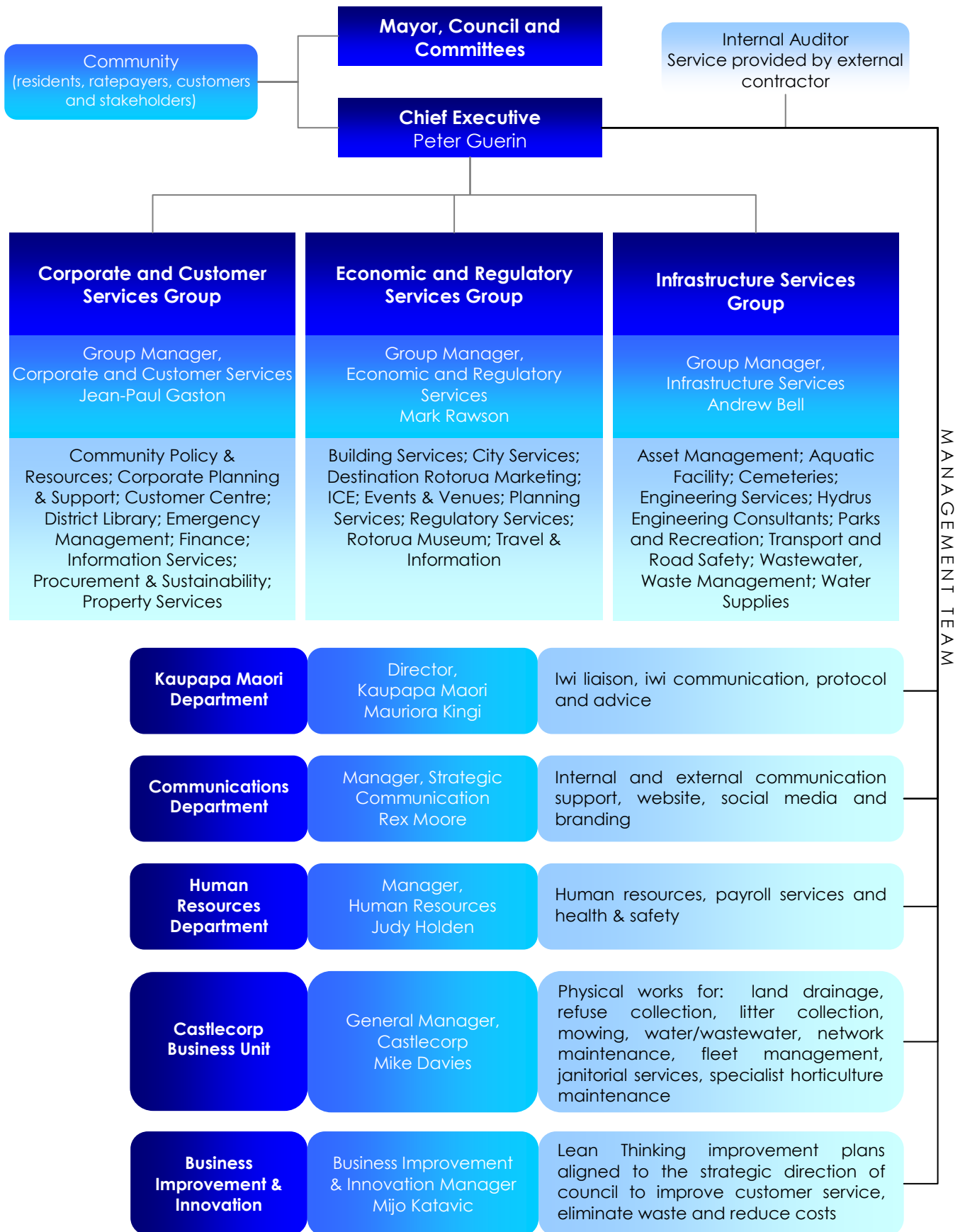


Cr Maureen Waaka, MNZM, JP



Cr Janet Wepa

# Management



# Council objectives

A strategic framework called 'Bright Future Rotorua - Community Outcomes' originally provided an overarching set of strategic goals that council and other organisations used to guide service delivery and resource allocation. The community outcomes were a focal point for promoting closer working relationships to ensure resources are used effectively and in a coordinated manner.

Amendments made to the Local Government Act in 2010 have changed the focus of community outcomes. They are now seen as statements of what councils want to achieve – the council's high level objectives. Freedom has been given to councils to decide how best to structure these outcomes and how to monitor and report on them.

During the 2011/12 year, while preparing the Long-term Plan 2012-2022, Council decided that their

objectives were well-reflected in the existing community outcomes framework. This framework was developed with extensive community input and the key priorities of the community have been tested over the last six years. With this in mind Council focused on re-defining its role, with minor changes, to better reflect increased emphasis on aligning the goals of its services to the strategic long term goals of council. Through this the community outcomes become the council objectives.

The council's eight outcomes are linked by 'visionary community leadership', with each considered of equal importance. Together these objectives provide the basis for what the council wants to achieve for a bright future and a successful Rotorua. The updated council objectives are shown in the diagram below.





# Council objectives cont.

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## Visionary community leadership

Overarching these community outcomes is a desire by council to exercise visionary, inclusive leadership, supported and fostered within Rotorua communities

*Ko te tūāpapa e whakamaru ana i nga whāinga ā hāpori he ākina na te kaunihera ki te whakamahi i ana tirohanga whakamua, tōna rangatiratanga, mā nga hāpori o Rotorua e tautoko e kōkiri*



- Rotorua communities have a clear vision for sustainable development, prosperity and wellbeing.
- 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.

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## Safe and caring

A community in which our families and whanau feel safe, strong and supported

*He hāpori e haumaru ana e tautoko nuitia ana i ngā whānau*



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

## Prosperous economy

A district with a reputation as an attractive place to live, work and play, with desirable living and skills standards, and sustainable economic growth

*He rohe e rongonuitia ana mo te noho mo te mahi me te tākaro, he pai kē atu nga āhuatanga e paana ki te ōranga, te noho me te toko ake i te taha whai hua*



- 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
- Sustainable development
- Geothermal resources

---

## Excellent facilities and services

A well planned district that is easy to get around, has essential services available to everyone, and offers accessible quality facilities that promote vibrancy.

*He mārama te haerere haere i roto i te rohe, he rātonga me nga rātonga whare e wātea ana ki te katoa*



- Easy to get from place to place
- Good, safe, maintained services and facilities
- Provision of good quality event, conference and tourism facilities
- Good quality infrastructure for future
- Excellent reliable communication infrastructure
- A great trans-Tasman airport

# Council objectives cont.

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## Environment

A district where we value our environs, understand and respect our lakes, streams, forests and geothermal resources, and where the community is committed to protecting, monitoring and improving the natural environment.

*He rohe e ngākau nuitia ana ki tōna taiao, te tiaki i nga roto, nga awa, nga ngāhere me nga puna ngāwha, ko tā te hāpori he whakahi i nga ahuatanga o tiaki i 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
- Encouraging sustainable modes of transport



## Living Maori culture

A district where the history of Te Arawa in the district and the value of Maori culture is recognised and fostered.

*He rohe tēnei e whakanuia ana e tiaki ana e pupuri ana i nga kōrero o nehe rā e paana ki a Te Arawa*

- Preservation and sustainable development of Maori resources
- Respecting Te Arawa as part of the unique heritage of Rotorua district
- Celebrating and nurturing traditional Maori culture
- Maori are respected as partners in decision-making and have a voice in issues affecting the District



## Learning

A district offering opportunities to expand the minds of its community, to explore ideas and to form strong well supported opinions.

*He hāpori e tuku ana i ētahi huarahi angitu hei whakarahi ake i te tirohanga o te hāpori me te rangahau i ētahi atu ara hou hei whaingā ma te katoa*



- Learning activities accessible for everyone

## Thriving

An exciting place offering a wide range of activities and events, where diversity is encouraged and creativity inspires.

*He waahi e hihiko ana e tuku ana i ētahi matatinitanga me ētahi kaupapa nunui hei haerenga mā te hāpori me te iwi whānui*

- Lots of events including sporting, cultural, festivals, arts
- Leading edge activities and events
- Foster artistic expression, art, music, dancing, public performances and exhibitions
- Great facilities to visit e.g. museum, arts village, aquatic centre



## Healthy

A community that is healthy and active, where air and water is of the highest quality, and where parks, reserves, walkways, cycleways and programmes encourage participation in recreational activity at all levels.

*He hāpori hauora, hāpori kakama he rawe katoa te hau me nga ara wai. E wātea ana nga papa rēhia, nga whenua rāhui, nga ara hikoi, nga ara paihikara hei waahi tākaro mā te katoa*

- Increasing recreational opportunities
- Safe drinking water
- Improved youth health
- Effective responses to developing health issues
- Warm, healthy homes
- Geothermal



# SERVICE PERFORMANCE

- 27 Corporate and Customer Services Group
- 35 Economic and Regulatory Services Group
- 47 Infrastructure Services Group
- 62 Castlecorp Group



# Corporate and Customer Services Group

## Overview of group

The Corporate and Customer Services 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.

Significant emphasis is being placed on a 'whole of council' approach to customer service and continuous improvement.

This group is central to ensuring that Rotorua District Council services are contributing towards the promotion of the council objectives and improving social, cultural, economic and environmental wellbeing for the people of the district.

Procurement processes continue to be a key focus enabling council to hold rates over recent years to levels well below CPI. More gains are expected in this area based on greater use of 'whole of government' contracts that are being made available to Local Government.

This group is made up of the following activities:

- Community Engagement and Support, which includes:
  - Community grants
  - Halls and Community House
  - Policy and Resources
    - Community arts
    - Community safety
    - Youth activities
- District Library
- Emergency Management/Rural Fire
- Governance and Strategic Direction, which includes:
  - Chief Executive Group
  - Corporate planning and support
  - Corporate property
  - Customer Centre
  - Democracy
  - Financial Services
  - Human Resources
  - Information Services
  - Kaupapa Maori
  - Land information services
  - Pensioner housing
  - Procurement and Sustainability
  - Records

## Contribution to Community Outcomes

### Visionary community leadership



- Rotorua communities have a clear vision for sustainable development, prosperity and wellbeing.
- 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.

### Safe and caring



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

### Prosperous economy



- 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
- Sustainable development

### Excellent facilities and services



- Easy to get from place to place
- Good, safe, maintained services and facilities
- Provision of good quality event, conference and tourism facilities
- Good quality infrastructure for future
- Excellent reliable communication infrastructure
- A great trans-Tasman airport

# Corporate and Customer Services Group cont.

## Contribution to Community Outcomes cont.

### Living Maori culture



- Preservation and sustainable development of Maori resources
- Respecting Te Arawa as part of the unique heritage of Rotorua district
- Celebrating and nurturing traditional Maori culture
- Maori are respected as partners in decision-making and have a voice in issues affecting the District

### Thriving



- Lots of events including sporting, cultural, festivals, arts
- Leading edge activities and events
- Foster artistic expression, art, music, dancing, public performances and exhibitions
- Great facilities to visit e.g. museum, arts village, aquatic centre

### Learning



- Learning activities accessible for everyone

## Large budget variances explained

### Governance and Strategic Direction

Due to changes following the review of services provided by Property Services, this activity now includes pensioner housing, community halls and Community House. The campground previously acquired as part of the airport development and consenting has been moved to the Property Services area for operational purposes.

Information Services projects are focused on supporting Council's Lean Thinking initiatives and better customer services through mobile solutions and e-service offerings via Council's websites.

Re-roofing of the building at 149 Lake Road (\$40,000) has been deferred pending sale of the property.

Re-carpeting of the Council Chamber in the Civic Centre of \$41,000 has been deferred.

### Community Engagement and Support

Community halls, pensioner housing and Community House have been removed from this activity. These services are now being managed centrally in the Property Services department. The Property Services department is included in the Governance and Strategic Direction activity.

Council is looking to partner with the Rotorua Continuing Care Trust to redevelop a portion of the Rawhiti complex on Miller Street. This proposal is set out in detail in the major issues section earlier in this Annual Plan.

As part of a proposal to improve services provided to the CBD, the cost of Safe City Guardians has moved to the Economic Development/ICE activity for the 2013/14 financial year.

Council determined that 1% of all capital expenditure projects would be used to enhance public art in these capital projects or at key locations in the city. A policy is currently being developed for implementation in the 2013/14 year.

### District Library

Some re-carpeting proposed for 2013/14 has been undertaken in the 2012/13 financial year. Approximately \$376,000 of renewals were proposed in the Long-term Plan for the library in the 2013/14 year. Following careful review of these projects, all have been postponed until 2014/15, except the re-carpeting previously noted.

# Corporate and Customer Services Group

## cont.

### Funding impact statement

	Annual Plan 2013/14	LTP 2013/14	LTP 2012/13
<i>\$ in thousands</i>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	5,678	9099	8713
Targeted rates (other than a targeted rate for water supply)	51	53	52
Subsidies and grants for operating purposes	70	102	157
Fees, charges and targeted rates for water supply	2,146	104	101
Internal charges and overheads recovered	0	13,763	13,261
Local authorities fuel tax, fines, infringement fees and other receipts	554	2,339	2,224
<b>Total operating funding</b>	<b>8,499</b>	<b>25,460</b>	<b>24,508</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	5,542	18,581	18,205
Finance costs	485	648	632
Internal charges and overheads applied	0	4,201	4,085
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>6,027</b>	<b>23,430</b>	<b>22,922</b>
<b>Surplus/(deficit) of operating funding</b>	<b>2,472</b>	<b>2,030</b>	<b>1,586</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	8	8
Increase/(decrease) in debt	(198)	816	765
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total sources of capital funding</b>	<b>(198)</b>	<b>824</b>	<b>773</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	816	830
- to replace existing assets	2,274	2,122	1,700
Increase/(decrease) in reserves	0	(84)	(171)
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>2,274</b>	<b>2,854</b>	<b>2,359</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(2,472)</b>	<b>(2,030)</b>	<b>(1,586)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Note:

Council has changed presentation of the funding impact statement by removing 'internal charges and overheads recovered' from the total operating funding. If included, the following figures would have been:

Internal charges and overheads recovered	15,390
<b>Total operating funding</b>	<b>23,889</b>
Payments to staff and suppliers	19,847
Internal charges and overheads applied	1,085
<b>Total applications of operating funding</b>	<b>21,417</b>

Surplus/(deficit) of operating funding remains the same.

# Community Engagement and Support

## Purpose

To provide activities and services that help communities achieve their objectives, build their capacity, strengthen their identity, and ensure their sustainability including financial support via grants for services. In addition this activity provides for the distribution of council funding through the

Community Asset Development Fund, Community Grants, Creative Communities and Community Crime Prevention Funds. Council considers the facilities and services provided in this area to be important community 'infrastructure' in terms of the purpose of the Local Government Act (LGA).

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide networks which grow and sustain a strong and empowered Rotorua community through projects including: research, programmes, events, services, resources, maintaining local, regional, national and international networks and relationships	Number of community development projects delivered each year.	6	6
Work towards making Rotorua district safer and more connected, through a reduction in crime and injury statistics.	Maintain Safe Community accreditation	Achieved	Achieved
	85% of residents who feel Rotorua is definitely or mostly a safe place to live	85%	85%
Provide support for character building/relationship building through programmes/networks aimed at Rotorua's young people	Four youth development projects are delivered each year.	4	4
	Ten Youth Council meetings each year.	10	10

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	0	(79)	(82)
Subsidies and grants	(47)	(149)	(94)
Other revenue	0	(31)	(32)
	<b>(47)</b>	<b>(259)</b>	<b>(207)</b>
<b>Expenses</b>			
Personnel costs	517	457	472
Operating expenses	936	1,266	1,231
Finance costs	0	52	54
Overhead	288	417	430
	<b>1,741</b>	<b>2,193</b>	<b>2,186</b>
<b>Operating net cost of service</b>	<b>1,693</b>	<b>1,934</b>	<b>1,979</b>
<b>Capital expenditure</b>			
Capital replacements	0	88	161
	<b>0</b>	<b>88</b>	<b>161</b>
<b>Rates required/net cost of service</b>	<b>1,693</b>	<b>2,022</b>	<b>2,140</b>
<b>Funded by rates</b>	<b>(1,693)</b>	<b>(2,022)</b>	<b>(2,140)</b>

This activity is funded from general rates.

## Capital expenditure

There is no capital expenditure planned for this activity as pensioner housing, community halls and Community House have been moved to the Governance and Strategic Direction activity.

# District Library

## Purpose

To provide education, information, cultural and recreational resources; to minimise economic, social and cultural barriers to information access for the people of Rotorua District. In performing its

role Council must have particular regard to the contribution that the library provides as a core service to our community.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Library readily accessible to residents and visitors and meets the needs of the community.	60% of the population are members of the library.	60%	60%
	75% of households have used the library in the last 12 months.	75%	75%
	85% of residents are very/fairly satisfied with the level of service.	85%	85%
Maintain a collection of local Maori and European print resources for reference and study.	3% of overall book collection budget dedicated to purchase of Maori and European print resource.	3%	3%
Maintain collections of fiction and non fiction for information, education and recreation.	Average annual items issued per capita.	10	10
	0.2 items purchased per annum per capita.	0.20	0.20
Provide events that reflect the art and cultural interest of the community with a specific focus on literacy.	Four children's programmes per year.	4	4
	Two teens' programmes per year.	2	2
	Two 'Rhyme 'n' Rumpus sessions per week during term time.	2	2
	Six guest authors per year	6	6
	Number of total visits to the Library per year.	390,000	390,000

## Activity statement

<i>\$ in thousands</i>	Annual Plan 2013/14	LTP 2012/13	LTP 2013/14
<b>Revenue</b>			
Fees and charges	(249)	(281)	(290)
Subsidies and grants	(8)	(8)	(8)
Other revenue	(103)	(87)	(90)
	<b>(360)</b>	<b>(376)</b>	<b>(388)</b>
<b>Expenses</b>			
Personnel costs	1,712	1,638	1,666
Operating expenses	713	750	773
Finance costs	124	186	193
Overhead	599	691	714
	<b>3,148</b>	<b>3,265</b>	<b>3,346</b>
<b>Operating net cost of service</b>	<b>2,787</b>	<b>2,889</b>	<b>2,959</b>

## Activity statement cont.

<i>\$ in thousands</i>	Annual Plan 2013/14	LTP 2012/13	LTP 2013/14
<b>Capital expenditure</b>			
Capital acquisitions	0	10	0
Capital replacements	600	638	970
	<b>600</b>	<b>648</b>	<b>970</b>
<b>Rates required/net cost of service</b>	<b>3,388</b>	<b>3,536</b>	<b>3,929</b>
<b>Funded by rates</b>	<b>(3,388)</b>	<b>(3,536)</b>	<b>(3,929)</b>
<b>This activity is funded from general rates.</b>			
<b>Capital expenditure</b>			
	<i>\$ in thousands</i>		
Library books	Renewal	600	
<b>Total</b>	<b>600</b>		



# Emergency Management

## Purpose

To provide for Council's statutory responsibilities in respect of Civil Defence at both a local (district) level and a regional level through the Bay of Plenty Civil Defence Emergency Management Group.

