

Annual Plan

2014/15



Rotorua District Council
Te Kaunihera ā rohe o Rotorua

THE ROTORUA DISTRICT

Te Rohe o Rotorua

Rotorua District lies within the Bay of Plenty and Waikato Regional Council areas. According to oral history, many of Rotorua's Maori residents trace their ancestry to Tamatekapua, the 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 what is now known as Lake Rotorua, and settled at what is now Kawaha Point.



The total size of the Rotorua district is 261,906 hectares. This consists of 41% forest, 43% agriculture and 8% lakes.

Rotorua's central business district (CBD) is located on the southern shore of Lake Rotorua. The city is nestled in a huge, ancient caldera 20km across at its widest point and 16km at the narrowest, with Lake Rotorua nearly 300 metres above sea level.

The region includes:

- 18 lakes
- 800 hectares of parks, gardens and reserves free for public use
- 3 major rivers
- 7 geothermal fields with hot pools and spectacular steam eruptions
- 100,000 hectares of native and exotic forests - with the largest commercial plantation forest in the Southern Hemisphere
- 100,000 hectares of farmland
- 120 wetlands
- Stunning volcanic landscapes with Mt Tarawera, Rainbow Mountain, Mt Ngongotaha and Mokoia Island as local icons
- Hundreds of kilometres of walking, cycling and mountain biking tracks.

The forests, coupled with extensive trees and gardens in the city, suburbs and parks, support a rich and varied bird life, both native and introduced. Some of New Zealand's rarer birds, such as the formerly endangered kokako and the spectacular native falcon, karearea, thrive in the district.

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Message from the Mayor

Tena koutou katoa.

'Tatou tatou – we together.' This is the motto on our district's coat of arms. And it's the cornerstone of a fresh new approach for fulfilling our responsibilities to the community - and for building a strong and sustainable future for Rotorua.

Rotorua district has unlimited, but as yet untapped, potential. However we can't realise that potential on our own. So genuine community partnerships - with iwi, with business, with community groups, government agencies, other organisations and even other councils - will be the hallmark of this council.

The recent local government elections came with a strong call for real change. Within days of taking office councillors and management joined me in a series of workshops where we started crafting a new vision and key goals for our district for the next 16 years – we called this simply 'Rotorua 2030.' At the same time we identified the key priorities we want to achieve, in partnership with the community, by the end of this term in 2016.

Our Rotorua 2030 vision is a response to the community's clear expectations for change. First on the list was a change to our governance structure. But we also need to change the organisation to align with our Rotorua 2030 vision. We need to change the way we deal with debt and become financially sustainable. And we need to address other critical issues for our district, such as lack of growth, unemployment, low family incomes, housing needs and an under-performing local economy.

At the end of 2013 we took our Rotorua 2030 draft proposals out on the streets. Over a busy two week period we talked to hundreds of people about our vision and goals for the future. And you overwhelmingly told us we were on the right track. Thank you for that support and encouragement.

This Annual Plan is the first under my stewardship of Rotorua District Council. It's a transparent and realistic start towards Rotorua 2030. Achieving that vision won't come without real challenges, and some pain. Already we've had to take some tough and decisive action to support debt reduction and to meet budgets. And there are more tough decisions ahead.

I'm energised and I'm extremely proud to be leading our new council team. And we're all committed to working in close collaboration with our community to make a real difference. We know Rotorua is a great place to live, to work, to play and to invest - and we're determined to make it even greater.

We share the same waka for the exciting journey ahead. If we paddle in unison, if we each contribute what we can, and if we have a shared vision of where we're going, the destination will be a rewarding one for us all.

'Tatou tatou – we together.'



Hon Steve Chadwick JP
Rotorua Mayor



Left to right: Cr Trevor Maxwell MNZM, Cultural Ambassador; Cr Mike McVicker; Cr Janet Wepa; Cr Rob Kent; Cr Dave Donaldson QSM, Deputy Mayor; Cr Peter Bentley; Cr Glenys Searancke QSM; Cr Karen Hunt; Her Worship the Mayor Hon Steve Chadwick JP; Cr Mark Gould JP; Chief Executive Geoff Williams; Cr Charles Sturt; Cr Merepeka Raukawa-Tait; Cr Tania Tapsell



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New direction - Rotorua 2030

Following the October elections, this new Council took the time to focus on establishing a new direction for the Council, and more importantly, a direction to test with our community.

This direction, Rotorua 2030, was released for community feedback before Christmas. The verbal and formal feedback received was strongly positive with 93% support for the seven key goals for 2030 and 91% endorsement of the 2016 priorities, while some changes to the original wording were also suggested and incorporated.

Rotorua 2030 identifies a vision through seven key aspirations for the future.

The 2030 goals are:

- 1. Resilient communities... *He hāpori pūmanawa ...***
inclusive, liveable and safe neighbourhoods give us a sense of place; and confidence to be involved and connected
- 2. Homes that match needs... *Kāinga noho kainga haumarū...***
quality, affordable homes are safe, warm, and available
- 3. Outstanding places to play... *Papa whakatipu...***
recreation opportunities are part of our lifestyle; connecting us, transporting us and surrounding us
- 4. Vibrant city heart... *Waahi pūmanawa...***
our inviting and thriving inner city reflects our unique heritage and lakeside location
- 5. Business innovation and prosperity... *Whakawhanake pākihi ...***
we boast a diverse and sustainable economy energised by our natural resources and innovative people
- 6. Employment choices... *He huarahi hōu...***
we are a prosperous connected community; growing our education, training and employment opportunities
- 7. Enhanced environment... *Tiakina to taiao...***
we are known globally for our clean, natural environment, air quality and healthy lakes

Coming back from this position, four shorter term priorities have been identified to provide strong foundations for this bold journey.

The 2016 priorities are:

1. Develop a vibrant city heart that attracts people and activity
2. Develop our economic base by growing existing and attracting new businesses to our region
3. Support reinvigorated neighbourhoods and the creation of healthy homes
4. Sustainable infrastructure and affordable, effective council services

Underpinning the 2030 goals and the priorities for 2016 is a commitment of the Rotorua District Council to work and behave differently. These commitments are important drivers on this shared journey:

These commitments are important drivers on this shared journey:

- Engaging with the community to develop a unified accord for a clear new future
- Supporting community leadership of our new strategies
- Developing a new partnership model with Te Arawa
- Working innovatively, outside traditional delivery mechanisms, to drive more cost effective and more efficient services
- Ensuring all our work programmes align with the district's ambitions
- Reshaping our council to be more effective and response



New direction - Rotorua 2030

To support our commitment and Tatou tatou – we together, Council has identified seven portfolio areas to support the 2030 goals. Key strategies for each portfolio are being created to partner Council, the community and stakeholders in governance:



Without a new approach, commitment and direction we will not be able to achieve the vision of Rotorua 2030 where:

This is our home
We are its people
We're connected to each other through culture and community
We're innovative and we share what we learn
We're driving opportunity, enterprise and diversity
We're supporting a legacy of sustainability for our environment
Rotorua is a place for everyone. Tatou tatou – we together



Changes to the draft Annual Plan

Council received 138 submissions on the draft Annual Plan. The submissions covered a broad range of topics, including the financial framework, changes to the collection of development contributions, debt levels, proposed rates increase, portfolio funding, Library opening hours and mobile bus, creation of CCOs, Aquatic Centre opening hours and the Kuirau Park/Aquatic Centre master plan.

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

Additions

- **Puketawhero Park - \$140,000**
A toilet block is to be provided at Puketawhero Park. External funding will be sought, but Council will provide up to \$140,000.

Changes

- **Bus routes – budget reduced from \$200,000 to \$100,000**
This project was to improve tourist bus traffic around the i-SITE. It was intended to utilise the library lane for tourist traffic loading off Jean Batten Park. This has now been removed as a project.
An amount of \$100,000 has been retained to support improvements in bus circulation (managed by BOP Regional Council) around the central business district, with Rotorua District Council funding bus stops and shelters.
- **Aquatic Centre opening hours**
The draft Annual Plan proposed a reduction in the weekend hours of the Aquatic Centre to reduce operating costs during low-use times. This proposal has been reversed and current opening hours will be retained.
- **Library mobile bus – increase of \$50,000 in operating expenditure**
The draft Annual Plan proposed cancelling the mobile bus service. Usage of the mobile bus has declined and the service has a reasonably high cost. The proposal to use a van for outreach purposes and to terminate the mobile bus service has been reversed.



Council's 2016 priorities to deliver in 2014/15

Council's 2016 priorities will bring the 2030 goals alive. A series of projects have been identified within each priority which, when completed, will show council to be well on the way in seeing Rotorua 2030 come to fruition.

1. Develop a vibrant city heart that attracts people and activity

- **Arts trail link to Government Gardens** – a council policy allocates 1% of all capital projects for direct investment in arts projects in public spaces. 2014/15 will focus these funds on development of an arts trail through the inner city.
- **Local bus routes and tourist bus parking improvements** - \$100,000. Local bus routes are to be rearranged to circulate in both directions around the CBD. The intended routes will circulate passengers along Fenton, Arawa and Amohia Streets, and possibly Rotorua Central to complete the circuit.
- **Vibrant city heart funding** - \$100,000. Funding to support ideas and projects to be developed during the year with partner organisations and the community.

2. Develop our economic base by growing existing and attracting new, businesses to our region

- **City event entrance signage** - \$80,000. Build three event signs at city gateways for marketing and promotion of events in the city.
- **Business innovation and prosperity funding** - \$100,000. Funding to support ideas and projects to be developed during the year with partner organisations and the community.
- **Removal of development contributions policy** – Council made a decision before Christmas to remove development contributions as they have been considered to be a barrier to undertaking developments in the district.
- **Reduction in the business differential for general rates from 2.1 to 1.9** – This is in line with the Long-term Plan commitment to reduce this rate over time bringing it more in line with other rates differentials.

3. Support reinvigorated neighbourhoods and the creation of healthy homes

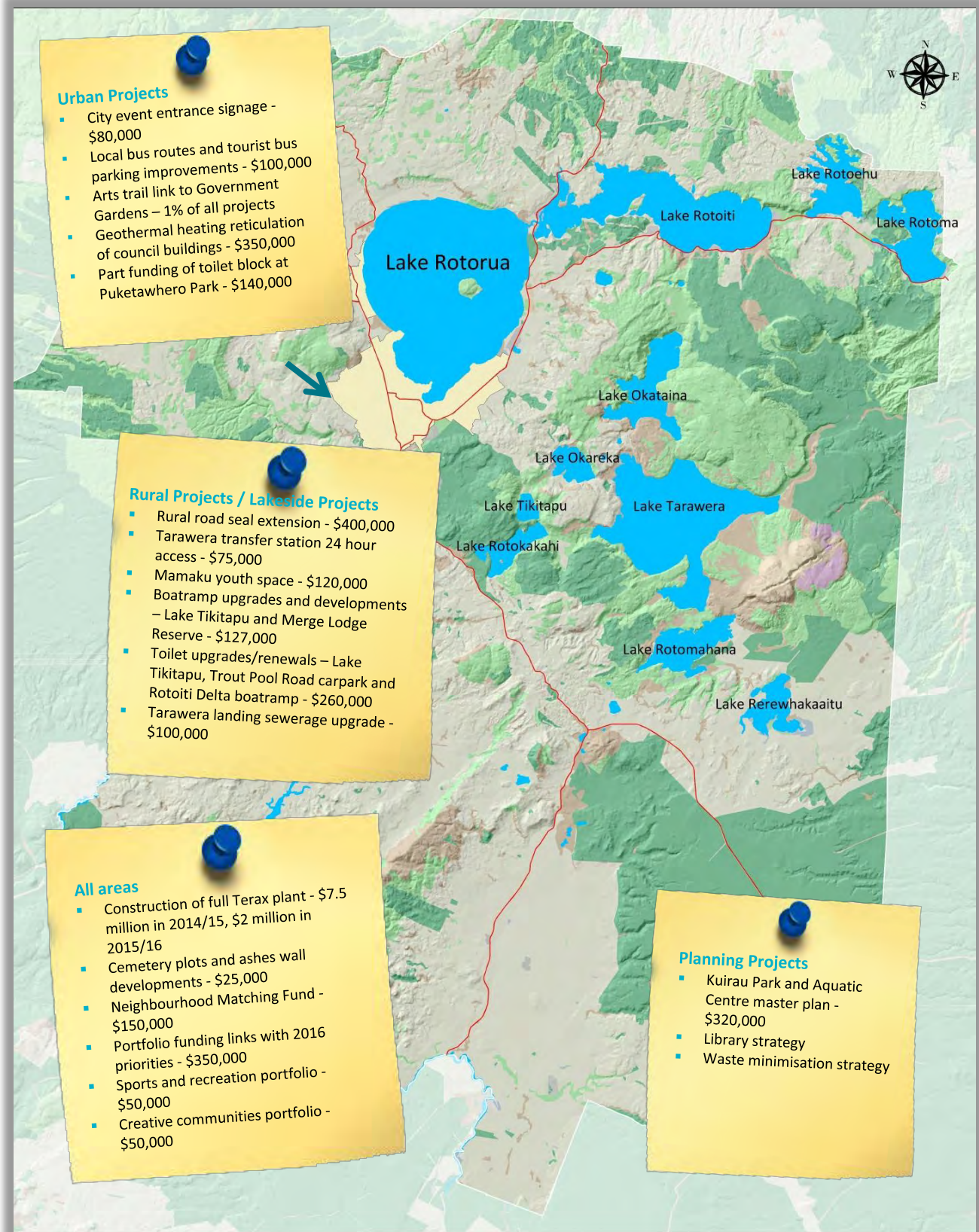
- **Neighbourhood Matching Fund** – increase from \$50,000 to \$150,000. This fund provides assistance to communities who are coming together to collaborate on projects within their neighbourhoods. Projects may range from fruit tree planting, community gardens, neighbourhood recycling, etc.
- **Resilient community funding** - \$100,000. Funding to support ideas and projects to be developed during the year with partner organisations and the community.
- **Mamaku youth space** - \$120,000. Construction of a youth space to provide a facility and activities for youth to plan and interact constructively.
- **Home insulation**- \$50,000. Base funding to ensure significant funding is available through EECA to assist with insulation of cold and damp homes.