To provide funding and training for three volunteer rural fire services at Tarawera, West Rotoiti and

Okareka. This service is delivered by Castlecorp. In performing its role Council must have particular regard to the contribution that rural fire and Emergency Management makes to our community as a core service to avoid and mitigate natural hazards.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Coordinate and manage Emergency Management in the Rotorua district, working collaboratively with other emergency management agencies. [Reduction, Readiness, Response & Recovery]	1 locally run exercise each year (desk top) and 1 full mobilisation of local EOC.	1 local exercise 1 full mobilisation	1 local exercise 1 full mobilisation
	100% availability of Emergency Management Co-ordinator or acting EMC	100%	100%
	100% of personnel are trained to the level appropriate for their CD role.	100%	100%
Improve community and organisational awareness of hazards and raise the capacity of Rotorua district to manage them. [Reduction & Readiness]	90% of attendees at education programmes very/fairly satisfied with mode of delivery.	90%	90%
	50% of residential homes with plans and kits.	50%	50%
Protection of people, property and the environment from the hazards of fire by prevention, suppression and control in rural areas.	All rural fire forces trained and equipped.	Achieved	Achieved
	Database of current fire permits kept up to date.	Achieved	Achieved
	Fire plan updated and certified by 1 October annually.	Achieved	Achieved

## Activity statement

<i>\$ in thousands</i>	Annual Plan 2013/14	LTP 2012/13	LTP 2013/14
<b>Revenue</b>			
Fees and charges	0	0	0
Subsidies and grants	0	(8)	(8)
Other revenue	0	0	0
	<b>0</b>	<b>(8)</b>	<b>(8)</b>
<b>Expenses</b>			
Personnel costs	85	108	111
Operating expenses	408	271	279
Finance costs	1	3	3
Overhead	103	293	306
	<b>597</b>	<b>675</b>	<b>699</b>
<b>Operating net cost of service</b>	<b>597</b>	<b>667</b>	<b>691</b>

## Activity statement cont.

<i>\$ in thousands</i>	Annual Plan 2013/14	LTP 2012/13	LTP 2013/14
<b>Capital expenditure</b>			
Capital acquisitions	0	0	4
Capital replacements	28	35	32
	<b>28</b>	<b>35</b>	<b>35</b>
<b>Capital funding</b>			
Loans raised/(repaid)	(16)	0	0
	<b>(16)</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>641</b>	<b>702</b>	<b>726</b>
<b>Funded by rates</b>	<b>(641)</b>	<b>(702)</b>	<b>(726)</b>

This activity is funded from general rates.

## Capital expenditure

<i>\$ in thousands</i>		
Rural fire – plant and equipment	Renewal	28
<b>Total</b>		<b>28</b>

# Governance and Strategic Direction

## Purpose

This activity covers a range of specific functions and is also the home of corporate leadership, planning and the technical and administrative support for Council's many services. The focus areas include:

- Chief Executive Group
- Corporate planning and support
- Corporate property
- Customer Centre
- Democracy
- Financial Services
- Human Resources
- Information services
- Kaupapa Maori
- Land information services
- Pensioner housing
- Procurement and Sustainability
- Records

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide sound analysis and advice to better engage with communities on Council decisions related to the strategic direction of Rotorua.	70% of residents are very/fairly satisfied with how rates are spent on services and facilities provided by Council	70%	70%
	60% of residents strongly approve/approve of the decisions and or actions Council makes	60%	60%
	55% of residents are very/fairly satisfied with the quality of information Council provides	55%	55%
Encourage the preservation and sustainable development of Maori resources	Two mana whenua plans funded each year	2	2
Foster partnerships between Council and Maori on matters of mutual interest	Six protocol meetings each year between Maori and Council to discuss matters of mutual interest	6	6
Provide affordable/sustainable housing to Rotorua's older people on low incomes, for housing not funded through rates.	Rental income covers 100% of operations costs.	Achieved	Achieved
	85% of tenants rate their units as good/very good in two-yearly satisfaction surveys.	N/A	85%

# Governance and Strategic Direction cont.

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(1,897)	(1,539)	(1,632)
Subsidies and grants	(15)	0	0
Other revenue	(451)	(343)	(353)
	<b>(2,363)</b>	<b>(1,882)</b>	<b>(1,986)</b>
<b>Expenses</b>			
Personnel costs	7,860	8,280	8,473
Operating expenses	7,616	5,810	5,889
Finance costs	360	253	260
Overhead	(15,293)	2,433	1,261
	<b>543</b>	<b>16,776</b>	<b>15,881</b>
<b>Operating net cost of service</b>	<b>(1,820)</b>	<b>14,894</b>	<b>13,895</b>
<b>Capital expenditure</b>			
Capital acquisitions	0	820	812
Capital replacements	1,646	939	958
	<b>1,646</b>	<b>1,759</b>	<b>1,770</b>
<b>Capital funding</b>			
Loans raised/(repaid)	(182)	0	0
	<b>(182)</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>8</b>	<b>16,653</b>	<b>15,665</b>
<b>Funded by rates</b>	<b>(8)</b>	<b>(16,653)</b>	<b>(15,665)</b>

This activity is funded from general rates.

## Capital expenditure

\$ in thousands		
<b>Corporate property</b>		
Civic building renewals	Renewal	33
Community House and halls asset replacements	Renewal	145
Vaughan Road depot plant renewals	Renewal	17
<b>Information services</b>		
Replacement core software	Renewal	760
New core hardware	Renewal	100
Replacement core hardware	Renewal	399
<b>Land information services</b>		
District wide orthophotography	Renewal	88
Core new software LIDAR	Renewal	21
<b>Pensioner housing</b>		
Building upgrade	Renewal	83
<b>Total</b>		<b>1,646</b>

# Economic and Regulatory Services Group

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## Overview of group

The Economic and Regulatory Services Group underpins Council's refreshed focus on a 'whole of council' approach to sustainable economic growth positioning itself in the best position possible to fulfil its critical role as a major influencer of Rotorua's sustainable economic growth environment.

Significant emphasis, through Economic and Regulatory Services activities is being placed on Rotorua District Council contributing to the roles identified in the Rotorua Sustainable Economic Growth Strategy.

At a high level, Rotorua District Council's role is focussed on four main areas:

1. Setting a clear sustainable economic growth strategic direction;
2. Creating an enabling regulatory policy environment that takes a sustainable approach to management of the district's physical and natural environment while supporting strategic direction;
3. Investing in Infrastructure and services that support development of the strategic direction (including a focus on the Rotorua CBD);
4. Backing this approach with a customer friendly, can-do approach to delivery of services related to the strategic direction.

The Economic and Regulatory Services Group contributes to Rotorua District Council's role through the following key areas:

- Alignment of regulatory and land-use planning policy with the sustainable growth strategy of the district.
- Creation of an enabling regulatory function with a focus on an effective, efficient and customer-friendly can-do approach to doing business.
- Promotion of the destination as a great place to visit, live, work, invest and do business.

- Committing resources to sustainable economic growth initiatives in areas where Rotorua has a sustainable competitive advantage and where Rotorua District Council can genuinely influence outcomes in a manner that will complement and/or stimulate private sector investment opportunities.
- A set of integrated CBD focussed actions and investments designed to contribute to the vision of "creating a public space where residents and visitors can enjoy recreation, outdoor dining, retailing and entertainment activities within a safe and attractive setting."
- Provision of high quality conference and event facilities and management services for the Rotorua community which support endeavours to attract large, high-yield local, regional, national and international events and conferences.
- Provision of a world class museum experience.
- Reducing the net cost to the ratepayer of those functions that can operate on a more commercially sustainable basis.
- Leading alignment of local sustainable economic growth plans and initiatives with key players at the regional and national level.
- Supporting the efforts of external sector focussed entities charged with assisting in the creation of a sustainable economic growth environment, including the Rotorua Tourism Committee and the economic development council controlled organisation, Grow Rotorua Ltd.

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

- Building Services
- Economic Development (Inner City Enterprises, City Services, Destination Rotorua Marketing, Travel Office)
- Planning Services
- Regulatory Services; (parking enforcement, health inspection including noise, liquor licensing and Animal Control)
- Events & Venues Rotorua
- Rotorua Museum - Te Whare Taonga o Te Arawa

# Economic and Regulatory Services

## Group cont.

### Contribution to community outcomes

#### Safe and caring



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

#### Prosperous economy



- 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
- Sustainable development

#### Environment



- 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
- Encouraging sustainable modes of transport

#### Excellent facilities and services



- Easy to get from place to place
- Good, safe, maintained services and facilities
- Provision of good quality event, conference and tourism facilities
- Good quality infrastructure for future
- Excellent reliable communication infrastructure
- A great trans-Tasman airport

#### Living Maori culture



- Preservation and sustainable development of Maori resources
- Respecting Te Arawa as part of the unique heritage of Rotorua district
- Celebrating and nurturing traditional Maori culture
- Maori are respected as partners in decision-making and have a voice in issues affecting the District

#### Thriving



- Lots of events including sporting, cultural, festivals, arts
- Leading edge activities and events
- Foster artistic expression, art, music, dancing, public performances and exhibitions
- Great facilities to visit e.g. museum, arts village, aquatic centre

#### Healthy



- Increasing recreational opportunities
- Safe drinking water
- Improved youth health
- Effective responses to developing health issues
- Warm, healthy homes

#### Learning



- Learning activities accessible for everyone

# Economic and Regulatory Services

## Group cont.

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### Large budget variances explained

#### Building Services

A small budget has been included in the Building Services activity to develop a mobile solution for inspection appointments and on-site processing. It is intended that this project will lead to more responsive and quicker site checks for new developments and alignment with the government's on-line consenting system.

#### Economic Development

As previously noted, council is looking to provide a stronger 'whole of Council' approach to service provision in the CBD. Central to this proposal is:

- removal of the pay parking system and its replacement with time monitoring parking technology. The emphasis then is for Council to manage enforcement to ensure positive parking outcomes are achieved e.g. proper turnover of parking spaces and shifting long stay parkers (people who work in the CBD) to the CBD fringe or to the car parking building.
- establishment of an Inner City Enterprises (ICE) entity that integrates the planning and implementation of CBD revitalisation projects with the on-the-ground operations of street cleaning, safe city guardians, security camera network and activities of the parking wardens. Originally it was proposed to purchase 1251 Tutanekai Street to provide a base for this department's operations, however as a consequence of public consultation, council decided not to proceed with this purchase. The ICE department will now operate a customer service from the current City Focus.

The annual operational cost of the proposed changes, including the loss of parking meter revenue, is expected to be approximately \$400,000.

Inner City Enterprises also includes a \$1 million budget for joint venture marketing of international air services for the airport, and \$800,000 towards the funding of Grow Rotorua Ltd.

#### Eat Street

Council previously established \$1.6 million to complete a major project through Eat Street. The commencement of this project has been delayed until the start of 2013/14.

#### Events and Venues Rotorua

Budget proposed for corporate lounge furniture (\$23,000) for the International Stadium has been removed from the 2013/14 budget.

#### Museum

The lighting project proposed to be funded by the Museum Centennial Trust has been removed from the budget for 2013/14.

# Economic and Regulatory Services Group cont.

## Funding impact statement

	Annual Plan 2013/14	LTP 2013/14	LTP 2012/13
<i>\$ in thousands</i>			
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	12,016	11,464	11,379
Targeted rates (other than a targeted rate for water supply)	5,203	3,899	4,852
Subsidies and grants for operating purposes	580	309	300
Fees, charges and targeted rates for water supply	9,350	3,132	2,931
Internal charges and overheads recovered	0	3,232	3,131
Local authorities fuel tax, fines, infringement fees and other receipts	3,516	9,513	8,927
<b>Total operating funding</b>	<b>30,665</b>	<b>31,549</b>	<b>31,520</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	28,599	21,122	22,142
Finance costs	884	796	775
Internal charges and overheads applied	0	8,428	8,110
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>29,483</b>	<b>30,346</b>	<b>31,027</b>
<b>Surplus/(deficit) of operating funding</b>	<b>1,182</b>	<b>1,203</b>	<b>493</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	1,321	2,400
Development and financial contributions	0	40	39
Increase/(decrease) in debt	3,406	33	(892)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total sources of capital funding</b>	<b>3,406</b>	<b>1,394</b>	<b>1,547</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	0	9	8
- to improve the level of service	3,551	1,345	1,500
- to replace existing assets	1,037	1,237	526
Increase/(decrease) in reserves	0	6	6
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>4,588</b>	<b>2,597</b>	<b>2,040</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(1,182)</b>	<b>(1,203)</b>	<b>(493)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Note:

Council has changed presentation of the funding impact statement by removing 'internal charges and overheads recovered' from the total operating funding. If included, the following figures would have been:

Internal charges and overheads recovered	925
<b>Total operating funding</b>	<b>31,590</b>
Payments to staff and suppliers	23,707
Internal charges and overheads applied	5,817
<b>Total applications of operating funding</b>	<b>30,408</b>

Surplus/(deficit) of operating funding remains the same.

# Building Services

## Purpose

To provide administration of the Building Act and Fencing of Swimming Pools Act involving approval of building consents, inspecting and certifying of building work and swimming pools. In performing

its role Council must have particular regard to the contribution that this core service makes to our community to avoid and mitigate natural hazards.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Buildings are constructed and maintained so people can use them safely.	Percentage of PIMs, building consents processed within statutory timeframe of 20 working days.	40% on or before day 10 60% on or before day 15 96% on or before day 19 100% on or before day 20	40% on or before day 10 60% on or before day 15 100% on or before day 19
Work towards making Rotorua district safer and more connected, through a reduction in crime and injury statistics.	Inspections undertaken within: 60% within 24 hours 80% within 48 hours 100% within 72 hours	60% within 24 hours 80% within 48 hours 100% within 72 hours	60% within 24 hours 80% within 48 hours 100% within 72 hours
	Full accreditation without limitations under the Building Act 2004 is maintained.	Achieved	Achieved
	25% of all premises in Rotorua district audited annually for compliance with building warrant of fitness.	Achieved	Achieved
	Percentage of industry/customers who are very/fairly satisfied with building consent process.	5% increase on previous year used as baseline	5% increase on previous year used as baseline
Dangerous and insanitary buildings are dealt with to maintain public safety.	All complaints investigated within 72 hours.	100%	100%

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(1,650)	(1,693)	(1,859)
Subsidies and grants	0	0	0
Other revenue	(7)	(7)	(7)
	<b>(1,657)</b>	<b>(1,700)</b>	<b>(1,866)</b>
<b>Expenses</b>			
Personnel costs	1,200	1,004	1,062
Operating expenses	324	292	207
Finance costs	0	0	0
Overhead	306	676	710
	<b>1,831</b>	<b>1,972</b>	<b>1,979</b>
<b>Operating net cost of service</b>	<b>173</b>	<b>272</b>	<b>113</b>

## Activity statement cont.

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Capital expenditure</b>			
Capital acquisitions	25	0	0
	<b>25</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>198</b>	<b>272</b>	<b>113</b>
<b>Funded by rates</b>	<b>(198)</b>	<b>(272)</b>	<b>(113)</b>
<b>This activity is funded from general rates.</b>			
<b>Capital expenditure</b>			
	\$ in thousands		
Mobile equipment		Renewal	25
<b>Total</b>			<b>25</b>



# Economic Development

## Purpose

To promote Rotorua as a great place to visit, live, work, invest and do business. This involves committing resources to sustainable economic growth initiatives in areas where Rotorua has a sustainable competitive advantage and where Rotorua District Council can genuinely influence outcomes in a manner that will complement and/or stimulate private sector investment opportunities.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide and maintain services and a presence that adds to a feeling of safety and respect within the CBD.	90% of respondents feel very safe/safe in the CBD during the day.	90%	90%
	35% of respondents feel very safe/safe in the CBD during night time.	35%	35%
Provide and maintain services and a presence that adds to a feeling of safety and respect within the CBD.	95% of residents very/fairly satisfied with appearance and cleanliness of CBD.	95%	95%
Car parking availability in CBD is managed to the satisfaction of users.	65% of residents are very/fairly satisfied with parking in the CBD.	65%	65%
Provision of public toilets in the CBD meets the expectation of users.	70% of residents are very/fairly satisfied with public toilets	70%	70%
Facilitating events at the city centre which contribute to the vibrancy of the city.	Minimum of 300 events held in the city centre annually.	300	300
	85,000 visitors through the City Focus Information centre annually.	85,000	85,000
Promote Rotorua as an exciting, vibrant, high quality destination and encourage more people to visit, to do more and to spend more.	Number of visitor arrivals to Rotorua (i.e. sum of overnight and day visitors).	3.068m	3.007m
	Number of visitor nights spent in Rotorua.	3.595m	3.485m
	Average daily expenditure per domestic visitor.	\$81	\$80
	Average daily expenditure per international visitor	\$155	\$154
	Total visitor expenditure in Rotorua.	\$538m	\$518m

## Economic Development cont.

Level of service	Performance measures	2013/14 target	2012/13 target
Focus marketing efforts into: - the existing large markets of Auckland and Australia; and - the fast growing key Asian markets	Rotorua's market share of Auckland visitor nights spent in NZ regions, expressed as a percentage.	6.8%	6.5%
	Rotorua's market share of Australian visitor arrivals to NZ.	19.7%	19.6%
	Number of arrivals to Rotorua from key Asian markets (i.e. sum of day and overnight arrivals from China, Japan and Korea).	192,600	171,040
Engage with the Rotorua tourism industry in delivering the destination marketing plan.	65% average satisfaction rating within industry members around Destination Rotorua Marketing's industry communications and joint venture.	65%	65%
Encourage the Rotorua tourism industry to deliver on the promise of 'manaakitanga' (provision of exceptional hospitality) to the visitor experience.	80% average rating of satisfaction surrounding the Rotorua visitor experience.	80%	80%
Encourage the uptake of sustainability within the tourism industry.	80% of businesses advertising in primary marketing collateral are associated with the Rotorua Sustainable Tourism Charter, Qualmark and/or other tourism industry quality standard.	80%	80%
Market Rotorua nationally and internationally as a great place to live, work, invest and do business.	100% of Annual Marketing Plan implemented.	100%	100%
	Number of new Rotorua specific business enquiries generated pa	75	50
	Percentage of respondents that list Rotorua as a preferred lifestyle destination to live, work and invest	75%	60%
	Business sector satisfaction rating with live, work and invest promotion.	75%	60%
Provide mechanisms to enhance revitalisation of CBD through the Urban Design Framework/ Sustainable Economic Development strategy.	Percentage increase in CBD foot traffic.	5%	5%
Provide an accessible, informative and friendly point of contact to visitors to Rotorua.	80% of customers satisfied or very satisfied as per annual customer survey.	85%	80%
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.	\$1.6m	\$1.6m
	Percentage sales directly contributing to the Rotorua economy.	80%	75%

# Economic Development cont.

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(1,011)	(1,435)	(1,480)
Subsidies and grants	(51)	(300)	(309)
Other revenue	(2,605)	(2,154)	(2,333)
	<b>(3,667)</b>	<b>(3,889)</b>	<b>(4,123)</b>
<b>Expenses</b>			
Personnel costs	3,247	2,484	2,515
Operating expenses	7,002	7,583	6,224
Finance costs	144	63	64
Overhead	2,036	1,146	1,182
	<b>12,429</b>	<b>11,277</b>	<b>9,985</b>
<b>Operating net cost of service</b>	<b>8,762</b>	<b>7,388</b>	<b>5,862</b>
<b>Capital expenditure</b>			
Capital acquisitions	3,551	600	414
Capital replacements	48	100	48
	<b>3,599</b>	<b>700</b>	<b>462</b>
<b>Capital funding</b>			
Loans raised/(repaid)	3,551	0	0
	<b>3,551</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>8,810</b>	<b>8,088</b>	<b>6,324</b>
<b>Funded by rates</b>	<b>(8,810)</b>	<b>(8,088)</b>	<b>(6,324)</b>

This activity is funded from a combination of general rates (\$3,607k) and the business and economic targeted rate (\$5,203k).