4. Sustainable infrastructure and affordable, effective council services

- **Geothermal heating reticulation of Council buildings** - \$350,000. To use geothermal heating in the Civic Centre, Convention Centre, i-site, Community House and Library. This will reduce the cost to heat these buildings.
- **Tarawera transfer station 24 hour access** - \$75,000. Redesign of the transfer station to allow permanent 24 hour access.
- **Construction of full Terax plant** - \$7.5 million in 2014/15, \$2 million in 2015/16. The full plant is intended to process waste sludge produced in the Rotorua district and provide a reference plant for others interested in the technology.
- **Proposed reorganisation of council to reduce net cost by 5% for 2014/15** – Council is undertaking a realignment to ensure that it is in the best shape to be able to deliver Rotorua 2030. Savings will be used to keep debt level increases to a minimum and over time assist in reduction of debt.
- **Creation of council controlled organisations** – The philosophy of setting up council controlled organisations (CCOs) provides for introducing, through board appointments, commercial discipline and specialist expertise. Using these skills CCO boards are able to add value and help the CCO achieve their objectives and the council's long term strategies. Council is proposing to set up two new CCOs – Rotorua Contracting (Castlecorp, Landfill and Nursery) and Rotorua Tourism, Events and Venues. Council have other CCOs currently eg: Grow Rotorua, Rotorua Airport, and Rotorua Holding Company.



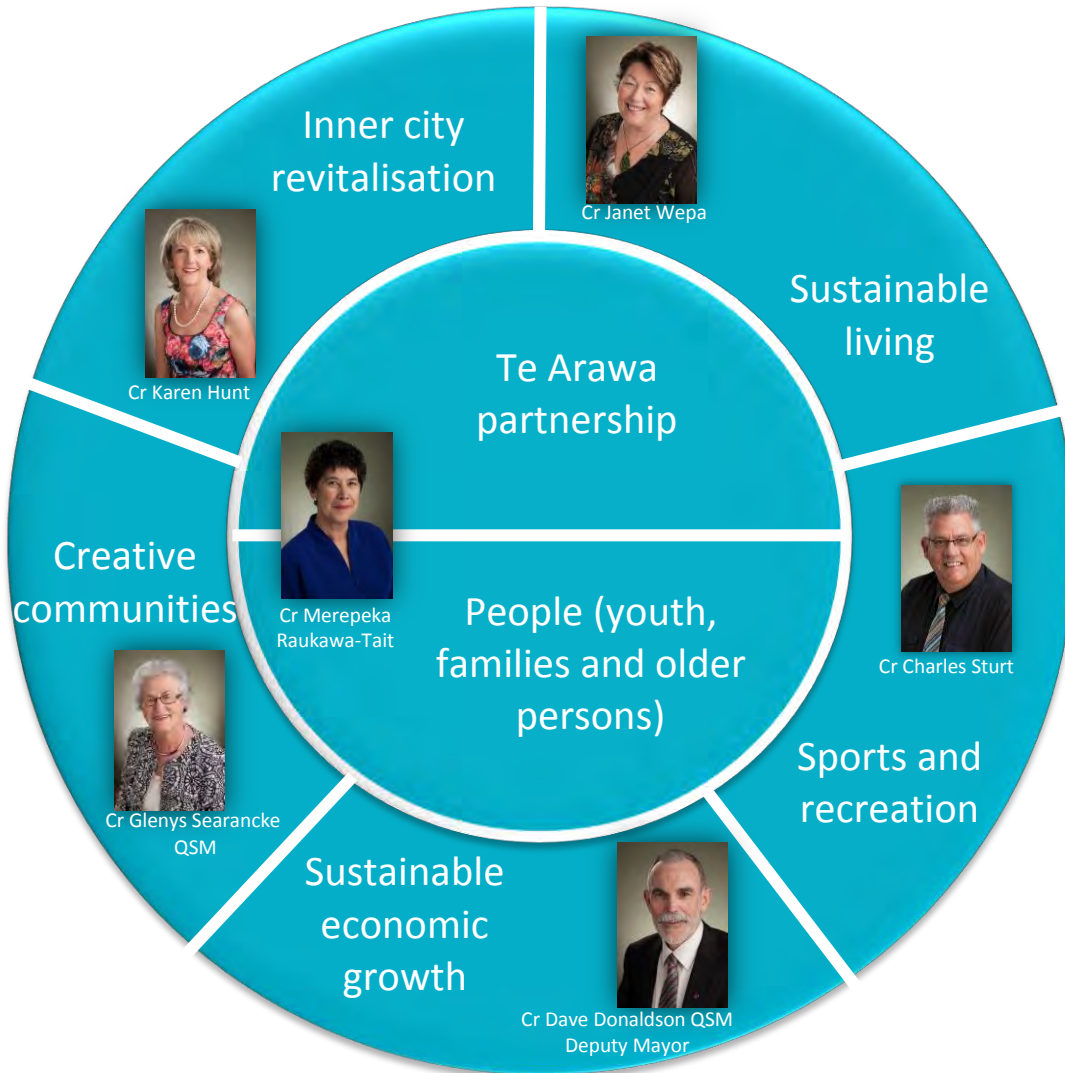
Council's 2016 priorities to deliver in 2014/15



Community development

Key portfolio leads

Council has identified seven key portfolio areas to develop during the coming year. Each portfolio will develop strategy towards fulfilling Rotorua 2030 and supporting the 2016 priorities. Each portfolio area will have a lead councillor to act as the portfolio 'owner'. The portfolio owner will lead a process to engage and work with the community of interest and wider community to develop short and long term projects, initiatives and relationships to improve our district.