Economic development also contains a \$1 million budget for joint venture marketing of the international services from the airport, and \$800,000 of funding for Grow Rotorua Ltd.

This budget is included within the operating expenses line of this activity.

## Capital expenditure

\$ in thousands		
<b>City Services Operations</b>		
Capital purchases – CCTV	Renewal	33
Parking building automation	Level of service	287
<b>Destination Rotorua Marketing</b>		
Website Rotoruanz.com	Level of service	170
<b>Economic Development</b>		
Urban design Tutaneikai Street	Level of service	650
ICE project	Level of service	850
Eat Street	Level of service	1,594
<b>Visitor Centre and i-Site</b>		
Building and plant renewal	Renewal	15
<b>Total</b>		<b>3,599</b>

# Events and Venues Rotorua

## Purpose

To manage and maintain the Convention Centre, Energy Events Centre, Rotorua International Stadium, Soundshell and Te Runanga Tea Rooms. Also provide events attraction role for the city, operation of the equipment shed, promotion of local recreational programmes, assistance for

community events, marketing and other expenditure that is not directly related to any of the particular venues. In performing its role Council must have particular regard to the contribution that this service makes as recreational facilities and community infrastructure.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Excellent well maintained and well used venues.	85% of residents have used/visited an event venue in the last 12 months.	85%	85%
	85% of residents very/fairly satisfied with the service/facility.	85%	85%
	50% 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 by its citizens and visitors	More than 25 conferences held each year.	25	25
	More than 11,000 conference delegates attending each year.	11,000	11,000

## Activity statement

	Annual Plan 2013/14	LTP 2012/13	LTP 2013/14
<i>\$ in thousands</i>			
<b>Revenue</b>			
Fees and charges	(2,424)	(2,322)	(2,394)
Subsidies and grants	0	0	0
Other revenue	(2)	(2)	(2)
	<b>(2,426)</b>	<b>(2,324)</b>	<b>(2,396)</b>
<b>Expenses</b>			
Personnel costs	1,651	1,528	1,576
Operating expenses	2,365	2,760	2,829
Finance costs	568	395	405
Overhead	922	2,653	2,746
	<b>5,506</b>	<b>7,335</b>	<b>7,555</b>
<b>Operating net cost of service</b>	<b>3,080</b>	<b>5,012</b>	<b>5,159</b>
<b>Capital expenditure</b>			
Capital replacements	652	245	736
	<b>652</b>	<b>245</b>	<b>736</b>
<b>Capital funding</b>			
Loans raised/(repaid)	(4)	0	0
	<b>(4)</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>3,737</b>	<b>5,257</b>	<b>5,894</b>
<b>Funded by rates</b>	<b>(3,737)</b>	<b>(5,257)</b>	<b>(5,894)</b>

This activity is funded from general rates.

## Capital expenditure

			<i>\$ in thousands</i>
<b>Energy Events Centre</b>			
Lighting/electrical replacement	Renewals		239
Mechanical and plumbing replacement	Renewal		48
Carpet replacement	Renewal		33
Electrical/security replacement	Renewal		71
<b>Convention Centre</b>			
Lighting and lift controller replacement	Renewal		87
Mechanical and floor coverings replacement	Renewal		22
Theatre/stage lighting/audiovisual	Renewal		91
<b>International Stadium</b>			
Bus zone for events	Renewal		50
Electrical	Renewal		9
<b>Events and community programmes</b>			
Equipment shed asset replacement	Renewal		2
<b>Total</b>			<b>652</b>

# Planning Services

## Purpose

To administer the District Plan and to process consent applications to ensure the quality of the environment is balanced with the need for sustainable economic growth to be enabled in accordance with the aims of the Rotorua Sustainable Economic Growth Strategy; to ensure sustainable management of natural and physical

resources and to manage adverse effects; and to guide and enhance the quality of the natural and physical environment as the district develops. In performing its role Council must have particular regard to the contribution that this core service makes to our community to avoid and mitigate natural hazards.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Timely and consistent processing of resource consent applications..	100% of non notified land use consents processed with statutory timeframe of 20 days. 40% on or before day 10 60% on or before day 15 100% on or before day 20	100%	100%
	100% of subdivision consents processed with statutory timeframe of 20 days. 10% on or before day 10 25% on or before day 15 100% on or before day 20	100%	100%
	Council is ranked within the top 20 for timeliness of consent processing.	N/A	Achieved
	Percentage of customers very/fairly satisfied with the resource consent process.	Net 5% increase on previous year's actual	Obtain baseline
Prompt responses to complaints about planning and environmental issues.	100% of complaints responded to within one working day of receipt.	100%	100%
Develop and maintain a District Plan which follows good city design principles and creates a sustainable environment for people to live, work, play and invest.	Rotorua District Plan kept current, and progressed through notification, hearings, and decision phase.	On target	Achieved

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(230)	(227)	(230)
Subsidies and grants	0	0	0
Other revenue	(28)	(27)	(28)
	<b>(258)</b>	<b>(254)</b>	<b>(258)</b>
<b>Expenses</b>			
Personnel costs	1,579	1,174	1,211
Operating expenses	746	722	744
Finance costs	0	0	0
Overhead	459	1,216	1,278
	<b>2,784</b>	<b>3,111</b>	<b>3,233</b>
<b>Operating net cost of service</b>	<b>2,526</b>	<b>2,857</b>	<b>2,976</b>

## Activity statement cont.

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Rates required/net cost of service</b>	<b>2,527</b>	<b>2,857</b>	<b>2,976</b>
<b>Funded by rates</b>	<b>(2,527)</b>	<b>(2,857)</b>	<b>(2,976)</b>

This activity is funded from general rates.

## Capital expenditure

There is no capital expenditure planned for this activity.

# Regulatory Services

## Purpose

To enhance the public safety, health and wellbeing of residents and visitors. This activity covers a range of specific functions. Focus areas include:

- Animal Control
- Inspection
- Parking Enforcement

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide safe public places free from uncontrolled dogs and wandering stock.	100% of known dogs registered or served with a notice to register by 30 June annually.	100%	100%
	100% of complaints about wandering stock responded to immediately	100%	100%
	75% of residents very/fairly satisfied with the control of dogs.	75%	75%
Ensure district is provided with clean, safe and hygienic food premises, licensed liquor outlets, hairdressers and camping grounds.	100% of all known food premises registered.	100%	100%
	100% of all licensed premises are inspected under the Sale of Liquor Act at least once every 12 months to ensure they comply with licence requirements.	100%	100%
	80% of residents very/fairly satisfied with noise control service	80%	80%

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(2,990)	(2,539)	(2,619)
Subsidies and grants	0	0	0
Other revenue	(15)	(14)	(14)
	<b>(3,005)</b>	<b>(2,553)</b>	<b>(2,633)</b>
<b>Expenses</b>			
Personnel costs	1,490	1,517	1,563
Operating expenses	838	831	857
Finance costs	2	2	2
Overhead	467	800	837
	<b>2,797</b>	<b>3,150</b>	<b>3,258</b>
<b>Operating net cost of service</b>	<b>(208)</b>	<b>596</b>	<b>625</b>

## Activity statement cont.

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Capital expenditure</b>			
Capital replacements	36	33	36
	<b>36</b>	<b>33</b>	<b>36</b>
<b>Capital funding</b>			
Loans raised/(repaid)	(42)	0	0
	<b>(42)</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>(129)</b>	<b>629</b>	<b>661</b>
<b>Funded by rates</b>	<b>129</b>	<b>(629)</b>	<b>(661)</b>

This activity is funded from general rates.

## Capital expenditure

\$ in thousands		
Parking enforcement – asset purchases	Renewal	36
<b>Total</b>		<b>36</b>

# Rotorua Museum

## Purpose

To provide an outstanding museum for the Rotorua community and visitors to the district. In performing its role Council must have particular regard to the

contribution that the core services make to the community.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
An outstanding museum experience, open seven days a week and free to local residents of Rotorua.	60% of households in Rotorua have used/visit the museum in the last year.	60%	60%
	80% of local residents very/fairly satisfied with the museum and its services.	80%	80%
Provide a range of learning opportunities for primary, secondary, tertiary and adult learners.	Number of public programmes (workshops/lectures) per year.	20	20
	Number of students each year participating in the LEOTC programme (curriculum based learning).	11,000	11,000
Position the Museum as a 'must see' attraction for visitors to the district, both international and domestic.	Total number of paying visitors per year.	80,000	80,000
	Average spend per paying visitor.	\$14	\$14

## Activity statement

<i>\$ in thousands</i>	Annual Plan 2013/14	LTP 2012/13	LTP 2013/14
<b>Revenue</b>			
Fees and charges	(1,045)	(984)	(1,194)
Subsidies and grants	(529)	(2,505)	(1,429)
Other revenue	(859)	(333)	(359)
	<b>(2,433)</b>	<b>(3,822)</b>	<b>(2,982)</b>
<b>Expenses</b>			
Personnel costs	1,564	1,271	1,310
Operating expenses	1,702	1,375	1,492
Finance costs	169	235	242
Overhead	700	372	384
	<b>4,135</b>	<b>3,253</b>	<b>3,429</b>
<b>Operating net cost of service</b>	<b>1,702</b>	<b>(568)</b>	<b>447</b>
<b>Capital expenditure</b>			
Capital acquisitions	0	908	940
Capital replacements	276	148	417
	<b>276</b>	<b>1,057</b>	<b>1,357</b>
<b>Capital funding</b>			
Loans raised/(repaid)	(99)	0	0
	<b>(99)</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>2,077</b>	<b>488</b>	<b>1,804</b>
<b>Funded by rates</b>	<b>(2,077)</b>	<b>(488)</b>	<b>(1,804)</b>

This activity is funded from general rates.

## Capital expenditure

	<i>\$ in thousands</i>
Collection development	Renewal 9
Rotorua Stories asset replacements	Renewal 217
Retail area upgrade	Renewal 50
<b>Total</b>	<b>276</b>

# Infrastructure Services Group

## Overview of group

The Infrastructure Services Group covers a wide range of asset based services and facilities.

This group is important in enabling business development in the district – directly through provision of key infrastructure, and also in supporting planning and consenting processes.

Council spends a significant portion of its operating and capital expenditure budgets on these activities, which include:

- Aquatic Facilities
- Infrastructure Planning and Compliance
- Parks and Open Spaces
- Rotorua International Airport
- Stormwater and Land Drainage
- Transport
- Waste Management
- Water supplies

Infrastructure Services Group provides many of the key services traditionally associated with councils, such as water, sewerage, roads, parks and refuse collection. To provide these services council owns and manages many large and complex assets on behalf of the community.

Some of the services provided are recognised as very important to the community and would not be provided to the level expected without council's contribution and involvement.

## Contribution to community outcomes

### Safe and caring

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



### Prosperous economy

- 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
- Sustainable development



### Environment

- 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
- Encouraging sustainable modes of transport



### Excellent facilities and services

- Easy to get from place to place
- Good, safe, maintained services and facilities
- Provision of good quality event, conference and tourism facilities
- Good quality infrastructure for future
- Excellent reliable communication infrastructure
- A great trans-Tasman airport



### Thriving

- Lots of events including sporting, cultural, festivals, arts
- Leading edge activities and events
- Foster artistic expression, art, music, dancing, public performances and exhibitions
- Great facilities to visit e.g. museum, arts village, aquatic centre





# Infrastructure Services Group cont.

## Contribution to community outcomes cont.

### Healthy



- Increasing recreational opportunities
- Safe drinking water
- Improved youth health
- Effective responses to developing health issues
- Warm, healthy homes

## Large budget variances explained

### Aquatic Centre

Council continues to examine options for the redevelopment of the Aquatic Centre. The redevelopment is expected to be partly funded by external funding. Council is looking in detail at the usage information and value of the facility as another attraction for the city before finalising potential designs and beginning discussions with possible partners. \$310,000 proposed for detailed design work has been deferred from the 2013/14 budget.

### Public gardens, reserves and cemeteries

The juvenile pool within the Blue Baths complex has a serious leak problem. \$300,000 has been added to the renewals budget for this area to remove the tiles from the pool and line it with a thin layer of concrete. It is expected that this will stop the leak, but remove the attractive aesthetic of the tiles. As the Blue Baths is an important historic building for the Government Gardens and the district, the NZ Historic Places Trust will be consulted on the proposal. The cost to retile the pool is considered prohibitive and the only other alternative is to close and fill the pool.

The Kuirau Park building/foot pool renewal (\$575,000) and Kuirau Park toilets (\$145,000) has been deferred to the 2014/15 year to align with the Aquatic Centre/Kuirau Park redevelopment.

The Hinehopu toilets sewer connection (\$27,000) has been deferred to the 2014/15 year.

### Roads and footpaths

\$1 million was included in the Long-term Plan for part funding of a passenger transport centre, with additional funding from NZTA. This project was not included in NZTA's three year plan so \$784,000 has been deferred from the 2013/14 year. \$250,000 for design only has been included in the 2013/14 year pending an application for funding from the BOP Regional Council regional infrastructure fund.

### Sewerage schemes

It was anticipated that the Gisborne Point/Hinehopu (Rotoiti) and Rotoma sewerage schemes would be completed in the 2013/14 year. However, these schemes have now been deferred (\$2 million per scheme) until the 2015/16 financial year while Council examines waste water treatment and disposal options for the district. The Bay of Plenty Regional Council is reviewing its rules in regard to the septic tanks and this may also impact on proposed sewerage schemes. At this stage it is expected that the four remaining sewerage schemes identified in Council's Long-term Plan will be phased as:

- Rotoiti 2015/16
- Rotoma 2015/16
- Tarawera 2016/17
- Mamaku 2017/18

### Tutanekai Street/Eat Street development

Originally \$400,000 was budgeted in unsubsidised roading to undertake some of the Tutanekai Street/Eat Street redevelopment. This has now been removed from the roading budget and included within the single Eat Street development project under Economic Development.

# Infrastructure Services Group cont.

## Funding impact statement

<i>\$ in thousands</i>	<b>Annual Plan 2013/14</b>	<b>LTP 2013/14</b>	<b>LTP 2012/13</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	32,483	28,648	27,076
Targeted rates (other than a targeted rate for water supply)	14,393	16,183	15,755
Subsidies and grants for operating purposes	10,365	2,892	2,925
Fees, charges and targeted rates for water supply	13,951	4,675	4,364
Internal charges and overheads recovered	0	13,072	12,965
Local authorities fuel tax, fines, infringement fees and other receipts	3,254	13,161	13,076
<b>Total operating funding</b>	<b>74,446</b>	<b>78,631</b>	<b>76,161</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	48,876	28,588	27,941
Finance costs	7,555	9,899	9,555
Internal charges and overheads applied	0	26,805	25,884
Other operating funding applications	0	859	717
<b>Total applications of operating funding</b>	<b>56,431</b>	<b>66,151</b>	<b>64,097</b>
<b>Surplus/(deficit) of operating funding</b>	<b>18,015</b>	<b>12,480</b>	<b>12,064</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	13,037	18,902
Development and financial contributions	0	1,274	1,253
Increase/(decrease) in debt	8,679	3,799	5,062
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	2,068	1,293
<b>Total sources of capital funding</b>	<b>8,679</b>	<b>20,178</b>	<b>26,510</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	1,067	14,855	16,590
- to improve the level of service (LOS)	10,373	13,613	13,087
- to replace existing assets	13,195	15,483	12,536
Increase/(decrease) in reserves	2,059	(11,293)	(3,639)
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding</b>	<b>26,694</b>	<b>32,658</b>	<b>38,574</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(18,015)</b>	<b>(12,480)</b>	<b>(12,064)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Note:

Council has changed presentation of the funding impact statement by removing 'internal charges and overheads recovered' from the total operating funding. If included, the following figures would have been:

Internal charges and overheads recovered	4,968
<b>Total operating funding</b>	<b>79,414</b>
Payments to staff and suppliers	39,464
Internal charges and overheads applied	14,380
<b>Total applications of operating funding</b>	<b>61,399</b>

Surplus/(deficit) of operating funding remains the same.

# Aquatic Centre

## Purpose

To provide an affordable, safe, fun aquatic facility that meets the needs and requirements of the local community. In performing its role Council

must have particular regard to the contribution that this service makes as recreational facilities and community infrastructure

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide safe facilities.	Poolsafe accreditation is maintained.	Achieved	Achieved
Provide water and land based recreational opportunities.	10,500 individuals participate in Learn to Swim School programmes per term.	10,500	10,500
Provide an excellent facility and variety of services in a sustainable manner.	75% of residents are very/fairly satisfied with the level of service.	75%	75%
Provide a variety of fun and accessible activities and events.	Number of visitors to the aquatic centre per year.	320,000	320,000
	Percentage of households using/visiting the aquatic centre in a year.	65%	65%

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(970)	(947)	(1,038)
Subsidies and grants	(263)	(121)	(263)
Other revenue	0	(188)	(215)
	<b>(1,233)</b>	<b>(1,255)</b>	<b>(1,516)</b>
<b>Expenses</b>			
Personnel costs	1,386	1,314	1,381
Operating expenses	1,036	1,012	1,038
Finance costs	90	58	60
Overhead	542	335	344
	<b>3,054</b>	<b>2,720</b>	<b>2,822</b>
<b>Operating net cost of service</b>	<b>1,822</b>	<b>1,464</b>	<b>1,307</b>
<b>Capital expenditure</b>			
Capital acquisitions	0	100	310
Capital replacements	323	301	323
	<b>323</b>	<b>401</b>	<b>633</b>
<b>Capital funding</b>			
Loans raised/(repaid)	0	(29)	63
	<b>0</b>	<b>(29)</b>	<b>63</b>
<b>Rates required/net cost of service</b>	<b>2,145</b>	<b>1,894</b>	<b>1,877</b>
<b>Funded by rates</b>	<b>(2,145)</b>	<b>(1,894)</b>	<b>(1,877)</b>

This activity is funded from general rates.

## Capital expenditure

\$ in thousands		
Geothermal heating pipes	Renewal	288
Plant / Re-roofing 50 metre changing block	Renewal	35
<b>Total</b>		<b>323</b>

# Engineering Services

## Purpose

To ensure resource consent processes and any consequential effects on Council's infrastructural assets are managed on a sustainable basis, while

providing specialist support to Council's engineering related services.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Monitor and control the community's wastewater discharges (trade waste, stormwater).	40% of premises with a conditional trade waste consent or stormwater licence inspected each year for compliance	40%	40%
	100% of high risk premises annually monitored for compliance	100%	100%
	95% of pollution control complaints responded to within two hours.	95%	95%
Manage processes in accordance with the national code of practice for utility operators access to transport corridors.	60% of works approval notices consented within 5 days.	60%	60%
	90% works approval notices consented within 10 days.	90%	90%
	95% of works approval notices consented within 15 days	95%	95%

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(285)	(578)	(569)
Subsidies and grants	0	0	0
Other revenue	(562)	(551)	(774)
	<b>(847)</b>	<b>(1,129)</b>	<b>(1,343)</b>
<b>Expenses</b>			
Personnel costs	2,447	4,500	4,641
Operating expenses	1,385	1,622	1,787
Finance costs	1	20	21
Overhead	(2,995)	(5,024)	(5,115)
	<b>838</b>	<b>1,118</b>	<b>1,334</b>
<b>Operating net cost of service</b>	<b>(9)</b>	<b>(11)</b>	<b>(9)</b>
<b>Capital expenditure</b>			
Capital replacements	9	11	9
	<b>9</b>	<b>11</b>	<b>9</b>
<b>Capital funding</b>			
Loans raised/(repaid)	(16)	0	0
	<b>(16)</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>16</b>	<b>0</b>	<b>0</b>
<b>Funded by rates</b>	<b>(16)</b>	<b>0</b>	<b>0</b>

This activity is funded from general rates.

## Capital expenditure

		\$ in thousands
Laboratory – plant and building renewals	Renewal	9
<b>Total</b>		<b>9</b>

# Public Gardens, Reserves and Cemeteries

## Purpose

To provide an open space network for casual and organised recreation; supporting social, cultural, economic and environmental community wellbeing while contributing to the community's physical, mental and spiritual wellbeing; facilities for burial and cremation; and protecting and enhancing ecological and heritage landscape values. In performing its role Council must have particular regard to the contribution that this service makes as reserves, recreational facilities and community infrastructure.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide safe parks and reserves.	95% of playgrounds comply with Playground Safety Standard (NZS:4828).	95%	95%
	100% of all new development on reserves designed to incorporate CPTED principles.	100%	100%
Enhance the aesthetic look of Rotorua in terms of quality plantings, bedding displays, interpretation and design, and appropriate access.	95% of residents very/fairly satisfied with the level of service for beautification and landscaping.	95%	95%
Protecting and enhancing reserves for the enjoyment of all	90% of residents very/fairly satisfied with the level of service for parks, reserves & playgrounds.	90%	90%
	85% of households used/visited parks, reserves and playgrounds in last 12 months.	85%	85%
Provide and maintain facilities for recreational activities.	80% of residents are very/fairly satisfied with the level of service for sportsfields.	80%	80%
	70% of households have used/visited sportsfields in last 12 months.	70%	70%
Provide adequate open space to meet community needs	Amount of reserve per 1000 population.	12ha	12ha
	90% of children's play areas within 500m of dwellings in the urban area.	90%	90%

# Public Gardens, Reserves and Cemeteries cont.

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(836)	(924)	(953)
Subsidies and grants	(205)	(649)	(650)
Other revenue	(1,358)	(1,938)	(1,491)
	<b>(2,399)</b>	<b>(3,511)</b>	<b>(3,095)</b>
<b>Expenses</b>			
Personnel costs	4,097	1,126	1,161
Operating expenses	3,449	2,103	7,653
Finance costs	883	865	894
Overhead	1,677	5,514	828
	<b>10,106</b>	<b>9,608</b>	<b>10,533</b>
<b>Operating net cost of service</b>	<b>7,707</b>	<b>6,098</b>	<b>7,438</b>
<b>Capital expenditure</b>			
Capital acquisitions	1,252	1,776	952
Capital replacements	934	884	1,323
	<b>2,186</b>	<b>2,661</b>	<b>2,275</b>
<b>Capital funding</b>			
Transfer (to)/from reserves	(138)	0	0
Loans raised/(repaid)	1,181	0	0
	<b>1,043</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>8,851</b>	<b>8,758</b>	<b>9,713</b>
<b>Funded by rates</b>	<b>(8,851)</b>	<b>(8,758)</b>	<b>(9,713)</b>

This activity is funded from general rates.

## Capital expenditure

\$ in thousands		
<b>Cemeteries/crematorium</b>		
Lower device replacement	Renewal	12
Air conditioning units	Renewal	5
<b>Public gardens</b>		
Various reserve improvements	Level of service	21
Public toilets improvements	Renewal	31
	Level of service	124
Development of boatramps	Backlog	53
	Growth	76
Redwoods projects	Renewal	2
	Level of service	4
Kuirau Park development	Backlog	123
	Growth	22
Walkway development	Level of service	61
Entrance signage	Level of service	41
Land purchases	Growth	9
	Level of service	3
New toilet construction	Backlog	152
	Growth	153
	Level of service	150
Lakefront development	Level of service	259
Blue Baths pool repairs	Renewal	300
Renewals for parks and Tokorangi Triangle	Renewal	585
<b>Total</b>		<b>2,186</b>

# Roads and Footpaths

## Purpose

To provide a safe and efficient transport network that supports the district's economy, provides access for utilities and supports facilitation of events and other activities, and to promote road safety and encourage sustainable forms of travel.

Council provides important infrastructure for cyclists, walkers and to support the local bus service provide by the BOP Regional Council. Providing this infrastructure within road and footpath corridors is intended to provide safe, healthy and sustainable alternatives to using a car. Promoting alternative modes of transport help reduce congestion on our roads.

In performing its role Council must have particular regard to the contribution that this core service makes to the community as important network infrastructure and to support public transport services.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide a safe roading network.	Declining trend for injury crashes.	64	65
Provision of an efficient well maintained roading network.	95% of public bus services run on time.	Achieved	Achieved
	Cumulative road condition indice within 1.5% of national average.	Achieved	Achieved
	80% of residents are very/fairly satisfied with the roading network.	80%	80%
Provide good utilisation of public parking.	70%-90% average parking occupancy during normal business hours.	70-90%	70-90%
	65% of residents are very/fairly satisfied with parking in Rotorua city.	65%	65%
Provide transport educational and sustainability programmes that support the environment.	6 educational programmes delivered per year.	6	6

# Roads and Footpaths cont.

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(34)	(33)	(34)
Subsidies and grants	(6,015)	(10,815)	(6,481)
Other revenue	(696)	(675)	(696)
	<b>(6,745)</b>	<b>(11,523)</b>	<b>(7,211)</b>
<b>Expenses</b>			
Personnel costs	667	163	168
Operating expenses	6,256	2,103	6,331
Finance costs	819	865	894
Overhead	2,652	5,514	1,135
	<b>10,394</b>	<b>8,645</b>	<b>9,702</b>
<b>Operating net cost of service</b>	<b>3,649</b>	<b>(2,878)</b>	<b>2,491</b>
<b>Capital expenditure</b>			
Capital acquisitions	4,271	11,055	4,659
Capital replacements	5,174	5,953	4,833
	<b>9,445</b>	<b>17,008</b>	<b>9,492</b>
<b>Capital funding</b>			
Loans raised/(repaid)	4,271	0	0
	<b>4,271</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>8,823</b>	<b>14,130</b>	<b>11,983</b>
<b>Funded by rates</b>	<b>(8,823)</b>	<b>(14,130)</b>	<b>(11,983)</b>

This activity is funded from general rates.

## Capital expenditure

		\$ in thousands	
<b>Transport (subsidised)</b>			
Drainage renewals	Renewal		229
Minor safety projects	Level of service		537
Passenger transport infrastructure	Growth	45	
	Level of service		1,550
Preventative maintenance	Growth	28	
Pavement rehabilitation	Renewal		1,555
Structural replacement	Renewal		133
Traffic services renewals	Renewal		188
Road reseals	Renewal		2,832
<b>Transport (unsubsidised)</b>			
CBD upgrade	Level of service		19
Development assistance	Growth	57	
Footpath renewals	Renewal		149
Land acquisition	Growth	52	
Maori roadlines and unformed roads	Growth	60	
Unsubsidised minor safety	Level of service		26
Parks roading renewals	Renewal		88
Rural seal extensions	Level of service		1,142
Amenity lighting	Level of service		52
Rural street improvements	Level of service		462
Urban street improvements	Level of service		241
<b>Total</b>			<b>9,445</b>



# Rotorua Airport Infrastructure

## Purpose

To improve, renew and maintain airport assets to agreed level of service for the airport operator RRAL. In performing its role Council must have particular regard to the contribution that this service makes as community infrastructure.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide reliable infrastructure to enable local and trans-Tasman airlinks to and from Rotorua	No airport closures or flight delays caused by the failure of the airport infrastructure to meet industry safety and operational standards.	Achieved	Achieved
Provide a safe airport	100% compliance with CAA regulations	100%	100%

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(1,263)	(1,050)	(1,263)
Subsidies and grants	0	0	0
Other revenue	0	0	0
	<b>(1,263)</b>	<b>(1,050)</b>	<b>(1,263)</b>
<b>Expenses</b>			
Personnel costs	0	0	0
Operating expenses	191	141	144
Finance costs	3,463	4,086	4,018
Overhead	73	171	187
	<b>3,727</b>	<b>4,398</b>	<b>4,348</b>
<b>Operating net cost of service</b>	<b>2,464</b>	<b>3,348</b>	<b>3,085</b>
<b>Capital expenditure</b>			
Capital acquisitions	389	375	325
Capital replacements	179	291	173
	<b>568</b>	<b>666</b>	<b>498</b>
<b>Capital funding</b>			
Transfer (to)/from reserves	0	14	(417)
Loans raised/(repaid)	(968)	0	0
	<b>(968)</b>	<b>14</b>	<b>(417)</b>
<b>Rates required/net cost of service</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<b>Funded by rates</b>	<b>(4,000)</b>	<b>(4,000)</b>	<b>(4,000)</b>

This activity is funded from general rates.

## Capital expenditure

	\$ in thousands	
Property purchases and noise mitigation	Level of service	233
Runway and other renewals	Renewal	179
Wetlands mitigation	Level of service	104
Southern extension	Level of service	52
<b>Total</b>		<b>568</b>

# Sewerage and Sewage

## Purpose

To provide for the operation and maintenance of all wastewater schemes and capital development of the urban network and treatment system, wastewater schemes not connected to the eastern trunk sewer main, and schemes

connected to the eastern trunk main. In performing its role Council must have particular regard to the contribution that this core service makes to the community as important network infrastructure.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide sewerage systems that are safe, reliable and sustainable	Reduction in number of household unit equivalents discharging to septic tanks.	N/A	Hamurana 560 Rotoiti 480 Rotoma 252 connected
	Less than 14 overflows caused by network faults (per 100km of mains) annually	14	14
	95% of customers are very/fairly satisfied with wastewater services.	95%	95%
	95% of overflows responded within 1 hour.	95%	95%
	99% of consent conditions complied with. *	99%	100%

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(769)	0	0
Subsidies and grants	(2,396)	(10,997)	(8,174)
Other revenue	(27)	(72)	(5)
	<b>(3,192)</b>	<b>(11,069)</b>	<b>(8,179)</b>
<b>Expenses</b>			
Personnel costs	1,546	773	798
Operating expenses	5,107	5,986	5,891
Finance costs	428	787	894
Overhead	3,213	1,725	1,797
	<b>10,294</b>	<b>9,271</b>	<b>9,423</b>
<b>Operating net cost of service</b>	<b>7,102</b>	<b>(1,798)</b>	<b>1,244</b>
<b>Capital expenditure</b>			
Capital acquisitions	1,579	12,800	17,105
Capital replacements	1,877	2,276	5,704
	<b>3,456</b>	<b>15,076</b>	<b>22,809</b>
<b>Capital funding</b>			
Transfer (to)/from reserves	(1,921)	0	0
Loans raised/(repaid)	1,506	0	0
	<b>(415)</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>10,973</b>	<b>13,278</b>	<b>24,053</b>
<b>Funded by rates</b>	<b>(10,973)</b>	<b>(13,278)</b>	<b>(24,053)</b>

This activity is funded from targeted rates and specific targeted rates for individual wastewater schemes.

## Capital expenditure

\$ in thousands		
<b>Wastewater urban</b>		
Urban network renewals	Renewal	1,035
Land treatment renewals	Renewal	272
Pump station renewals	Renewal	102
WWTP renewals	Renewal	468
Terax thermal deconstruction plant	Level of service	621
Wastewater treatment and disposal upgrade	Level of service	650
WWTP process improvements	Backlog	2
	Growth	71
<b>Wastewater rural</b>		
Tarawera wastewater scheme	Growth	52
Rotoma wastewater scheme	Growth	50
Mamaku wastewater scheme	Backlog	37
	Growth	46
Gisborne Point / Hinehopu wastewater scheme	Growth	50
<b>Total</b>		<b>3,456</b>

# Stormwater and Land Drainage

## Purpose

To manage stormwater so that property and people are protected from flood damage and to minimise the adverse effects of stormwater run-off on the district's lakes and waterways. In performing

its role Council must have particular regard to the contribution that this core service makes to the community as important network infrastructure.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide a stormwater network that minimises the impact on the environment	No breaches of consent conditions	Achieved	Achieved
Provide a stormwater network that minimises the impact of flooding on people, their properties and livelihoods.	Less than 3 dwellings per year affected by floodwaters	<3	<3
	95% of blockages responded to in 24 hours	95%	95%
	80% of people very/fairly satisfied with stormwater drainage schemes.	80%	80%

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(124)	(120)	(124)
Subsidies and grants	(44)	(43)	(44)
Other revenue	0	0	0
	<b>(168)</b>	<b>(163)</b>	<b>(168)</b>
<b>Expenses</b>			
Personnel costs	527	0	0
Operating expenses	377	1,166	1,202
Finance costs	1,040	730	762
Overhead	992	607	635
	<b>2,936</b>	<b>2,503</b>	<b>2,598</b>
<b>Operating net cost of service</b>	<b>2,768</b>	<b>2,340</b>	<b>2,431</b>
<b>Capital expenditure</b>			
Capital acquisitions	598	501	598
Capital replacements	1,729	978	1,729
	<b>2,327</b>	<b>1,479</b>	<b>2,327</b>
<b>Capital funding</b>			
Loans raised/(repaid)	598	0	0
	<b>598</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>4,497</b>	<b>3,819</b>	<b>4,757</b>
<b>Funded by rates</b>	<b>(4,497)</b>	<b>(3,819)</b>	<b>(4,757)</b>

This activity is funded from general rates.

## Capital expenditure

	\$ in thousands	
	Renewal	Level of service
Stormwater upgrades	267	
	Backlog	183
	Growth	253
Stormwater renewals	1,462	
	Level of service	162
<b>Total</b>	<b>2,327</b>	

# Waste Management

## Purpose

To manage the collection, reduction, re-use, recycling and disposal of waste in a sustainable manner. In performing its role Council must have

particular regard to the contribution that this service makes to our community as a core service for solid waste collection and disposal.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide sustainable recycling facilities for household, green waste and concrete.	Percentage of green waste and concrete recovered from total amount landfilled.	17%	15%
	Number of tonnes per annum of recycled material recovered.	4,470 tonnes	4,250 tonnes
Minimise impact on environment.	No breaches of consent conditions notified by Regional Council.	Achieved	Achieved
Provide sustainable disposal facilities.	Less than 55,000 tonnes rubbish/waste landfilled annually.	55,000	55,000
Provide efficient household waste collection service.	95% of residents very/fairly satisfied with refuse collection service.	95%	95%

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	(5,976)	(4,763)	(4,920)
Subsidies and grants	(823)	(300)	(388)
Other revenue	(565)	(690)	(712)
	<b>(7,364)</b>	<b>(5,753)</b>	<b>(6,020)</b>
<b>Expenses</b>			
Personnel costs	1,052	38	39
Operating expenses	5,789	6,810	7,276
Finance costs	431	374	307
Overhead	2,618	652	685
	<b>9,890</b>	<b>7,874</b>	<b>8,306</b>
<b>Operating net cost of service</b>	<b>2,526</b>	<b>2,121</b>	<b>2,286</b>
<b>Capital expenditure</b>			
Capital acquisitions	1,084	400	517
Capital replacements	110	106	110
	<b>1,194</b>	<b>506</b>	<b>627</b>
<b>Capital funding</b>			
Loans raised/(repaid)	(160)	0	0
	<b>(160)</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>3,879</b>	<b>2,627</b>	<b>2,913</b>
<b>Funded by rates</b>	<b>(3,879)</b>	<b>(2,627)</b>	<b>(2,913)</b>

This activity is funded by a combination of general rates (\$459k) and refuse targeted rate (\$3,420k).

## Capital expenditure

\$ in thousands		
Landfill renewals	Renewal	110
Landfill development projects	Level of service	1,084
<b>Total</b>		<b>1,194</b>

# Water Supplies

## Purpose

To provide for the operation, maintenance and capital development of all of Council's water supplies. In performing its role Council must have particular regard to the contribution that this core service makes to the community as important network infrastructure.

## Measuring our achievements

Level of service	Performance measures	2013/14 target	2012/13 target
Provide water to households that is safe to drink, sustainable and has adequate pressure and flow.	100% compliance with the Drinking Water Standards New Zealand monitoring requirements.	100%	100%
	Achieve MOH gradings of minimum Cc across all water supplies.	Achieved	Achieved
	Less than 3 per 1000 properties lodge a complaint regarding low pressure during normal operating conditions.	Achieved	Achieved
	90% of customers satisfied with water services as measured by annual survey.	90%	90%
	95% of breaks responded to within 1 hour.	95%	95%
Provide educational programmes to ensure efficient use of water.	3 education programmes delivered per year.	3	3
Provide an adequate water supply for fire fighting purposes within urban fire districts.	95% of hydrants within the urban water supply areas meet the requirements of the NZFS CoP for Firefighting Water Supplies under normal operating conditions.	95%	95%

# Water Supplies cont.

## Activity statement

\$ in thousands	Annual Plan	LTP	LTP
	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	0	(9)	(9)
Subsidies and grants	(619)	(155)	(1,203)
Other revenue	(46)	0	(93)
	<b>(665)</b>	<b>(164)</b>	<b>(1,305)</b>
<b>Expenses</b>			
Personnel costs	1,664	0	0
Operating expenses	2,246	3,505	3,771
Finance costs	338	653	776
Overhead	2,111	3,367	3,474
	<b>6,359</b>	<b>7,525</b>	<b>8,021</b>
<b>Operating net cost of service</b>	<b>5,694</b>	<b>7,361</b>	<b>6,716</b>
<b>Capital expenditure</b>			
Capital acquisitions	2,267	2,669	7,847
Capital replacements	1,693	1,736	2,505
	<b>3,960</b>	<b>4,405</b>	<b>10,352</b>
<b>Capital funding</b>			
Loans raised/(repaid)	2,267	0	0
	<b>2,267</b>	<b>0</b>	<b>0</b>
<b>Rates required/net cost of service</b>	<b>7,387</b>	<b>11,766</b>	<b>17,068</b>
<b>Funded by rates</b>	<b>(7,387)</b>	<b>(11,766)</b>	<b>(17,068)</b>

This activity is funded from the targeted rate or specific water scheme targeted rates.