To contact any of the portfolio leads refer to www.rdc.govt.nz.

Portfolio leads are supported by the following councillors:

Te Arawa partnership / People (youth, families and older persons)



Cr Tania Tapsell



Cr Mark Gould JP

Inner city revitalisation



Cr Peter Bentley

Sustainable living



Cr Tania Tapsell

Sports and recreation



Cr Glenys Searancke
QSM

Sustainable economic growth



Cr Rob Kent

Creative communities



Cr Karen Hunt



A sustainable financial framework

As part of the new Council's due diligence, a comprehensive review of the Council financial position was undertaken. In December 2013, the outcome of this assessment was reported to Council. This review highlighted that the Council's overall financial position was not as strong as it should be, and that debt levels were too high when considered against future projects and proposals. Rates increases had been kept artificially low to help residents during the hard economic times, but this compounded future sustainability issues.

This financial position needed to be addressed. Action was taken in the 2013/14 financial year to ensure Council re-establishes a sustainable financial position in future years.

A new sustainable financial strategy was agreed to in December 2013 to address organisational challenges. This strategy does however limit Council's ability to spend and to hold rate increases at previous low levels.

A sustainable financial framework underpins the budgets for this Annual Plan. The framework seeks to hold debt increases to a minimum and progressively reduce the current level. Annual rate increases are to be set at approximately 3% per annum and includes any inflation or CPI movement.

Capital expenditure has been limited to \$22 million, a decrease of approximately 30% on what was planned in the council Long-term Plan.

An exception to the \$22 million cap exists for 2014/15 to provide for the construction of the Terax plant (\$7.5 million 2014/15; \$2.5 million 2015/16). In order to account for the Terax project, Council reduced its 2014/15 capital works programme down to \$20.5 million. Terax is regarded as an acceptable compromise because anticipated operational savings will be sufficient to meet debt servicing levels.

A restructure of the council organisation and a strong efficiency focus will mean any further cost savings can be applied to debt reduction.

While it is acknowledged that a reduction in capital expenditure of 30% will affect the community, it is important to respond to community expectations. Council will prioritise renewals, maintain essential infrastructure and the remainder of capital works will be linked to 2030 goals and 2016 priorities. Projects will also be considered based on the value they will bring to the community.

Funds have been allocated to support the governance portfolios so community partnerships can undertake their respective work.

Following a review of service, an organisational realignment is underway for Rotorua District Council and will save \$3 million and produce a more effective and efficient organisation to support the immediate and long term priorities and needs of Rotorua district.

The final organisational structure, while still being consulted on, is expected to take effect from 1 July 2014, while the handover to newly created council controlled organisations where designated will be a longer term process.

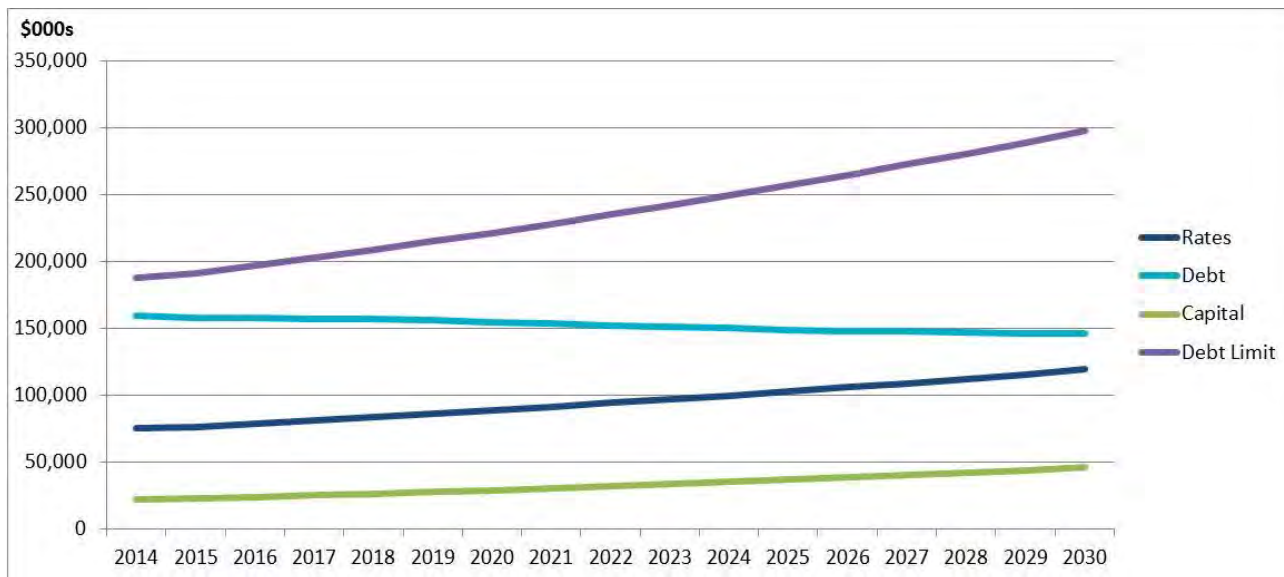
A sustainable financial framework

- Hold debt increases to a minimum and progressively reduce the current level
- Annual rate increase approximately 3%
- Business differential rate decreased
- Property sales to balance capital spend
- Capex ceiling of \$22 million (exception 2014/15)
- A strong efficiency programme to reduce cost and applied to debt

Financial strategy

The programme outlined in this Annual Plan, in conjunction with an annual rate increase of 3%, will enable the council to stay within its debt limit moving forward, as shown in the following graph. This strategy will be reviewed and confirmed through the Long-term Plan process 2015-2025.

Council is eager to ensure that the debt ratio relative to income falls over time to allow for projects not included in the current Long-term Plan but which will be required within the next 10 years.



Reduce capital work programme to \$22 million – debt reduced to approximately \$150 million by 2030

It is important to note that this analysis is based on high level assumptions and early steps are being put in place to allow Council to work through a full prioritisation process for capital work as part of the next Long-term Plan, to be completed in the next

12 months. The reason for putting in place a new financial framework is to ensure the current debt capacity is not used up prior to full consideration of long term funding needs for services.

Removal of development contributions

Rotorua District Council was the first local authority in the country to propose the scrapping of development contributions in their current form. The decision was aimed at boosting economic growth and aligns with signalled legislation changing how development contributions can be applied in the future.

The cost to prepare the policy, reviewing and implementing, on an annual basis, is estimated to be around \$150,000.

The move will mean reduced costs for new investment projects across the board, with the impact varying depending on the type of development.

Rating policy - reduced business differential

Council is reducing the business differential on the general rate from 2.1 to 1.9. This continues the commitment identified in the Long-term Plan. Overall rates will increase by 3% for non-business ratepayers, but business ratepayers are likely to see smaller increases or decreases in the overall rates they pay, depending on other charges, such as sewerage, applied to their properties.

Proportion of total rates paid by each sector

	Rates Take 2012/13	Rates Take 2013/14	Total Rates Take 2014/15
Farming	11%	11%	12%
Business	28%	27%	26%
Residential	61%	62%	62%



Financial strategy

Overall council activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	71,682,000	73,518,000	75,134,901	76,270,000
Fees and charges	36,018,541	28,483,659	21,922,410	22,655,000
Subsidies and grants	4,174,070	1,180,769	3,942,300	3,449,000
A Total income	111,874,611	103,182,428	100,999,611	102,374,000
Operating expenditure				
Staff costs	37,935,894	35,604,607	35,854,284	34,089,000
Direct costs	40,795,407	46,954,166	42,836,386	41,531,000
Finance cost	10,102,343	9,385,166	9,331,545	9,878,000
Depreciation	26,434,625	26,298,734	27,383,771	27,404,000
Group overhead	-	-	-	-
B Total operating expenditure	115,268,269	118,242,673	115,405,986	112,902,000
C Operating net cost of service	(3,393,658)	(15,060,245)	(14,406,375)	(10,528,000)
Capital expenditure				
D Capital acquisitions	(21,853,453)	(14,991,000)	(13,716,422)	(15,441,000)
E Capital renewals	(14,504,895)	(16,505,500)	(15,176,321)	(16,154,000)
F Depreciation	26,434,625	26,298,734	27,383,771	27,404,000
Capital funding				
G Capital revenue	10,226,712	10,429,625	6,455,594	9,488,000
Asset proceeds	-	2,000,000	2,000,000	1,000,000
H Net funding position	(3,090,669)	(7,828,386)	(7,459,753)	(4,231,000)

How to read the overall activity statement

Revenue

Fees and charges:

External funds from activities that operate as trading entities and funds from user pay services. These may include: consents, dog registration, infringements, Events and Venues, Aquatic Centre, Library, Museum admission fees, rentals etc.

Subsidies and grants:

Funding from central government and other funding agencies to either assist in delivering a service (New Zealand Transport Agency) or where council may be providing a service on behalf of an organisation (Creative Communities, Ministry of Social Development).

Operating net cost of service

Total operating expenditure **B** – Income **A** = Operating net cost of service **C**

Net funding position

Operating net cost of service **C** + Capital acquisitions **D** + Capital renewals **E** – Depreciation **F** – Capital revenue **G** = Net funding position **H**

Capital acquisitions

New assets purchased/constructed during the year.

Capital renewals

Assets that need to be replaced to maintain the existing asset.

Forecast

Since the 2013 local government elections Council has been working differently. A full review of the financials has been undertaken to provide council with a very clear and transparent picture of the financial state. As a result of the changing pace a '2014 forecast' has been added. The '2014 forecast' is the point at which council's financial position is targeted to land based on a drive for solid and achievable savings and efficiencies, and accurate forecasting of revenue.



Financial strategy

Whole of council activities

Activity	Rates	Fees and charges	Subsidies and grants	Total revenue	Operating costs	Finance cost	Depreciation
Aquatic Centre	2,575,000	1,131,000	12,000	3,718,000	2,793,000	130,000	387,000
Castlecorp	-	232,000	-	232,000	(326,000)	62,000	844,000
Consenting Services	74,000	1,465,000	-	1,539,000	1,533,000	1,000	-
Corporate Services	-	1,037,000	-	1,037,000	(1,205,000)	676,000	2,578,000
Economic Development	11,650,000	3,747,000	51,000	15,448,000	11,156,000	4,139,000	1,420,000
Emergency Management	523,000	-	-	523,000	473,000	-	32,000
Events and Venues	4,402,000	1,890,000	100,000	6,392,000	4,839,000	598,000	1,821,000
Gardens, Reserves and Sports grounds	7,487,500	2,610,000	-	10,097,500	6,974,000	946,000	1,984,000
Governance and Engagement	2,686,000	174,000	24,000	2,884,000	2,553,000	-	1,000
Library	3,799,000	252,000	-	4,051,000	2,887,000	154,000	848,000
Museum	2,401,000	1,894,000	18,000	4,313,000	3,737,000	189,000	483,000
Pensioner Housing	-	790,000	-	790,000	470,000	-	552,000
Planning	2,310,000	154,000	-	2,464,000	2,322,000	-	-
Regulatory Services	-	2,997,000	-	2,997,000	2,726,000	1,000	25,000
Roads and Footpaths	9,125,000	42,000	3,244,000	12,411,000	8,950,000	873,000	6,458,000
Sewerage and Sewage	12,664,000	516,000	-	13,180,000	9,892,000	460,000	4,393,000
Stormwater and Land Drainage	5,719,000	63,000	-	5,782,000	2,240,000	831,000	2,086,000
Waste Management	3,985,000	3,447,000	-	7,432,000	7,526,000	458,000	339,000
Water Supply	6,870,000	214,000	-	7,084,000	6,080,000	360,000	3,153,000
Total comprehensive income	76,270,500	22,655,000	3,449,000	102,374,500	75,620,000	9,878,000	27,404,000

A

Total revenue **A** – Total expenses **B** = Operating net cost of service **C**

Operating net cost of service **C** – Net cost of capital expenditure **D** = Net funding surplus (borrowing) **E**