## Capital expenditure

		\$ in thousands	
Urban plant improvements	Renewal		2
	Backlog		4
	Level of service		16
Ngongotaha bore sources	Level of service		310
Urban network renewals	Renewal	1,190	
Replacement of monitoring equipment	Renewal		10
Utuhina – Central storage	Backlog		9
	Growth		43
Urban meter renewals	Renewal		38
Urban network improvements	Level of service		1,885
Urban plant renewals	Renewal		365
Kaharoa plant renewals	Renewal		6
Mamaku plant renewals	Renewal		28
Rotoiti plant renewals	Renewal		8
Rotoma plant renewals	Renewal		41
Hamurana plant renewals	Renewal		5
<b>Total</b>			<b>3,960</b>

# Castlecorp Group

## Overview of group

Castlecorp provides infrastructural related services as a service provider for council activities.

Castlecorp delivers the following services:

- 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
- Janitorial services
- Purchasing and maintenance of small plant and fleet vehicles
- Rural fire
- Events management - assisting before, during and after events (Night Market, Raggamuffin etc)
- CBD and satellite centre street cleaning and maintenance

Castlecorp aims to improve the quality of life of residents and visitors through provision of quality services and the maintenance of essential infrastructure, employing sound business practices based on continuous improvements to match quality and cost effectiveness of the private sector. Castlecorp not only maintains essential networks of underground services and parks, but also supports the Rotorua community by participating in a wide range of community activities, and developing close working relationships with community organisations. Customer-based strategies and a strong commitment to sustainable operations reflect the values of continuous improvement and value for customers.

## Activity statement

	Annual Plan	LTP	LTP
\$ in thousands	2013/14	2012/13	2013/14
<b>Revenue</b>			
Fees and charges	0	0	0
Subsidies and grants	0	0	0
Other revenue	0	(332)	(471)
	<b>0</b>	<b>(332)</b>	<b>(471)</b>
<b>Expenses</b>			
Personnel costs	241	6,850	7,078
Operating expenses	0	7,061	7,295
Finance costs	63	33	33
Overhead	(1,471)	4,322	4,461
	<b>(1,167)</b>	<b>18,266</b>	<b>18,868</b>
<b>Operating net cost of service</b>	<b>(1,167)</b>	<b>17,934</b>	<b>18,396</b>
<b>Capital expenditure</b>			
Capital replacements	1,167	1,805	1,090
	<b>1,167</b>	<b>1,805</b>	<b>1,090</b>
<b>Rates required/net cost of service</b>	<b>0</b>	<b>19,738</b>	<b>19,487</b>
<b>Funded by rates</b>	<b>0</b>	<b>(19,738)</b>	<b>(19,487)</b>

As already noted Castlecorp was established to create a separate identity and arm's length approach to the delivery of services so that a more commercial/private sector approach to the business could be provided.

In today's operating environment the quasi-separate entity approach leads to:

- some duplication
- adversarial relationships within Council at times, and consequently some increased costs

the council will therefore discontinue the approach of accumulating all costs in the Castlecorp entity and then creating a series of journals, transfer, or recharges of these costs to other activities. Instead the cost will be directly on-charged.

## Capital expenditure

	\$ in thousands	
Castlecorp – furniture and fittings and office equipment	Renewal	17
Fleet – new purchases	Renewal	1,150
<b>Total</b>		<b>1,167</b>

# FINANCIAL STATEMENTS

- 64 Purpose of financial statements
- 65 Financials in summary
- 66 Whole of council activity summary
- 68 Prospective statement of comprehensive income
- 68 Prospective statement of changes in equity
- 69 Prospective statement of financial position
- 70 Prospective statement of cash flows



# 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 cash flows**

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 cash flows 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.

# Understanding council's financial position

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Legislation states that councils are required to operate a 'balanced budget' e.g. income must equal or exceed expenditure (operating expenditure must include non-cash items such as depreciation).

However, if a council determines that it is prudent to not have a 'balanced budget' (i.e. that an operating surplus is not required), it must make a formal decision to that effect. The decision must be a prudent one and have included considerations of levels of service and the useful life span of assets.

There are strong grounds for not having a surplus every year to avoid building up unnecessary cash reserves. Council's asset management plans ensure that depreciation necessary to fund periodic renewals (maintaining the key assets we have) is adequate. On this basis, Council is not operating a balanced budget for the 2013/14 financial year.

The impact of the Council's decision to not operate a balanced budget for 2013/14 can be seen in the Statement of Comprehensive Income (page 68), which shows Council depreciation at \$26.30 million. This contributes to a total operating expenditure of \$118.24 million and a deficit of \$4.63 million.

However, in line with council's asset management plans, council is funding \$16.50 million (see page 67) for capital renewals in 2013/14.

## Rates income

Council's rates income is shown as \$73.52 million for 2013/14. This figure also includes council rating revenue from water meter charges. This total rates requirement is allocated to individual properties across a range of different rate types. These rates are detailed in the Funding Impact Statement on pages 89 to 94.

## Development contributions income

Development contribution is projected to be lower than forecast in the Council's Long-term Plan 2012-2022. The \$700,000 development contribution revenue is identified with all 'other revenue' in the Prospective Statement of Comprehensive Income on page 68.

## Council debt and borrowing

Council is projecting to borrow \$11.89m for the 2013/14 financial year. This borrowing is used to fund projects that reflect a level of service increase or to fund growth related projects until sufficient development contribution funds are available to retire the growth related debt.

Council's borrowings are expected to increase from \$159.40 million at the end of 2012/13 to \$168.00 million (this reflects \$2 million of debt repayment from property sales) on 1 July 2014.

Council has committed to reducing its final debt position through the sale of some of the Council's property portfolio. This process will identify property that is no longer required for council purposes and can therefore be disposed of. Council has estimated \$2m of property sales in the 2013/14 financial year. The impact of these property sales on council's total borrowings is shown on page 67.

# Whole of council activity summary

Activity	Total revenue	Total operating expenses	Finance costs	Capital renewals	Total expenses	Operating net cost of service	Total capital expenditure	Transfer to / (from) reserves	Loans raised / (repaid)	Rates required AP 2013/14	Borrowing 1 July 2014
<i>\$ in thousands</i>											
<b>Corporate and Customer Services Group</b>											
Community policy and resources	(47)	1,453	-	-	1,740	1,693	-	-	-	1,693	-
District Library	(360)	2,425	124	600	3,748	3,388	-	-	-	3,388	2,256
Emergency management	-	277	-	-	332	332	-	-	(5)	337	0
Rural fire	-	216	1	28	293	293	-	-	(11)	304	0
<b>Governance and strategic direction</b>											
CE group	-	922	-	-	-	-	-	-	-	-	-
Corporate planning and support	(10)	1,495	-	-	10	-	-	-	-	-	-
Corporate property	(939)	1,632	305	195	939	-	-	-	-	-	6,733
Pensioner housing	(760)	406	-	83	586	(174)	-	-	(182)	8	(1,134)
Customer centre	-	1,130	-	-	-	-	-	-	-	-	-
Democracy	(196)	1,405	-	-	196	-	-	-	-	-	-
Financial services	(277)	3,253	-	-	277	-	-	-	-	-	-
Human resources	-	813	-	-	-	-	-	-	-	-	-
Information services	-	2,759	55	1,259	-	-	-	-	-	-	989
Kaupapa Maori	-	262	-	-	-	-	-	-	-	-	-
Land information services	-	511	-	109	-	-	-	-	-	-	-
Procurement and sustainability	-	443	-	-	-	-	-	-	-	-	-
Records	(181)	445	-	-	181	-	-	-	-	-	-
<b>Economic and Regulatory Services Group</b>											
Building services	(1,657)	1,524	-	25	1,855	198	-	-	-	198	-
<b>Economic development</b>											
City services operations	(1,112)	2,722	118	33	3,418	2,306	287	-	287	2,306	2,423
Destination Rotorua Marketing	(665)	3,343	-	-	4,004	3,339	170	-	170	3,339	170
Rotorua Visitor Centre	(1,890)	1,614	26	15	1,978	88	-	-	-	88	474
Economic projects/ ICE	-	2,570	-	-	3,078	3,078	3,094	-	3,094	3,078	3,094
<b>Events and Venues</b>											
Energy Events Centre	(1,583)	1,153	285	391	2,865	1,282	-	-	-	1,282	5,161
Convention Centre	(617)	913	87	200	1,707	1,090	-	-	-	1,090	1,573
International Stadium	(140)	333	149	59	673	533	-	-	-	533	2,697
Venues other	(71)	50	48	-	141	70	-	-	-	70	874
Events and venues administration	(3)	927	-	-	3	-	-	-	-	-	-
Events and community programmes	(12)	640	-	2	769	757	-	-	(4)	761	0
Planning services	(258)	2,325	-	-	2,785	2,527	-	-	-	2,527	-
<b>Regulatory services</b>											
Animal control	(671)	738	1	-	885	214	-	-	(16)	230	(0)
Inspection	(372)	847	0	-	1,015	643	-	-	(4)	647	0
Parking enforcement	(1,962)	743	1	36	934	(1,028)	-	-	(22)	(1,006)	0
Rotorua Museum	(2,433)	3,266	169	276	4,411	1,978	-	-	(99)	2,077	2,963



# Prospective statement of comprehensive income

<i>\$ in thousands</i>	Annual Plan 2013/14	Long-term Plan 2013/14	Long-term Plan 2012/13
<b>Income</b>			
Rates revenue	73,518	69,583	67,006
Finance income	-	-	-
Other revenue	40,092	52,951	58,369
	<b>113,610</b>	<b>122,534</b>	<b>125,375</b>
<b>Expenditure</b>			
Personnel costs	34,532	34,898	33,881
Depreciation and amortisation	26,298	25,492	24,391
Finance costs	8,924	9,550	9,119
Other expenses	48,486	40,835	41,287
	<b>118,240</b>	<b>110,775</b>	<b>108,678</b>
<b>Surplus / (deficit) before taxation</b>	<b>(4,630)</b>	<b>11,759</b>	<b>16,697</b>
Income tax expense	-	-	-
<b>Surplus / (deficit) after taxation</b>	<b>(4,630)</b>	<b>11,759</b>	<b>16,697</b>
<b>Other comprehensive income</b>			
Gains on revaluation of property, plant and equipment	-	4,128	6,754
	<b>-</b>	<b>4,128</b>	<b>6,754</b>
<b>Total comprehensive income</b>	<b>(4,630)</b>	<b>15,887</b>	<b>23,451</b>

# Prospective statement of changes in equity

<i>\$ in thousands</i>	Annual Plan 2013/14	Long-term Plan 2013/14	Long-term Plan 2012/13
<b>Balance at 1 July</b>	<b>928,419</b>	<b>928,419</b>	<b>904,968</b>
Total comprehensive income	(4,630)	15,887	23,451
<b>Balance at 30 June</b>	<b>923,789</b>	<b>944,306</b>	<b>928,419</b>

# Prospective statement of financial position

<i>\$ in thousands</i>	Annual Plan 2013/14	Long-term Plan 2013/14	Long-term Plan 2012/13
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5,901	1,842	1,841
Debtors and other receivables	18,500	18,297	18,837
Inventories	1,279	1,561	1,509
	<b>25,680</b>	<b>21,700</b>	<b>22,187</b>
<b>Non-current assets</b>			
Property, plant and equipment	1,033,954	1,128,918	1,100,037
Intangible assets	2,804	4,029	4,029
Forestry assets	1,230	316	316
Other financial assets	2,147	2,092	2,092
	<b>1,040,135</b>	<b>1,135,355</b>	<b>1,106,474</b>
<b>Total assets</b>	<b>1,065,815</b>	<b>1,157,055</b>	<b>1,128,661</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Creditors and other payables	22,500	31,153	33,407
Borrowings	46,000	46,600	25,790
Provisions	604	604	604
Employee entitlements	5,339	5,339	5,160
	<b>74,443</b>	<b>83,696</b>	<b>64,961</b>
<b>Non-current liabilities</b>			
Borrowings	124,001	126,181	132,505
Provisions	2,000	2,130	2,059
Employee entitlements	469	742	717
	<b>126,470</b>	<b>129,053</b>	<b>135,281</b>
<b>Total liabilities</b>	<b>200,913</b>	<b>212,749</b>	<b>200,242</b>
<b>Net assets</b>	<b>864,902</b>	<b>944,306</b>	<b>928,419</b>
<b>Equity</b>	<b>864,902</b>	<b>944,306</b>	<b>928,419</b>

# Prospective statement of cash flows

<i>\$ in thousands</i>	<b>Annual Plan 2013/14</b>	<b>Long-term Plan 2013/14</b>	<b>Long-term Plan 2012/13</b>
<b>Cash flows from operating activities</b>			
Receipts from rates revenue	73,518	69,584	67,006
Interest received	-	36	36
Receipts from other revenue	40,092	51,007	56,490
Payments to suppliers and employees	(83,019)	(75,659)	(75,110)
Interest paid	(8,924)	(9,625)	(9,178)
	<b>21,668</b>	<b>35,343</b>	<b>39,244</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	2,000	324	500
Purchase of property, plant and equipment	(31,496)	(50,570)	(48,582)
	<b>(29,496)</b>	<b>(50,246)</b>	<b>(48,082)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	26,887	29,901	26,839
Repayment of borrowings	(15,000)	(15,000)	(18,000)
	<b>11,887</b>	<b>14,901</b>	<b>8,839</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>4,059</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year	1,842	1,842	1,841
<b>Cash and cash equivalents at the end of the year</b>	<b>5,901</b>	<b>1,842</b>	<b>1,841</b>



# FUNDING AND POLICIES

- 72 Statement of accounting policies
- 82 Rating policy
- 89 Funding impact statement



# Statement of accounting policies

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## Reporting entity

Rotorua District Council is a local authority domiciled in New Zealand.

The council is a public benefit entity as defined under New Zealand International Financial Reporting Standards (NZ IFRS). The council's primary objective is to provide services and facilities for the community as a social benefit rather than to make a financial return.

## Basis of preparation

### Statement of compliance

The financial statements have been prepared in accordance with the requirements of section 111 of the Local Government Act 2002. This includes the requirement to comply with Financial Reporting Standard 42 (prospective financial statements) and NZ Generally Accepted Accounting Practice as it relates to prospective financial statements.

### Measurement base

The financial statements are prepared on an historical cost basis modified by the revaluation of the following:

- land and buildings
- certain infrastructural assets
- collections of art and history
- biological assets
- certain financial instruments

The methods used to measure fair value are discussed in the specific accounting policies.

### Currency

The financial statements are presented in New Zealand dollars (\$). The council's functional currency is rounded to the nearest thousand dollars (\$000) unless otherwise stated.

### Changes in accounting policies

There have been no changes in accounting policies.

### Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant assumptions are listed later in this section.

### Cost allocation

Cost of service statements for each significant activity is determined by directly charging specifically attributable costs and apportioning indirect costs using appropriate cost drivers such as usage, staff numbers and floor area.

## Specific accounting policies

### Investments

#### Subsidiaries

Subsidiaries are those entities in which the council has control over. The financial statements show investments in subsidiaries at cost.

#### Associates and joint ventures

Associates are entities in which the council has significant influence, but not control over, operating and financial policies. A joint venture is a contractual arrangement where two or more parties undertake an activity that is subject to joint control. The financial statements show investments in associates and joint ventures at cost.

#### Goods and services tax (GST)

Items in the financial statements are exclusive of GST, with the exception of receivables and payables. The net amount of GST receivable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the Statement of financial position. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

#### Property, plant and equipment

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

**Restricted assets** – parks and reserves owned by the council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** – the fixed utility systems owned by 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.

# Statement of accounting policies cont.

## Revaluation of assets

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

Values calculated at depreciated replacement cost are not market related. This applies to certain specialist assets, such as infrastructure assets and specialised buildings, which do not trade readily in the market.

Land and buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued annually where there are significant movements in values. Each year the council considers the adequacy of the valuation of its assets to ensure their carrying value reflects fair value. All other assets are carried at depreciated historical cost.

Increases in asset carrying amounts, due to revaluation, increase revaluation reserves in equity. Decreases in asset carrying amounts decrease revaluation reserves in equity only to the extent that the class of assets has sufficient revaluation reserves to absorb the reduction. All other decreases are charged to the Statement of comprehensive income.

If a revaluation increase reverses a decrease previously recognised in the Statement of comprehensive income, the increase is recognised first in the Statement of comprehensive income to reverse previous decreases. Any remaining increase is applied to revaluation reserves in equity.

## Subsequent costs

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, when it is likely that future economic benefits associated with the item will flow to the council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of comprehensive income for the financial period they relate to.

## Additions

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 at the date acquisition.

## Sale or disposal of assets

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of comprehensive income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

## Depreciation

Depreciation is provided on all items of property, plant and equipment with certain exceptions:

- Land is not depreciated
- The Transport, Wastewater, Stormwater and land drainage, and Water supply systems are depreciated as noted below. A number of the components of the Transport 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 collections of art and history and the library reference collection are considered to be infinite and they are not depreciated.

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.

Motor 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

Museum building	40 years
Buildings (other)	50 years
Plant and equipment	3 to 15 years
Library books	2 to 15 years
Landfill improvements	3 to 100 years
Fencing and related structures	15 years
Playgrounds	25 years
Jetties and related structures	20 years

### Transport network

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
Bridges	70 to 100 years

### Wastewater network

Man holes	110 years
Treatment plant	10 to 100 years
Pump stations	10 to 75 years
Pipes	100 years

### Water supply system

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

# Statement of accounting policies cont.

Stormwater system	
Pipes	70 to 100 years
Manholes / cesspits	70 to 100 years
Service connections and outlets	70 to 100 years

Airport infrastructure	
Runway 150mm AC surface	10 to 15 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each end of each financial year.

## 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 are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

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

### 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.

No impairment losses have been recognised for easements, as the carrying amount of the assets has been assessed as less than their replacement costs.

### 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 the 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

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 asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its 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 debit 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 the 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.

### Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated point of sale costs for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silviculture costs and takes into consideration environmental, operational, and market restrictions.

# Statement of accounting policies cont.

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 surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

## **Investment property**

Properties leased to a third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measure initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

## **Derivative financial instruments and hedge accounting**

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, council does not hold or issue derivative financial instruments for trading purposes.

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.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

The 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)

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. 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 cash flows 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.

The full value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date: otherwise, foreign exchange derivatives are classified as non current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non current.

## **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 other comprehensive income. Fair value hedge accounting is only applied for hedging fixed interest borrowings.

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 surplus or deficit 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 other comprehensive income through the statement of other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit 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 other comprehensive income will be reclassified into the surplus deficit in the same period or periods during which the asset acquired or liability assumed affects surplus or deficit. However, if it is expected that all or a portion of a loss recognised directly in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus deficit.

# Statement of accounting policies cont.

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 other comprehensive income will be included in the initial cost or carrying amount of the asset or liability.

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 other comprehensive income from the period when the hedge was effective will remain separately recognised in other comprehensive income 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 other comprehensive income from the period when the hedge was effective is reclassified from other comprehensive income to the surplus or deficit.

## **Other financial assets**

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus deficit, in which case the transaction costs are recognised in the surplus deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the 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 the Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into four categories:

- financial assets at fair value through surplus or deficit
- loans and receivables
- held to maturity investments
- fair value through other comprehensive income

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 surplus or deficit**

Financial assets at fair value through surplus or deficit 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 or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term profit taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or it is part of a portfolio classified as held for trading are classified as current assets. The current/non current classification of derivatives is explained in the derivatives accounting policy as above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

## **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.

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 surplus deficit.

Loans to community organisations made 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 surplus deficit 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.

# Statement of accounting policies cont.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Currently council does not hold any financial assets in this category.

Financial assets at fair value through equity are those that are designated as fair value through other comprehensive income 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. The Council includes in this category: *Financial assets at fair value through other comprehensive income*

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

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.

These investments are measured at their fair value, with gains and losses recognised directly in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On de recognition the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

## **Impairment of financial assets**

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

## **Loans and other receivables, and held to maturity investments**

Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor 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 cash flows, 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 surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is not past due). Impairment in term deposits, local authority stock, government stock and community loans, are recognised directly against the instruments carrying amount.

## **Financial assets at fair value through other comprehensive income**

For financial assets at fair value through other comprehensive income, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt instruments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive income, 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 surplus or deficit) recognised in other comprehensive income is reclassified from equity to surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

## **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.

## **Inventories**

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

# Statement of accounting policies cont.

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 from cost to net realisable value is recognised in the surplus or deficit in the period of the write down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of transfer is its deemed cost.

Cost directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

## **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 Statement of financial position.

## **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 surplus or deficit.

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.

## **Equity**

Equity is the community's interest in 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
- Special reserves
- Restricted reserves
- Fair value through equity reserves

- Cash flow hedge reserves
- Asset revaluation reserves
- Electricity reserve

## **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 Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by 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.

## **Asset revaluation reserves**

This reserve relates to the revaluation of property, plant and equipment to fair value.

## **Fair value through other comprehensive income reserves**

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive income instruments.

## **Cash flow hedge reserves**

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

## **Electricity reserve**

This reserve comprises of the difference generated as a result of council buying electricity on the spot rate and oncharging cost centres a fixed rate.

## **Borrowings**

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

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

# Statement of accounting policies cont.

## **Provisions**

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 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 and is included in Finance costs.

## **Environmental**

The council has a responsibility to provide ongoing maintenance and monitoring of the Rotorua Landfill. A provision has been estimated taking into account existing technology and using a discount rate of 7%.

## **Financial guarantee contracts**

A financial guarantee contract is a contract that requires 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, even if a payment under the guarantee is not considered probable. 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.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if council assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

## **Income tax**

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year,

plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

## **Trade and other payables**

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## **Employee entitlements**

### **Short-term employee entitlements**

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



# Statement of accounting policies cont.

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, after the employee renders the related service, such as long service leave and retirement gratuities, 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.

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

## **Presentation of employee entitlements**

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

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 it will be used by staff to cover those future absences.

## **Superannuation schemes**

### **Defined contribution schemes**

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit 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.

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.

## **Revenue**

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

### **Rates revenue**

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

Rates collected on behalf of Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as Council is acting as an agent for BOPRC.

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.

### **Government grants**

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

### **Provision of services**

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

### **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 Council are recognised as revenue when control over the asset is obtained.

### **Sale of goods**

Sales of goods are recognised when a product is sold to the customer.

### **Traffic and parking infringements**

Revenue from traffic and parking infringements are recognised when payment of the ticket is received.

# Statement of accounting policies cont.

## **Agents**

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

## **Interest and dividends**

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established.

## **Development contributions**

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time the Council provides, or is able to provide, the service.

## **Construction contracts**

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to the balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profit less losses, the net amounts are presented under other liabilities.

## **Leases**

### **Finance leases**

A finance lease is a lease that transfers 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, the council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit 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 the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **Operating leases**

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.

### **Borrowing costs**

The Council has elected to defer the adoption of NZ IAS 23 *Borrowing Costs* (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

### **Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

### **Foreign currency transactions**

Foreign currency transactions 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.

# Rating policy

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## Introduction

The 2013/14 year is the second year of Council's new rating framework. In 2012/13 Council changed the way the general rate was allocated from land value to capital value. Also impacting on the rates for individual property owners in 2012/13 were the 2011 revaluations, used for the first time. Decreases in values had a pronounced impact on the rates of farming properties.

## Changes for 2013/14

Council is making the following changes:

- A \$4 (excluding GST) increase in the cost of refuse collection.
- A \$1 (excluding GST) increase in the Lakes Community Board targeted rate.
- Small decreases in the targeted rates for capital contributions on the various sewerage schemes in the district. These recalculations reflect Council's longer term interest costs on debt.
- Council has considered whether there should be any shift in the business differential in the coming year and has decided to reduce this to 2.1.
- Clarification that refuse availability charges do not apply to vacant sections.
- Clarification on rating policy exception applying to Kaingaroa Village.
- Reprojection of three planned sewerage schemes to be established.

Additional detail has also been included in the Rating Policy detailing the composition and breakdown of the business and economic development targeted rate.

## Changes indicated for the future

- As signalled in the Long-term Plan 2012-2022, council will continue to look at a fixed charge for holiday homes and other home businesses as a contribution to the Business and Economic Development Targeted Rate.
- Council is committed to moving all differentials to 1.0 over time through the annual plan process.
- Council is committed to implementing additional targeted rates to reflect private benefits received over time through the annual plan process.

## Policy Statement

This policy is based on the existing rating policy and making some minor changes to it.

## Purpose

The purpose is:

- To establish the basis for funding part of the revenue forecast as being required to perform the duties of Council; and
- To meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses.

## Definitions

The term:

**"Business purpose"** means any purpose of commerce, trade, or industry; but does not include any farming purpose.

**"Farming purpose"** means used for agricultural, horticultural or pastoral or forestry purposes or the keeping of bees or poultry or other livestock.

**"Property"** means, either the part or the whole of any rating unit (as the case may be) used for a particular purpose. (Explanatory note: The intention is that where different parts of a property that constitute a rating unit are being used for different purposes, they may be rated differently).

**"Residential purposes"** means occupied or intended to be occupied for the residence of any household being a residential unit including holiday homes that may be let for short-term periods not exceeding 100 days per annum. Kaingaroa Village on rating unit 07010 514 01A will be treated as entirely "residential" for all rates within this policy even though it comprises elements of other categories.

**"Residential unit"** means a self-contained home or residence of a single household unit which contains a single kitchen facility.

**"Retirement village"** being as defined within the Retirement Villages Act 2003.

**"Rural Sector"** means the part of the Rotorua District which is not the Urban Sector.

**"Separately used or inhabited part"** being 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.

# Rating policy cont.

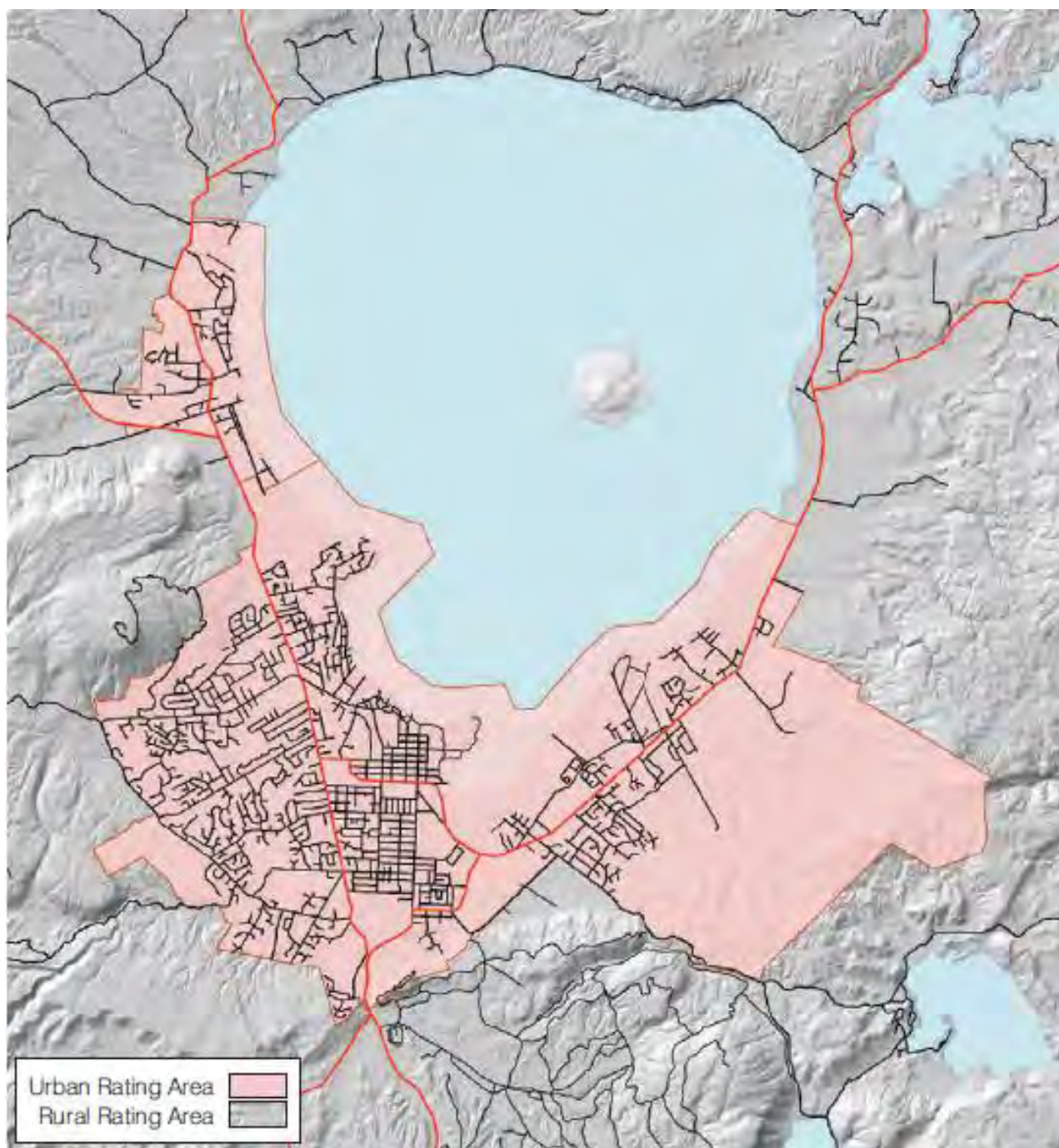
**“Urban Sector”** means the area as shown on the map overleaf (a larger copy is available at the Council Civic Centre). The boundary has been set to recognise the urban growth trends and where properties have similar access to services (but not necessarily the same). This boundary will be reviewed from time to time as necessary to accommodate changes to the above and follows rating unit boundaries rather than dissecting properties.

**“Utilities”** being all rating units situated within the Rotorua District that have been identified by the Valuer General as infrastructure utility networks.

**“Vacant Land”** means land which is in an undeveloped state and is not being used or occupied for any purpose.

**“Zoned”** means zoned in accordance with the operative Rotorua District Plan.

## Rotorua Urban Rating Boundary



# Rating policy cont.

## Uniform Annual General Charge

Council sets a uniform annual general charge on every rateable rating unit in the district for the purposes of, but not necessarily limited to, funding the following types of activities:

- Democracy and Kaupapa Maori
- Governance & Strategic Direction
- District Library
- Aquatic Centre
- Rotorua Museum (part)
- Events & Venues (part)
- Community halls
- Cemeteries and crematorium
- Animal Control
- Emergency Management/Rural Fire

The UAGC is set at a level that is determined by Council each year, subject to the maximum allowed under Section 21 of the Local Government (Rating) Act 2002.

## Differential General Rates

Council sets general rates on a differential basis:

- a) Council sets a differential general rate in the dollar on capital value according to two different rating categories to fund that part of general revenues of Council that is not funded by the uniform annual general charge.
- b) The objective of including differentials in the general rate is to achieve a fair distribution of the general rate between categories of rating units having regard to meeting the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses.
- c) The relationship between the general rate differentials applicable for each rating category for 2013/14 is set as follows:

		Relative differentials for the general rate
General rate differential categories		
1	Base Rate	100%
2	Business	210%
3	Residential Rural	85%

## Differential categories

In general a rating unit will fit into one differential category only. However it is recognised that situations occur where a rating unit has multiple uses. In such cases there will usually be a principal or primary use and a secondary use. In these cases where Council considers the secondary use is significant and that secondary use would incur additional rates then that part of the rating unit may be rated according to the secondary use differential category.

The differential categories are as follows:

### Base Rate

Every property not otherwise categorised.

### Residential - General Rural

Every property in the rural sector which is not more than five hectares in area and used for residential purposes.

### Business

Every property which is:

- a) used for any business or industrial purpose.
- b) vacant land which is not zoned residential or rural.

This category includes utilities but does not include residential investment properties, regardless of the number of units, provided they are let for long term tenancies.

### Targeted Rate for Lakes Enhancement

Council sets a targeted rate of a fixed amount on every rating unit in the district that pays a UAGC, excluding those that are within the Waikato Regional Council area, to contribute towards lakes enhancement by way of improving lake water quality.

### Targeted Rates for Water Supply

Council sets differentiated targeted rates for all:

- a) separately used or inhabited parts of a rating unit, to which water is provided by unmetered supply, subject to any rating unit used primarily as a residence of one household being deemed to have a single water connection, or
- b) rating units, to which water is provided by metered supply, or
- c) rating units which are serviceable.

# Rating policy cont.

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 provided, but the whole, or some part of the rating unit is within 100 metres of a council water supply service and is within a water supply area and could be effectively connected to that water supply service.

## Unmetered water supply

A targeted rate:

- A fixed amount per connection on each separately used or inhabited part of a rating unit connected.

## Metered water supply (except Kaharoa and Reporoa)

- A targeted rate of a fixed amount per connection on each rating unit connected.
- A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied in excess of 'x' cubic metres per quarter, where 'x' is the amount specified for this targeted rate in the Funding Impact Statement of the Annual Plan.

Note: Targeted rates for metered supply are invoiced quarterly by separate invoice.

Serviceable rating units:

- A targeted rate of a fixed amount (being 50% of the unmetered connected targeted rate above) on each serviceable rating unit.

Details of council's water supply areas are available from the water section of Infrastructural Group.

## Kaharoa water supply

These rates are set on rating units identified on Plan Number 11015 Sheet 7. Refer to water section of Infrastructural Group.

A targeted rate of a fixed amount per connection on each rating unit connected.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

Note: Targeted rates for metered supply are invoiced quarterly by separate invoice.

## Reporoa water supply

These rates are set on rating units identified on Plan Number 11015 Sheet 8. Refer to Water section of Infrastructural Group.

For these purposes:

**"Domestic/Non-Farming"** rating unit means a rating unit where the water supply is not subject to water allocation and a corresponding restriction on a flow or time basis. This applies to rating units primarily for domestic, commercial or industrial use excluding the Reporoa Dairy Factory.

**"Farming/Dairy Factory"** rating unit means a rating unit primarily for farming of livestock and also includes the Reporoa Dairy Factory. Such rating units are subject to a daily water allocation restricted on a flow or time basis.

A differential targeted rate:

- A fixed amount per connection on each Domestic/Non-Farming rating unit connected.
- A fixed amount per connection on each Farming/Dairy Factory rating unit connected.

A differential targeted rate:

- A fixed amount on each Domestic/Non-Farming rating unit connected per cubic metre supplied in excess of 'x' cubic metres per quarter, where 'x' is the amount specified for this targeted rate in the Funding Impact Statement of the Annual Plan.
- A fixed amount on each Farming/Dairy Factory rating unit connected per cubic metre supplied in excess of 'x' cubic metres per quarter, where 'x' is the amount specified for this targeted rate in the Funding Impact Statement of the Annual Plan.

Note: Targeted rates for metered supply are invoiced quarterly by separate invoice.

## Leakage

In respect of all metered water supply, where leakage is detected, the amount of water supplied will be determined in accordance with Council's procedure relating to account reassessments.

## Targeted Rates for Sewage Disposal

Council sets targeted rates on a differential basis for all rating units from which sewage is collected, or which are serviceable rating units.

For these purposes:

- The **"uniform sum"** means the amount payable when a rating unit has or is deemed, by Schedule 3 Note 4 of the Local Government (Rating) Act 2002, to have a single water closet or urinal. (Schedule 3 Note 4 relates to rating units used primarily as a residence for 1 household).
- **"connected"** means a rating unit from which sewage is collected, either directly or by a private drain to a public sewerage system.

# Rating policy cont.

- A **"serviceable rating unit"** is one from which sewage is not collected, either directly or by a private drain to a public sewerage system, but the whole, or some part, of which is within 30 metres of Council's sewerage system and could be effectively connected to the sewerage system.
- **"Toilet"** means: a) a water closet; or b) each 1.5 metres or part thereof of urinal; or c) from 1 to 4 wall mounted urinettes.
- **"Category 1"** means the rating units with 1 to 4 toilets.
- **"Category 2"** means the rating units with 5 to 10 toilets.
- **"Category 3"** means the rating units with 11 or more toilets.
- **"Availability"** means those properties which are serviceable rating units.

Council sets the following targeted rates:

## Urban, Eastern and Rural Sewage Disposal

This rate is set on rating units identified on Plan Number 11163 Sheets 2, 4, 5 and 14. Refer to Wastewater section of Infrastructural Group.

A differential targeted rate calculated as a fixed amount per toilet connected to the sewerage system on each rating unit as follows:

- Category 1 100% of the uniform sum
- Category 2 85% of the uniform sum
- Category 3 80% of the uniform sum
- Availability 50% of the uniform sum [per rating unit]

## Targeted Rate for Urban Sewerage Development

Council sets an urban sewerage development rate to fund the cost of sewerage capital work in the Ngongotaha, Fairy Springs and Hinemoa Point areas by way of a uniform targeted rate on each rating unit in the "Urban Sector" that pays a UAGC.

## Targeted Rates for Capital Cost of Sewerage Schemes

The purpose of these rates is to recover the capital cost of establishing the schemes over 25 years.

These rates are set to recover from existing ratepayers their share of the capital cost of their respective sewerage scheme. Future developments will be required to pay a share of the capital contribution towards the capital cost of the scheme (including associated interest), as per the Development Contributions Policy proposed elsewhere in this plan.

The targeted rates for the sewerage schemes are set on the remaining capital contribution after allowing for a general rate subsidy of \$1,500 per household unit equivalent and taking into account the relevant central and regional government subsidies.

The targeted rates for the respective sewerage schemes are applied only to those properties that have not taken the opportunity to pay their contribution towards the capital costs as a single lump sum option. Those ratepayers who have made or make a single lump sum capital contribution will not be liable for the sewerage scheme targeted rate. Single lump sum capital contributions must be received by 15 June in the first financial year that Council charges a targeted rate for capital costs for the respective sewerage scheme.

Separate targeted rates have been applied to the following sewerage scheme areas as detailed in the following policy statement.

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

- Okawa Bay
- Mourea
- Marama Point
- Amora Lake Resort
- Hinemoa Point
- Brunswick
- Brunswick stages 4 and 6
- Rotokawa
- Lake Okareka
- Okere/Otaramarae/Whangamarino
- Paradise Valley
- Hamurana/Awahou

Council is also planning to set targeted rates on a differential basis for the capital cost of establishing the following sewerage schemes subject to consultation:

- Rotoiti
- Rotoma
- Mamaku

For these purposes:

- **"nominated rating units"** means properties which existed as rating units at the date of commissioning each scheme.
- **"household unit equivalent"** (HUE) means a household equivalent to enable industrial, commercial and multiple dwelling developments to be included in the calculations. It is used to convert industrial, commercial and multiple dwelling developments to a household equivalent equating to a single dwelling.