Financial strategy

Total expenses	Operating net cost of service	Capex - LOS	Capex - renewal	Capital revenue total	Add back depreciation	Net cost of capital expenditure	Net funding surplus (borrowing)	Borrowing at 30 June 2015
3,310,000	408,000	(346,000)	(326,000)	-	387,000	(285,000)	123,000	1,555,895
580,000	(348,000)	-	(496,000)	-	844,000	348,000	-	1,207,114
1,534,000	5,000	-	-	-	-	-	5,000	-
2,049,000	(1,012,000)	(563,000)	(1,087,000)	1,000,000	2,578,000	1,928,000	916,000	4,899,943
16,715,000	(1,267,000)	-	(153,000)	-	1,420,000	1,267,000	-	41,125,377
505,000	18,000	-	(34,000)	-	32,000	(2,000)	16,000	-
7,258,000	(866,000)	-	(526,000)	-	1,821,000	1,295,000	429,000	10,280,115
9,904,000	193,500	(649,500)	(1,185,000)	158,000	1,984,000	307,500	501,000	16,346,292
2,554,000	330,000	-	(133,000)	-	1,000	(132,000)	198,000	-
3,889,000	162,000	-	(767,000)	-	848,000	81,000	243,000	2,070,636
4,409,000	(96,000)	(9,000)	(197,000)	-	483,000	277,000	181,000	2,932,349
1,022,000	(232,000)	-	-	-	552,000	552,000	320,000	(320,000)
2,322,000	142,000	-	-	-	-	-	142,000	-
2,752,000	245,000	-	(10,000)	-	25,000	15,000	260,000	-
16,281,000	(3,870,000)	(560,000)	(4,994,000)	4,145,000	6,458,000	5,049,000	1,179,000	35,868,343
14,745,000	(1,565,000)	(12,030,000)	(1,754,000)	4,185,000	4,393,000	(5,206,000)	(6,771,000)	16,277,025
5,157,000	625,000	(724,000)	(1,675,000)	-	2,086,000	(312,000)	312,000	13,144,300
8,323,000	(891,000)	(75,000)	(326,000)	953,000	339,000	891,000	-	16,564,626
9,593,000	(2,509,000)	(485,000)	(2,491,000)	47,000	3,153,000	224,000	(2,285,000)	11,953,985
112,902,000	(10,527,500)	(15,441,500)	(16,154,000)	10,488,000	27,404,000	6,296,500	(4,231,000)	173,906,000
B	C					D	E	



Delivering our services

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Governance and Engagement

Purpose

To support the council's role in setting the future direction and priorities for our district, enabling informed and inclusive decision-making, supporting opportunities for Maori to contribute to decision-making and supporting strong and efficient leadership.

- **Governance and democracy** - supporting the decision-making process of the Mayor and elected members, committees, administering remuneration and expenses of elected members, organising hearings;
- **Elections** - conducting triennial elections and by-elections for elected positions;
- **Mayoral office** - providing policy advice, strategic and logistical support to meet statutory responsibilities;
- **Kaupapa Maori** – supporting engagement between Council and Maori communities, marae, runanga, iwi, hapu and whanau, and facilitating Maori input into council decision-making
- **Community Engagement** – providing community information, engagement support and the disbursement of community grants.

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓	✓	✓	✓	✓	✓	✓

Key projects for 2014/15

- **Geothermal heating reticulation of council buildings - \$350,000**
Council has been working with the Returned Services Association to determine whether the existing geothermal bore could be used to heat a number of council buildings. This is an important project to establish CBD consenting requirements and show how different owners can use the geothermal resource. The feasibility study shows the cost of the development will be repaid within 8½ years, based on reduced heating costs. The buildings to be reticulated include the Civic Centre, Convention Centre, i-SITE, Community House and Library.
- **2016 priorities funding – operational - \$300,000**
Previously Council had little room to respond to community requests through the annual plan process or during the year. Providing funding to three outward focusing 2016 priorities is intended to allow ideas and projects to be developed during the year with partner organisations and the community. The three priorities are:
 - Develop a vibrant city heart that attracts people and activity (\$100,000)
 - Develop our economic base by growing existing, and attracting new, businesses to our region (\$100,000)
 - Support reinvigorated neighbourhoods and the creation of healthy homes (\$100,000)
 This is seen by Council as an important opportunity to build the partnership with our community and achieve positive outcomes.
- **Initial portfolio funding - \$100,000**
In addition, Council has also allocated \$50,000 to support unspecified projects in the sports and recreation portfolio, and \$50,000 in the creative communities portfolio.



Governance and Engagement

- **Neighbourhood matching fund increase – from \$50,000 to \$150,000**

The purpose of this fund is to bring people together to build stronger communities and neighbourhoods by providing resources for one-off self-help projects, which link to the Rotorua 2030 vision. The priorities for this fund include:

- Bringing people together to collaborate on neighbourhood projects.
- Empowering people to enhance and strengthen their own neighbourhood.
- Contributing to families and whanau working, playing and talking together.
- Renewing and revitalising places and spaces within neighbourhoods.
- Improving the quality of life in a specific community or neighbourhood.

Increasing the available funds for these grants was seen as an effective way for Council to support a wider range of community partnerships.

- **Home insulation partnerships - \$50,000**

Council is proposing to provide base funding to ensure significant funds are made available through EECA to assist with home insulation. This contribution will also support discussions with other potential funding partners. Cold and damp homes are a major contributor to poor health in children and older people. This is an important issue for the Rotorua community and one that requires the combined efforts of iwi, public health organisations, government departments, Council and community funders to make real improvements over the next three years.

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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%
Provide networks which grow and sustain a strong and empowered Rotorua community through projects.	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.	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.	5	4



Governance and Engagement

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	2,136,000	1,693,000	2,646,008	2,686,000
Fees and charges	173,528	191,340	174,340	174,000
Subsidies and grants	52,070	62,000	471,800	24,000
Total income	2,361,598	1,946,340	3,292,148	2,884,000
Operating expenditure				
Staff costs	3,386,233	3,298,064	3,450,398	3,295,000
Direct costs	2,478,806	2,237,273	2,287,107	2,655,000
Finance cost	55,838	-	-	-
Depreciation	232,056	-	1,848	1,000
Group overhead	(3,247,283)	(3,590,989)	(3,574,989)	(3,397,000)
Total operating expenditure	2,905,650	1,944,348	2,164,364	2,554,000
Operating net cost of service	(544,052)	1,992	1,127,784	330,000
Capital expenditure				
Capital acquisitions	-	-	(170,960)	-
Capital renewals	(84,964)	-	-	(133,000)
Depreciation	232,056	-	1,848	1,000
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	-	-	-
Net funding position	(396,960)	1,992	958,672	198,000

Capital expenditure

	\$
Building upgrades	30,000
Civic Centre renewal	16,000
Community House and halls renewals	85,000
Vaughan Road depot renewal	2,000
Total	133,000



Planning and Policy

Purpose

To support the council's vision, goals and priorities, focusing on development of strategy and policy .

- Spatial and infrastructure strategy
- District Plan
- **Long-term and annual planning** – delivery of the long-term plan (10-year) and annual plans to ensure accountability, prudent financial management
- **Research and monitoring** - developing and implementing Council's strategy, tracking progress of priorities and modelling the effect of council strategy and policy

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓	✓	✓	✓	✓	✓	✓

Key projects for 2014/15

- **District Plan – no specific cost**
The District Plan is expected to be completed by October 2014.
- **Strategy development – no specific cost**
In addition to portfolio strategy development to begin during the year, Council is also looking to complete a full review of the Waste Minimisation Strategy and to develop a Library Strategy. Both areas cover important services for our community and guide what services we provide.

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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.	Achieved.	Achieved.



Planning and Policy

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	2,912,000	2,527,000	2,275,606	2,310,000
Fees and charges	4,208	257,598	154,000	154,000
Subsidies and grants	-	-	-	-
Total income	2,916,208	2,784,598	2,429,606	2,464,000
Operating expenditure				
Staff costs	577,219	1,591,127	1,455,351	1,390,000
Direct costs	398,371	732,124	476,610	465,000
Finance cost	-	-	-	-
Depreciation	97	-	288	-
Group overhead	359,101	459,726	459,726	467,000
Total operating expenditure	1,334,788	2,782,977	2,391,975	2,322,000
Operating net cost of service	1,581,420	1,621	37,631	142,000
Capital expenditure				
Capital acquisitions	-	-	-	-
Capital renewals	-	-	-	-
Depreciation	97	-	288	-
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	-	-	-
Net funding position	1,581,517	1,621	37,919	142,000



Emergency Management

Purpose

To improve community awareness and raise the capacity of our citizens to protect, prevent and manage themselves in the event of a disaster.

- Civil Defence
- Rural Fire

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓						✓

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Coordinate and manage emergency management in the Rotorua district, working collaboratively with other emergency management agencies. [Reduction, Readiness, Response & Recovery]	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



Emergency Management

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	750,000	641,000	515,213	523,000
Fees and charges	-	-	-	-
Subsidies and grants	8,143	-	-	-
Total income	758,143	641,000	515,213	523,000
Operating expenditure				
Staff costs	146,384	85,087	99,423	94,000
Direct costs	227,637	406,738	293,532	275,000
Finance cost	2,888	617	617	-
Depreciation	33,154	13,932	33,660	32,000
Group overhead	346,370	103,019	103,019	104,000
Total operating expenditure	756,433	609,393	530,251	505,000
Operating net cost of service	1,710	31,607	(15,038)	18,000
Capital expenditure				
Capital acquisitions	-	-	-	-
Capital renewals	(34,798)	(28,000)	-	(34,000)
Depreciation	33,154	13,932	33,660	32,000
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	-	-	-
Net funding position	66	17,539	18,622	16,000

Capital expenditure

	\$
Rural Fire plant and equipment renewals	30,000
Radio and office equipment renewals	4,000
Total	34,000



Aquatic Centre

Purpose

To provide access for our citizens to water-based and health and fitness activities which promote overall wellbeing, fitness and water-based learning.

- Water safety
- Recreation facilities and programmes

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓		✓				

Key projects for 2014/15

• Kuirau Park and Aquatic Centre master plan - \$320,000

Council has an aspiration for Rotorua to become a major spa city. To support this aspiration Council will develop a master plan for Kuirau park, where the Aquatic Centre is a major cornerstone and attraction for the park. This project will see the establishment of a group of interested community and funding partners to develop a master plan for the future development of, and investment in, Kuirau Park and Aquatic Centre. Kuirau Park attracts significant community use and tourist visits and the Aquatic Centre is a major community facility. The links between the two parts are currently not strong. Council is hoping to stimulate investment interest or community funding for the park and Aquatic Centre. It is a unique opportunity to enhance these community spaces to support the 'spa-city' concept and make use of our geothermal advantages.

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Provide a variety of fun and accessible water and land based recreational and safety opportunities.	10,500 individuals participate in Learn to Swim School programmes per term.	10,500	10,500
	Number of visitors to the aquatic centre per year.	350,000	320,000
	Percentage of households using/visiting the aquatic centre in a year.	70%	65%
	75% of residents are very/fairly satisfied with the level of service.	75%	75%
Provide a variety of fun and accessible water and land based recreational and safety opportunities.	10,500 individuals participate in Learn to Swim School programmes per term.	10,500	10,500
	Number of visitors to the aquatic centre per year.	350,000	320,000
	Percentage of households using/visiting the aquatic centre in a year.	70%	65%
	75% of residents are very/fairly satisfied with the level of service.	75%	75%



Aquatic Centre

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	1,835,000	2,145,000	2,536,661	2,575,000
Fees and charges	1,409,119	970,423	1,131,423	1,131,000
Subsidies and grants	12,752	12,000	12,000	12,000
Total income	3,256,871	3,127,423	3,680,084	3,718,000
Operating expenditure				
Staff costs	1,514,201	1,422,994	1,488,010	1,421,000
Direct costs	930,840	964,410	942,841	775,000
Finance cost	62,096	124,806	124,806	130,000
Depreciation	399,490	394,292	387,300	387,000
Group overhead	383,959	542,808	587,808	597,000
Total operating expenditure	3,290,586	3,449,310	3,530,765	3,310,000
Operating net cost of service	(33,715)	(321,887)	149,319	408,000
Capital expenditure				
Capital acquisitions	(1,601,100)	-	-	(346,000)
Capital renewals	(326,475)	(323,000)	(270,770)	(326,000)
Depreciation	399,490	394,292	387,300	387,000
Capital funding				
Capital revenue	1,116,971	250,929	3,623	-
Asset proceeds	-	-	-	-
Net funding position	(444,829)	334	269,472	123,000

Capital expenditure

	\$
Kuirau Park/Aquatic Centre master plan	321,000
Aquatic Centre sun shades	25,000
Aquatic Centre renewals	326,000
Total	672,000



Purpose

To work collaboratively towards raising the level of literacy in our community by providing a major 'learning' centre for our community and access to information, both print and digital.

- **Library and community programmes** – Rhyme 'n' Rumpus, reading round, – housebound, bulk loans to pre-school, visits to schools, retirement homes
- **Collections** – including special collections on New Zealand, Maori and Polynesian history
- Out reach library services to schools, care homes and smaller communities.

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓			✓		✓	

Key projects for 2014/15

- The library service in Rotorua celebrates 125 years this year. This year it is appropriate to develop a new strategic plan for the future of the service. This strategy will need to consider the digital changes that are moving rapidly around us, but also to reaffirm the library's future as a community centre of learning.
- **Library hours**
The evening opening hours for the library are to be reduced from 8pm closing to 6pm closing on Monday, Tuesday, Wednesday and Friday. The current closing time of 8pm will be retained as a late night on Thursday. These changes reflect low patronage after 6pm.