# Rating policy cont.

The relationship between the three categories for the purposes of setting these targeted rates in terms of the total revenue to be gathered has been set as follows:

	Revenue gathering split for the Business and Economic Development targeted rates
1. Business	80%
2. Industrial	10%
3. Farming	10%
Total revenue to be generated	100%

- The differentiated fixed targeted rate will be set on every rating unit where the use of that rating unit or any part of the rating unit falls into one of the three categories described below.
- Where such a part is secondary to the principal use and is for the business of providing short-term accommodation the rate will be charged on the basis of 100% of the targeted rate where 1 to 2 bedrooms are used for providing short-term accommodation with an additional 50% of the targeted rate for each additional bedroom provided thereafter.

The relationship between the three categories for the purposes of setting the differentiated fixed targeted rate has been set as follows:

	Relative differentials for the Business and Economic Development targeted rates
1. Business	100%
2. Industrial	100%
3. Farming	25%

- The differentiated targeted rate in the dollar on capital value will be set on every rating unit where either:
  - the principal use of that rating unit falls into one of the three categories described below, or
  - part of the rating unit has a significant secondary use that falls into one of the categories described except where that use is the business of providing short-term accommodation.

This rate will apply only to the part of the rating unit allocated to the appropriate category.

## Differential Categories for the Business and Economic Development Targeted Rates:

The differential categories are as follows:

### Business

Every property in the urban or rural sector and is used for any business purpose except industrial. This category includes utilities and their networks.

### Industrial

Every property that has been categorised in the District Valuation Roll as being used for industrial purposes in accordance with the Rating Valuation Rules 2008.

### Farming

Every property which is used for farming purposes

Notes:

1. "providing short-term accommodation" for the purposes of this rate includes the provision of accommodation such as a B&B, lodge, retreat, farmstay or homestay or the provision of other similar short-term accommodation.
2. Where land is vacant these rates will apply if the underlying district plan zoning or district valuation roll category for the land indicates any of the three categories described above should apply.
3. Kaingaroa Village rating unit 07010 514 01A is exempt from these rates.

# Funding impact statement

## Rates for 2013/14

Council has proposed a small overall increase in rates of 0.99% for 2013/14. This includes a \$4 (excluding GST) increase in the cost of refuse collection for rural and urban areas. In addition, there is a \$1 (excluding GST) increase in the targeted rate to fund the Lakes Community Board.

Council committed to looking at the level of the business differential during each Annual Plan process. In this Annual Plan the rural residential differential remains unchanged and the differential for business properties has been reduced to 2.1.

### Proportion of total rates paid by each sector

	Land Value 2012	Capital Value 2012	Rates Take 2011/12	Rates Take 2012/13	Total Rates Take 2013/14	General Rates Take 2013/14 (incl UAGC)
Farming	33%	23%	14%	11%	11%	15%
Business	12%	18%	22%	28%	27%	24%
Residential	55%	59%	64%	61%	62%	61%

## 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 \$14,821,525.

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

2013/14	\$525.00
2012/13	\$525.00

## 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 \$439,774.

The lakes enhancement rate is set at:

2013/14	\$16.50
2012/13	\$16.50

## General Rates

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

The amount to be collected is \$32,646,691.

The general rate will be collected from three differential rating groups.

	Relative differentials %	Rate per \$ of land value	
		2012/13	2013/14
1 General Rate – Base	100	0.002281	0.002314
2 General Rate – Rural Residential	85	0.001939	0.001967
3 General Rate – Business	210	0.005018	0.004860

## Targeted Rates for Business and Economic Development

(plus GST at the prevailing rate)	(per rating unit)	
	2012/13	2013/14
Business Urban and Rural	\$177.78	\$177.78
Industrial	\$177.78	\$177.78
Farming	\$44.44	\$44.44

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

(plus GST at the prevailing rate)	(rate in \$ on CV)	
	2012/13	2013/14
Business Urban and Rural	0.002341	0.002460
Industrial	0.000750	0.000802
Farming	0.000150	0.000160
The total amount to be collected is \$5,091,915.		

# 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):

	Charging unit	2012/13	2013/14
<b>Urban</b> (Plan number 11015 Sheet 1) plus Mamaku (Plan number 11015 Sheet 4); Rotoiti (Plan number 11015 Sheet 5); Rotoma (Plan number Sheet 6); Hamurana (Plan number 11015 Sheet 9); and Okareka (Plan number 11015 Sheet 10)			
The amount to be collected is \$6,612,354 (plus GST at prevailing rate) (Metered water \$2,956,883; General water rate \$3,655,471)			
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	\$186.00	\$186.00
<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	\$93.00	\$93.00
<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	\$186.00	\$186.00
A targeted rate on each metered separately used or inhabited part of a rating unit of a fixed amount per cubic metre supplied in excess of 56 cubic metres per quarter.	Per cubic metre	\$0.83	\$0.83
<b>Kaharoa</b> (Plan number 11015 Sheet 7)			
The amount to be collected is \$204,854 (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	\$226.00	\$226.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.	Per cubic metre	\$0.29	\$0.29
<b>Reporoa</b> (Plan number 11015 Sheet 8)			
The amount to be collected is \$493,734 (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	\$132.00	\$132.00
<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	\$207.00	\$207.00
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	\$0.40	\$0.40
<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 207 cubic metres per quarter.</li> </ul>	Per cubic metre	\$0.25	\$0.25

# Funding impact statement cont.

## Targeted Rates for Sewage Disposal

Council sets the following targeted rates on a differential basis for all rating units from which sewage is collected or which 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>2012/13</b>	<b>2013/14</b>
The amount to be collected is \$10,776,003 (plus GST at the prevailing rate)			
<b>1. Rating unit connected:</b>			
Category 1 - means the rating units with 1 to 4 toilets (water closets or urinals)	Uniform charge for each toilet	\$328.00	\$328.00
Category 2 - means the rating units with 5 to 10 toilets (water closets or urinals)	Uniform charge for each toilet	\$278.80	\$278.80
Category 3 - means the rating units with 11 or more toilets (water closets or urinals)	Uniform charge for each toilet	\$262.40	\$262.40
<b>2. Availability</b>			
- means the rating units which are serviceable rating units.	Annual for rating units capable of connection	\$164.00	\$164.00

## 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 \$59,871

The urban sewerage development rate is set at:	2013/14	\$2.70
	2012/13	\$2.70

## 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>2012/13</b>	<b>2013/14</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	\$228.31
<b>Hinemoa Point</b> (Plan number 11608, Sheet 8)			
The amount to be collected is \$4,206 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$137.49	\$137.49

# Funding impact statement cont.

## 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).

	Charging Unit	2012/13	2013/14
<b>Amora Lake Resort</b> (Plan number 11163, Sheet 5) The amount to be collected is \$12,250 (plus GST at the prevailing rate) A fixed amount	Annually	\$12,535.24	\$12,250.34
<b>Brunswick Stages 4 and 6</b> (Plan Number 11608, Sheet 11) The amount to be collected is \$9,659 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$313.24	\$292.74
<b>Brunswick</b> (Plan Number 11608, Sheet 10) The amount to be collected is \$54,853 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$652.18	\$609.49
<b>Hamurana/Awahou</b> (Plan Number 13222, Sheet 6) The amount to be collected is \$190,000 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$805.53	\$426.08
<b>Hinemoa Point</b> (Plan Number 11608, Sheet 8) The amount to be collected is \$31,640 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$529.96	\$495.25
<b>Lake Okareka/Blue Lake</b> (Plan Number 11608, Sheet 3) The amount to be collected is \$166,857 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$870.83	\$897.09
<b>Marama Point</b> (Plan Number 11163, Sheet 14) The amount to be collected is \$14,691 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$238.61	\$233.20
<b>Mourea</b> (Plan number 11163, Sheet 4) The amount to be collected is \$27,562 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$298.48	\$291.67
<b>Okawa Bay</b> (Plan number 11163, Sheet 5) The amount to be collected is \$8,634 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$462.06	\$454.46
<b>Okere Falls / Otaramarae / Whangamarino</b> (Plan Number 13222, Sheet 1) The amount to be collected is \$137,520 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$423.37	\$404.47
<b>Paradise Valley</b> The amount to be collected is \$7,141 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$379.64	\$375.85
<b>Rotokawa</b> (Plan Number 11608, Sheet 2) The amount to be collected is \$41,145 (plus GST at the prevailing rate) A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$201.11	\$187.96

# Funding impact statement cont.

## Voluntary Lump Sum Capital Contributions

Council had set amounts for ratepayers who elected to pay one-off voluntary lump sum capital contributions for the capital cost of sewerage schemes.

Lump sum options for all current schemes have expired, however ratepayers may still choose to settle their outstanding contribution at any time. Council offers a specific remission policy for this purpose.

## 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 \$51,104 (plus GST at the prevailing rate).

The lakes community board rate is set at:

2013/14	\$20.50
2012/13	\$19.50

## 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 used 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	2012/13	2013/14
The total amount to be collected is \$2,227,000 (plus GST at the prevailing rate)			
Urban (weekly collection)	Annual	\$73.00	\$77.00
Urban (CBD twice-weekly collection)	Annual	\$146.00	\$154.00
Rural (weekly collection)	Annual	\$75.50	\$79.50
Urban serviceable	Annual	\$36.50	\$38.50
Rural serviceable	Annual	\$37.75	\$39.75

## Rates Postponement

To cover costs, the following fees and charges are set for the 2013/14 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	2012/13	2013/14
Application Fee	One-Off	\$88.89	\$88.89
Contribution to Counselling	One-Off	\$250.00	\$250.00

### 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)	Charging Unit	2012/13	2013/14
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, and the cost will be added to the balance of postponed rates.

# Funding impact statement cont.

## 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	20 August 2013
Instalment Number 2	20 November 2013
Instalment Number 3	20 February 2014
Instalment Number 4	20 May 2014

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 2013/14 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. This penalty will not be applied to rating units approved by the Group Manager – Corporate and Customer Services in cases where:

- applying penalties would serve to be detrimental to the collection of all or part of the balance of the outstanding rates; or
- applying penalties would only add to what is deemed to be an uncollectable debt; or
- there is a Direct Debit authority to pay the full amount of rates owing by regular payments within the current rating year, and any default is promptly rectified.

### 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 2013.
- 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 14 January 2014.
- These penalties will not be applied to rating units approved by the Group Manager – Corporate and Customer Services in cases where:
  - applying penalties would serve to be detrimental to the collection of all or part of the balance of the outstanding rates; or

- applying penalties would only add to what is deemed to be an uncollectable debt; or
- land is designated 'Māori Freehold land title'; and
  - is under multiple ownership; and
  - is unoccupied

### 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.

# FEES AND CHARGES

- 96 Animal control fees and charges
- 98 Building services fees and charges
- 100 Environmental health fees and charges
- 104 Resource Management Act fees and charges



# 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 – 46% of this activity is funded from general rates.
- Dog Registration Fees – Fees set for the various categories of dogs as determined by council.
- Impounding Fees – Fees charged for the impounding and release of dogs and wandering stock.
- Infringement/Prosecution Fees – Fees collected from infringement offence notices issued under the Dog Control Act 1996 and from prosecutions lodged in the District Court for a variety of offences.

## Current Level of Registration

As at 6 January 2013 a total of 10,288 dogs had been registered.

## Proposed New Fee Structure

	2012/13	2013/14
Urban Domiciled Dogs	\$70.00	\$70.00
Rural Domiciled Dogs	\$43.00	\$43.00
Selected Dog Owner Status	\$43.00	\$43.00
Rebate for de-sexed dogs	\$10.00	\$10.00
Rebate for superannuitants	\$10.00	\$10.00
<i>Note – In terms of council policy only one of these rebates is able to be claimed.</i>		
Penalty for Late Payment		
- Urban Dog	\$35.00	\$35.00
- Rural Dog	\$22.00	\$22.00
Dog Impounding Fees:		
- First Impounding	\$50.00	\$50.00
- Second Impounding	\$150.00	\$150.00
- Third and Subsequent Impounding	\$165.00	\$170.00
Sustenance Fee (per day)	\$8.60	\$9.00
Microchip implant	\$20.00	\$20.00
Replacement Tag	\$7.00	\$7.00
Collars:		
- Toy Dog	\$5.70	\$6.00
- Small	\$7.20	\$7.50
- Medium	\$8.50	\$9.00
- Large	\$11.00	\$11.00
- Extra Large	\$13.00	\$13.00

	2012/13	2013/14
Leads:		
- Narrow	\$9.50	\$9.50
- Wide	\$10.00	\$10.00
Kennel Licensing:		
- Initial Licence	\$53.00	\$55.00
- Renewal of Licence	\$19.00	\$20.00

## Re-homing Fees

Re-homing fees were first set in 1997 when council determined 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 be fixed as follows:

	2012/13	2013/14
Female dog	\$141.00	\$145.00
Male dog	\$94.00	\$97.00
Already 'desexed' dog	\$66.00	\$68.00

## Hire of Bark Collar

	2012/13	2013/14
Hire for seven (7) days	\$25.50	\$26.00
Purchase – Ag'tronics	\$186.00	\$192.00

## Stock Impounding Fee

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

- Callout Charges (minimum)

	2012/13 per two hours	2013/14 per two hours
7am to 6pm	\$102.50	\$106.00
6pm to 10pm	\$136.50	\$141.00
10pm to 7am	\$203.50	\$209.00
Weekends and Holidays	\$203.50	\$209.00

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

- Transportation:

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

# Animal Control fees and charges cont.

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## 3. Release Fee:

	2012/13	2013/14
Release Fee	\$31.50	\$32.00

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:

	2012/13 per head per day	2013/14 per head per day
For every horse, donkey, cattle beast or deer	\$17.00	\$18.00
For every sheep, goat or pig	\$12.00	\$13.00

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

(All fees include GST)

# Building Services fees and charges

Building Services has several key components including issuing building consents, inspecting and certifying building work and providing information or assistance to the public.

It is considered 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 10% of staff time is involved in assisting public or the provision of public information. This means it is reasonable to recover 90% of the total costs by way of user charges.

Fees are unchanged this financial year due to internal savings in overhead allocations. Minor consents will be charged on a fixed cost basis where applicable while for more complex projects additional processing and inspection fees will be assessed and calculated at the time of consent processing. The additional costs of gaining and maintaining accreditation will come from building consent and PIM (Property Information Memorandum) / TAR (Territorial Authority Review) fees.

Code	Category	Consent Fee 2012/13	PIM / TAR Fee 2012/13	Consent Fee 2013/14	PIM / TAR Fee 2013/14
<b>FIXED COST BUILDING CONSENTS</b>					
1	Proprietary garages, carports, playgrounds (2 inspections)	\$508.00	\$218.00	\$508.00	\$218.00
2	Proprietary garages with fire wall (3 inspections)	\$588.00	\$218.00	\$588.00	\$218.00
3	Proprietary farm buildings	\$677.00	\$218.00	\$677.00	\$218.00
4	Minor works (single inspection) – sewer connection, garden sheds	\$327.00	\$28.00	\$327.00	\$28.00
4a	Free standing solid fuel heater, gas or solar water heating, spa pool (Add half hour extra charge for in-built solid fuel heaters)	\$333.00	Nil	\$333.00	Nil
5	Minor works (2 inspections) – retaining walls, pergolas, , simple decks, conservatories,	\$508.00	\$218.00	\$508.00	\$218.00
5a	Plumbing and drainage alteration, accessible showers	\$588.00	Nil	\$588.00	Nil
6	Demolition – residential	\$340.00	\$43.00	\$340.00	\$43.00
7	Demolition – commercial	\$425.00	\$218.00	\$425.00	\$218.00
<b>LODGEMENT DEPOSITS FOR BUILDING CONSENTS</b>					
8	Custom designed garages, carports, farm buildings	\$438.00	\$206.00	\$438.00	\$206.00
9	Small projects (less than \$20,000) – shop fit outs, shop fronts, residential alteration altering footprint, complex decks,	\$515.00	\$206.00	\$515.00	\$206.00
9a	Internal residential alteration, alteration to a specified system (does not include change of use)	\$597.00	Nil	\$597.00	Nil
10	Ancillary habitable buildings	\$515.00	\$206.00	\$515.00	\$206.00
11	Additions and alteration to residential buildings (over \$20,000)	\$752.00	\$206.00	\$752.00	\$206.00
12	New dwellings	\$984.00	\$546.00	\$984.00	\$546.00
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)	\$824.00	\$546.00	\$824.00	\$546.00
14	New commercial and industrial buildings (Add additional \$100.00 for each \$100,000 or part thereof in excess of \$300,000)	\$984.00	\$608.00	\$984.00	\$608.00

# Building Services fees and charges cont.

Code	Category	Fees 2012/13	Fees 2013/14
<b>OTHER SUNDRY CHARGES</b>			
A	Certificate of title	\$15.00	\$15.00
B	Compliance schedule OR amendment to compliance schedule	\$117.00	\$117.00
C	Building Warrant of Fitness – annual charge	\$86.00	\$86.00
D	Building Warrant of Fitness – re check	\$85.00	\$85.00
E	Knock down swimming pool inspections per annum	\$71.00	\$71.00
F	Additional / re-inspections – 30 minutes	\$85.00	\$85.00
G	Inspection – 45 minutes	\$127.50	\$127.50
H	Inspection – 1 hour	\$170.00	\$170.00
I	Section 72 or 77 notice	\$117.00	\$117.00
J	Certificate of acceptance – lodgement fee	\$470.00	\$470.00
K	Certificate of acceptance – processing fee per half hour Normal PIM and consent fees apply	\$85.00	\$85.00
L	Notice to fix – issue and inspection	\$127.50	\$127.50
M	Certificate for public use	\$223.00	\$223.00
N	Certificate for public use in conjunction with building consent application	\$85.00	\$85.00
O	Amendment to issued building consent (lodgement only)	\$115.00	\$115.00
P	Re-site report for existing building	\$190.00	\$190.00
Q	Lodgement of independent reports on file/exemption application	\$115.00	\$115.00
R	Building services monthly statistics/yearly (one month) (yearly subscription)	\$24.00 \$256.00	\$24.00 \$256.00
S	Copy of compliance schedule	\$25.00	\$25.00
T	Application for an extension of time to complete consented work	\$85.00	\$85.00

# Environmental Health fees and charges

The following fees are proposed by Council for the 2013/14 financial year.

## Food and Health Premises

Table 1 below sets out the different category of food premises that require registration/inspection, the existing fees, as well as the proposed fees for 2013/14.

Table 2 sets out the fees and charges for food premises falling into the Food Safety Programme category as well as those for Food Control Plans and Food Handler Guidance.

Table 3 sets out the fees and charges for non food health and bylaw licences and miscellaneous activities and duties.

In general, the increase is in the order of 3.0%, a proportion of which is to supplement the cost of purchasing specialist equipment necessary to enable the proper inspection of food premises.

**Table 1**

### Food Premises

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

Category FP1A	2012/13	2013/14
Application Fee	\$421.00	\$434.00
Transfer Notation	\$43.00	\$44.00

- 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	2012/13	2013/14
Application Fee	\$253.00	\$261.00
Transfer Notation	\$43.00	\$44.00

#### 2. Other Food Premises

- i) **Category FP2A.** Premises used by the Crown and state owned enterprise; any partially exempt premises 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	2012/13	2013/14
Application Fee	\$421.00	\$434.00
Transfer Notation	\$43.00	\$44.00

- 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	2012/13	2013/14
Application Fee	\$175.00	\$180.00
Transfer Notation	\$43.00	\$44.00

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

Category FP2C	2012/13	2013/14
Application Fee	\$253.00	\$261.00
Transfer Notation	\$43.00	\$44.00

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

Category FP2D	2012/13	2013/14
Application Fee	\$110.00	\$113.00
Transfer Notation	\$43.00	\$44.00

# Environmental Health fees and charges cont.

- 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	2012/13	2013/14
Application Fee	\$110.00	\$113.00
Transfer Notation	\$43.00	\$44.00

### 3. Miscellaneous fees

	2012/13	2013/14
New premises establishment fee	\$224.00	\$231.00
Inspection/re-inspection, redefinition inspection	\$224.00	\$231.00
Closed premises re-inspection	\$558.00	\$575.00
Transfer Notation (owner transfer) fee	\$43.00	\$44.00
Copy or re-issue of Certificate		
Registration of food vending machine	\$110.00	\$113.00
Keeper of mobile and travelling food shops	A) Fenton Street and Ngongotaha Road sites: i) \$1500 per year <sup>1</sup> ii) \$150 per month, maximum of 3 consecutive months <sup>1</sup> , plus one-tenth food premise registration per month B) Balance of Rotorua District \$202 per year <sup>1</sup>	A) Fenton Street and Ngongotaha Road sites: i) \$1500 per year <sup>1</sup> ii) \$150 per month, maximum of 3 consecutive months <sup>1</sup> , plus one-tenth food premise registration per month B) Balance of Rotorua District \$213 per year <sup>1</sup>
Food stall	As per Registration Risk Category	As per Registration Risk Category
Consultation and miscellaneous duties	Officer charge-out of \$124.00 per hour plus disbursements	Officer charge-out \$164.00 per hour plus disbursements
Late payment fee	\$120.00	\$124.00

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

# Environmental Health fees and charges cont.

**Table 2**

**Food premises falling into the Food Safety Programme Category (e.g. 'off the peg' food control plans, food control plans and food handler guidance)**

	2012/13	2013/14
Verification of Food Control Plan (Food Safety Programme)	Fixed fee of \$110.00 per application plus \$124.00 per hour thereafter	Fixed fee of \$113.00 per application plus \$164.00 per hour thereafter
Audit of Food Control Plan (Food Safety Programme)	Fixed fee of \$110.00 per application plus \$124.00 per hour thereafter	Fixed fee of \$113.00 per application plus \$164.00 per hour thereafter
New premises establishment fee	\$337.00	\$347.00
Inspection/re-inspection, investigation, redefinition inspection	\$224.00	\$231.00
Notation of transfer fee	\$43.00	\$44.00
Notation of minor food premise or activity	\$110.00	\$113.00
Consultation and miscellaneous duties	Officer charge-out \$124.00 per hour plus disbursements	Officer charge-out \$164.00 per hour plus disbursements
Notation of Food Control Plan Registration (handling fee)	\$110.00	\$113.00

**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 health (burial) regulations.

Category	2012/13	2013/14
Application Fee	\$165.00	\$170.00
Transfer Notation	\$43.00	\$44.00

**2. Offensive Trades**

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

Category	2012/13	2013/14
Application Fee	\$252.00	\$261.00
Transfer Notation	\$43.00	\$44.00

**3. Hairdressers**

Premises required to be registered within the terms of health (hairdressers) regulations.

Category	2012/13	2013/14
Application Fee	\$165.00	\$170.00
Transfer Notation	\$43.00	\$44.00

**4. Camping Grounds**

Premises required to be registered within the terms of camping ground regulations.

Category	2012/13	2013/14
Application Fee	\$243.00	\$251.00
Transfer Notation	\$43.00	\$44.00

# Environmental Health fees and charges cont.

## 5. Miscellaneous Fees

	2012/13	2013/14
Keeper of mobile and travelling shops (non food)	A) Fenton Street and Ngongotaha Road sites: i) \$1500 per year ii) \$150 per month, maximum of 3 consecutive months B) Balance of Rotorua District \$207 per year	A) Fenton Street and Ngongotaha Road sites: i) \$1500 per year ii) \$150 per month, maximum of 3 consecutive months B) Balance of Rotorua District \$213 per year
Hawker (non food)	\$43.00	\$44.00
Itinerant trader (non food)	\$43.00	\$44.00
Stall (non food)	\$43.00	\$44.00
Bee keeping	\$43.00	\$44.00
Billiard room	\$110.00	\$113.00
Return of seized equipment	1 <sup>st</sup> \$179.00 2 <sup>nd</sup> \$337.00	\$179.00 \$337.00
New premise establishment fee	\$224.00	\$231.00
Transfer notation (owner transfer) fee	\$43.00	\$44.00
Copy or re-issue of Certificate		
Inspection/re-inspection, redefinition inspection	\$224.00	\$231.00
Consultation and miscellaneous duties	Officer charge-out of \$124.00 per hour plus disbursements	Officer charge-out of \$164.00 per hour plus disbursements
Late payment fee	\$120.00	\$124.00



# Resource Management Act fees and charges

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## Matters relevant to all fees and charges

The following charges shall take effect from 1 July 2013. 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 inclusive.

## 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 \$85.00, 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 methodology and estimate of the additional costs that may 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 \$170.00 per hour for planners and engineers' time, and \$100.00 per hour for administrative time. This charge shall be sourced from the Project Time Recording Sheet maintained 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, subdivision consent, or private plan change.

## Refunds

Where costs are less than the deposit held, a refund will be paid to the applicant.

## 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 \$170.00 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 fees and charges cont.

## Land Use Fees

Classification		2012/13	2013/14
<b>A. Notified land use</b>			
1	Notified land use	*\$2,431.00+M	*\$2,503.50+M
2	Notified sign bond	\$65.00	\$67.00
3	Limited notified	*\$1,360.00+M	*\$1,400.50+M
4	Statutory hearing fee	\$170.00	\$170.00
5	Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
<b>B. Non-notified land use</b>			
6	Application for consents related to conservation, restoration, and protection of heritage buildings and features listed in Appendix A of the Operative District Plan	No charge	No charge
7	Controlled CBD Design Guide	\$340.00	\$350.00
8	Controlled (minors)	\$340.00	\$350.00
9	Controlled	\$510.00+M	\$525.50
10	Restricted/Limited discretionary	*\$595.00+M	*\$612.50+M
11	Discretionary	*\$765.00+M	*\$788.00+M
12	Non-complying	*\$765.00+M	*\$788.00+M
13	Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
<b>C. Monitoring</b>			
14	For all land use consents that require monitoring excluding Controlled CBD and Controlled (Minors)	*\$170.00	*\$170.00
14a	Resource Management Act infringements	As stated on notice	As stated on notice
<b>D. Other</b>			
15	Extension of time (s125)	\$170.00	\$170.00
16	Cancellation of approval (s126)	\$170.00	\$170.00
17	Change/Variation to conditions of consent (s127)	*\$495.00+M	*\$509.50+M
18	Review of consent conditions (s128)	*\$825.00+M	*\$849.50+M
19	Compliance certificates (s139)	*\$510.00	*\$525.50
20	Existing use rights certificates (s139A)	*\$680.00	*\$700.00
21	Outline plan approval (s176A)	*\$424.00	*\$436.50
22	Planning sale of liquor certificate	\$170.00	\$170.00
23	Overseas investment, motor vehicle dealers, and other certificates	\$170.00	\$170.00
24	Applications for street naming	\$340.00	\$350.00
25	Contribution to valuation for heritage and reserve purposes	\$70.00	\$70.00
26	Certificate of title	\$15.00 per title	\$15.00 per title
27	Sign permit application	\$40.00	\$40.00
65	Financial contribution for reserves and heritage purposes	As valued	As valued

M Monitoring charges @ \$170.00 per hour

A Additional charges @ \$170.00 per hour for planners and engineers time, and \$100.00 per hour for administrative time

\* 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 fees and charges cont.

## Subdivision Fees

Classification		2012/13	2013/14
<b>A. Notified subdivision</b>			
27	Notified	*\$2,640.00	*\$2,503.50+M
28	Notified sign	\$65.00	\$67.00
29	Limited notified	*\$1,320.00	*\$1,400.50+M
30	Statutory hearing	\$170.00	\$170.00
31	Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
<b>B. Non-notified subdivision</b>			
32	Controlled, including cross lease to freehold	*\$907.50	*\$907.50
33	Controlled, cross lease amendment	*\$907.50	*\$907.50
34	Restricted/Limited discretionary	*\$907.50	*\$907.50
35	Discretionary	*\$1,072.50	*\$1,072.50
36	Non-complying	*\$1,072.50	*\$1,072.50
37	Additional lots	@\$58.00 per lots over 3	@\$58.00 per lots over 3
38	Survey plan approval (s223)	\$330.00	\$330.00
39	Compliance certificate (s224c)	\$330.00	\$330.00
40	Engineering inspection and plan approval	\$330 minimum plus \$165 per hour for each hour exceeding 2 hours	\$330 minimum plus \$170 per hour for each hour exceeding 2 hours
41	Contribution to valuation for reserves and heritage purposes	\$70.00	\$70.00
42	Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
D44	Extension of time (s125)	\$165.00	\$170.00
D45	Cancellation of approval (s126)	\$165.00	\$170.00
D46	Change/Variation to conditions of consent (s127)	*\$495.00	*\$495.00
D47	Review of consent conditions (s128)	*\$825.00	*\$825.00
ENG_ BOND	Bond for outstanding conditions	125% of actual cost of work	125% of actual cost of work
<b>C. Other applications or fees</b>			
43	Right of way	*\$412.50	*\$412.50
51	Right of way certification (s348 LGA)	\$330.00	\$330.00
46A	Variation or cancellation of consent notice (s221 (3)) – where separate from subdivision application	*\$825.00	*\$825.00
48	Section 226	*\$825.00	*\$825.00
49	Preparation of bonds, consent notices, legal documents	*\$165.00	*\$170.00
50	Where separate from subdivision application, easement approval, cancellation of right-of-way, amalgamation, easement, building line restriction, or other process related to subdivisions	*\$165.00	*\$170.00
65	Financial contribution for reserves and heritage purposes	As valued	As valued

M Monitoring charges @ \$170.00 per hour

A Additional charges @ \$170.00 per hour for planners and engineers time, and \$100.00 per hour for administrative time

\* 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 fees and charges cont.

## Policy Fees

Classification		2012/13	2013/14
<b>A. Designations</b>			
51	Notice of requirement	*\$3,960.00	*\$3,960.00
52	Alteration of designation	*\$3,960.00	*\$3,960.00
53	Removal of designation	*\$990.00	*\$990.00
54	Statutory hearing fee	\$170.00	\$170.00
55	Commissioning reports, peer review, photocopying and other costs related to designations process	Actual costs	Actual costs
<b>B. Plan Changes</b>			
56	Private plan changes	*\$9,990.00	*\$9,990.00
57	Statutory hearing fee	\$170.00	\$170.00
58	Commissioning reports, peer review, photocopying and other costs related to designations process	Actual costs	Actual costs
<b>C. Policy documents</b>			
59	Operative District Plan text and maps on CD	\$45.00	\$45.00
60	Operative District Plan text (hard copy)	Actual costs	Actual costs
61	Operative District Plan maps (hard copy)	Actual costs	Actual costs
62	Proposed District Plan text and maps on CD	No charge	No charge
	Proposed District Plan text (hard copy)	\$130.00	\$130.00
	Proposed District Plan maps (hard copy)	\$105.00	\$105.00
63	Proposed District Plan text and maps (hard copy)	\$235.00	\$235.00
64	Operative Part 20 – Lakes A Zone text and maps on CD	\$35.00	\$35.00
65	Operative Part 20 – Lakes A Zone text and maps (hard copy)	\$275.00	\$275.00
66	Copies of plan changes, variations and publications	Actual costs	Actual costs

M Monitoring charges @ \$170.00 per hour

A Additional charges @ \$170.00 per hour for planners and engineers time, and \$100.00 per hour for administrative time

\* 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



# SUPPORTING INFORMATION

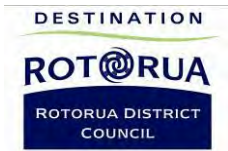
- 109 Changes to capital expenditure
- 110 Partners' support
- 111 Index

# Changes to capital expenditure

Activity	Project	Amount	Note
Corporate property	149 Lake Road re-roof	-\$40,000	Wait for sale
Corporate property	Civic Centre renewals	-\$41,000	Chamber carpet
District Library	Various renewal projects	-\$376,000	Deferred until 2014/15. Some carpet renewals undertaken in early 2012/13.
Economic Development	Famously Rotorua Campaign	+\$300,000	
Economic Development	Purchase of 1251 Tutanekai Street (former bank building)	-\$1,450,000	Deleted – operation will be undertaken from City Focus
Economic Development	Eat Street	+\$394,000	Carried forward from 2012/13
Economic Development	Urban design	+\$235,750	Carried forward from 2012/13
Economic Development	City Services – automation of car parking building	+\$200,000	Carried forward from 2012/13
Economic Development	Destination Rotorua Marketing – rebuild of website	+\$170,000	Carried forward from 2012/13
International Stadium	Corporate box furniture	-\$23,000	Deferred
Rotorua Museum	Feature lighting of exterior	-\$200,000	Deleted
Aquatic Centre	Health centre	-\$310,000	Deferred
Public gardens, reserves and cemeteries	Blue Baths pool repairs	+\$300,000	Reskin the south/juvenile pool.
Public gardens, reserves and cemeteries	Kuirau Park building/foot pool renewal	-\$575,000	Deferred to the 2014/15 year to align with the Aquatic Centre/Kuirau Park redevelopment
Public gardens, reserves and cemeteries	Kuirau park toilets	-\$145,000	Deferred to the 2014/15 year to align with the Aquatic Centre/Kuirau Park redevelopment
Public gardens, reserves and cemeteries	Hinehopu toilets sewer connection	-\$27,000	Deferred to the 2014/15 year
Public gardens, reserves and cemeteries	Rotoma walkway	+\$50,000	
Transport (subsidised)	Lake Road	+\$1,300,000	Carried forward from 2012/13
Transport (subsidised)	Passenger transport centre	-\$784,000	75% NZTA, \$3M project
Transport (unsubsidised)	Te Akau Road street lighting	+\$5,000	
Wastewater urban	Waste water treatment plant renewals	+\$360,000	Carried forward from 2012/13
Wastewater rural	Rotoma wastewater scheme	-\$2,019,000	Wait for consent, leave \$50,000
Wastewater rural	Gisborne Point / Hinehopu wastewater scheme	-\$2,019,000	Wait for consent, leave \$50,000
Water supplies	Seismic value replacement	+\$20,000	Carried forward from 2012/13
Water supplies	Urban water supply replacement	+\$115,000	Carried forward from 2012/13

# Partners' support

## Inaugural Foundation Partners



## Foundation Partners



## Corporate Partners



## Project Partners



# Index

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## A

accounting policies, 72–81  
animal control, 4, 45  
    fees, 96–97  
Aquatic Centre, 48, 50

## B

balance sheet (prospective), 69  
BOPLASS Ltd, 14  
building consents. *see* building services  
building services, 14, 37, 38–39, 66  
    fees, 98–99

## C

capital works, 7, 109  
    map, 16–19  
cash flow statement (prospective), 70  
Castlecorp, 3, 7, 12, 62–70, 67  
CBD revitalisation, 3, 9, 41  
cemeteries, 52–53, 67  
chief executive, 3–4, 21  
civil defence. *see* emergency management  
community engagement and support, 30  
continuous business improvement, 4, 6, 7  
Corporate and Customer Services Group, 12,  
    27–34, 66  
council activity summary, 66–67  
council controlled organisations. *see* Grow  
    Rotorua Ltd  
councillors, 21  
customer services, 4, 11

## D

debt management, 4, 6–7, 65  
development contributions, 11, 65  
district plan, 4, 10, 44  
Dogs Online. *see* animal control

## E

Eat Street, 9, 42  
Economic and Regulatory Services Group, 12,  
    35–46, 66  
economic development, 6, 24, 35, 40–42, 66  
emergency management, 32, 66  
employees. *see* staffing  
engineering services, 51, 67  
environmental health, 45  
    fees, 100–103  
environmental improvements, 6, 25  
equity statement (prospective), 68  
events and venues, 43, 66

## F

fees, 11, 96–106  
financial statements, 64–70  
financial strategy, 6

## G

governance and strategic direction, 33–34, 66  
Grow Rotorua Ltd, 4, 10, 42

## H

housing, 14–15, 34

## I

income statement (prospective), 68  
Infrastructure Services Group, 12, 47–61, 67  
Inner City Enterprises, 3–4, 9, 37  
inspection. *see* environmental health

## L

lakefront development, 9  
lakes enhancement, 89  
water quality, 4  
Lean Thinking business process. *see*  
    continuous business improvement  
libraries, 31, 66  
local authority shared services. *see* BOPLASS  
    Ltd  
local government changes, 5  
Local Government Funding Agency, 8

## M

management team, 21  
maps  
    capital works, 16–19  
    rating area boundaries, 83  
    Rotorua district, inside cover page  
mayor, 3–4, 21

## O

objectives, 23–25  
organisational structure, 21

## P

parking, 3–4, 9, 37, 45  
parks, 48, 52–53, 67  
planning services, 44, 66  
property assets, 6  
public gardens, 48, 52–53, 67



# Index cont.

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## R

rates, 3, 6, 8, 65, 82–94  
    rating policy, 82–88  
Rawhiti Complex. see housing  
regulatory services, 45, 66  
Resource Management Act fees, 104–107  
roads and footpaths, 54–55, 67  
Rotorua International Airport, 4, 9–10, 24, 42, 56, 67  
Rotorua Museum, 46, 66  
rural fire. see emergency management

## S

Safe City Guardians, 3  
service levels, 6–7  
sewerage. see waste management  
spatial plan, 13  
staffing, 12  
statistics, inside cover page  
stormwater and land drainage, 58, 67  
submissions on draft annual plan, 15

## T

Te Arawa, 25  
TERAX Ltd, 4, 11, 57  
tourism, 11, 40–41  
transport, 9, 24

## U

Urban Design Framework. see CBD  
    revitalisation  
urban design fund, 13

## W

walkways, 9  
waste management, 4, 57, 59, 67, 86–87, 91–93  
    Gisborne Point/Hinehopu sewerage scheme, 48, 57  
    Mamaku sewerage scheme, 48, 57  
    Rotoiti sewerage scheme, 48  
    Rotoma sewerage scheme, 48, 57  
    Tarawera sewerage scheme, 48, 57  
    urban wastewater treatment plant, 13  
water supply, 4, 60–61, 67, 90

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