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Library readily accessible to residents and visitors for the purpose of information gathering, education and recreation.	60% of the population are members of the library.	60%	60%
	75% of households which 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%
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

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	3,611,000	3,388,000	3,742,436	3,799,000
Fees and charges	390,785	351,679	252,679	252,000
Subsidies and grants	-	-	-	-
Total income	4,001,785	3,739,679	3,995,115	4,051,000
Operating expenditure				
Staff costs	1,744,435	1,724,888	1,719,759	1,643,000
Direct costs	875,321	677,712	649,916	632,000
Finance cost	92,904	147,203	146,074	154,000
Depreciation	939,674	753,971	848,664	848,000
Group overhead	628,510	598,138	602,138	612,000
Total operating expenditure	4,280,844	3,901,912	3,966,551	3,889,000
Operating net cost of service	(279,059)	(162,233)	28,564	162,000
Capital expenditure				
Capital acquisitions	-	-	-	-
Capital renewals	(767,021)	(600,000)	(500,000)	(767,000)
Depreciation	939,674	753,971	848,664	848,000
Capital funding				
Capital revenue	8,590	8,337	4,534	-
Asset proceeds	-	-	-	-
Net funding position	(97,816)	75	381,762	243,000

Capital expenditure

	\$
Library asset replacement	155,000
Library books renewals	612,000
Total	767,000

Events and Venues

Purpose

To manage and maintain venues and provide an events attraction role for the district, supporting accessibility for citizens and visitors to sporting, cultural, conference and recreational activities.

- Energy Events Centre
- Convention Centre/Civic Theatre
- International Stadium
- Soundshell and Te Runanga Tea Rooms
- Events development and attraction

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓		✓	✓	✓		

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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 for 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



Events and Venues

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	3,508,000	3,736,000	4,336,458	4,402,000
Fees and charges	2,421,732	2,426,410	1,892,135	1,890,000
Subsidies and grants	-	-	100,000	100,000
Total income	5,929,732	6,162,410	6,328,593	6,392,000
Operating expenditure				
Staff costs	1,650,426	1,661,978	1,593,343	1,520,000
Direct costs	2,644,494	2,354,635	2,434,872	2,277,000
Finance cost	419,752	568,382	568,382	598,000
Depreciation	1,689,330	2,135,000	1,823,052	1,821,000
Group overhead	673,956	922,946	1,029,946	1,042,000
Total operating expenditure	7,077,958	7,642,941	7,449,595	7,258,000
Operating net cost of service	(1,148,226)	(1,480,531)	(1,121,002)	(866,000)
Capital expenditure				
Capital acquisitions	-	-	-	-
Capital renewals	(526,715)	(652,000)	(537,070)	(526,000)
Depreciation	1,689,330	2,135,000	1,823,052	1,821,000
Capital funding				
Capital revenue	34,444	-	13,751	-
Asset proceeds	-	-	-	-
Net funding position	48,833	2,469	178,731	429,000

Capital expenditure

	\$
Asset replacement	473,000
Equipment shed	3,000
Soundshell	50,000
Total	526,000



Gardens, Reserves and Sportsgrounds

Purpose

To provide safe access to open space for participation in casual and organised recreation and leisure activities;

To contribute to the aesthetic look of Rotorua through quality plantings, bedding displays, interpretation and information panels that support Rotorua's reputation as a friendly and visually appealing place to live, visit, work, invest and do business.

- Sports fields, reserves and amenities
- Gardens/bedding/amenity planting
- Cemeteries/crematorium
- Nursery

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓		✓				✓

Key projects for 2014/15

- **Mamaku Youth Space - \$120,000**
Council has already constructed youth spaces at Fordlands, Westbrook and Koutu. Original plans had anticipated the next youth space on the east side of the city. However, Mamaku has been identified as a higher priority because of a lack of youth activities or facilities in that area.
- **Boatramp upgrades and developments - \$127,000**
Funding has been set aside for improvements to ramps, and parking and other access issues around a small number of boat ramps. Because of its heavy event focus, Lake Tikitapu has been identified for the initial work, while other ramps will be identified in discussions with boat users or local communities. We expect to prioritise work on the boatramps and associated manoeuvring and parking surfaces at Lake Tikitapu and Merge Lodge Reserve at Lake Rotoma.
- **Cemetery plots and ashes wall developments - \$25,000**
The current wall is almost full and this project provides for the provision of a new wall to supply spaces for the next 5-8 years.
- **City event entrance signage - \$80,000**
This project is to build three event signs at city gateways. It is important for the marketing and promotion of events in the city that information on upcoming or current events be effectively provided to visitors and locals.
- **Toilet upgrades/renewals - \$260,000**
This project is for upgrading existing public toilet facilities in the district. The Lake Tikitapu toilet is the first priority with additional work being planned for new facilities at Trout Pool Road end car park and Rotoiti Delta boat ramp adjacent to State Highway 33.
- **Puketawhero Park toilet block - \$140,000**
A toilet block is to be provided at Puketawhero Park. External funding will be sought, with Council providing up to \$140,000.



Gardens, Reserves and Sportsgrounds

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Provide access to safe, well maintained parks,-reserves and sportsfields	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%
	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%
	90% of children's play areas within 500m of dwellings in the urban area.	90%	90%
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%



Gardens, Reserves and Sportsgrounds

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	9,063,000	8,722,000	7,376,018	7,487,000
Fees and charges	2,015,398	2,193,984	1,611,767	2,610,000
Subsidies and grants	26	5,000	45,500	-
Total income	11,078,424	10,920,984	9,033,285	10,097,000
Operating expenditure				
Staff costs	1,241,423	4,114,955	991,968	947,000
Direct costs	2,586,625	3,429,572	811,370	434,000
Finance cost	813,510	886,573	888,073	946,000
Depreciation	1,496,126	1,833,126	1,986,156	1,984,000
Group overhead	5,356,068	1,676,832	5,562,832	5,593,000
Total operating expenditure	11,493,752	11,941,058	10,240,399	9,904,000
Operating net cost of service	(415,328)	(1,020,074)	(1,207,114)	193,000
Capital expenditure				
Capital acquisitions	(1,490,885)	(1,252,000)	(1,003,848)	(649,000)
Capital renewals	(661,794)	(934,000)	(657,706)	(1,185,000)
Depreciation	1,496,126	1,833,126	1,986,156	1,984,000
Capital funding				
Capital revenue	651,853	200,323	158,707	158,000
Asset proceeds	-	-	-	-
Net funding position	(420,028)	(1,172,625)	(723,805)	501,000

Capital expenditure

	\$
Tarukenga Cemetery development	50,000
Cemetery plots and ashes wall developments	25,000
Toilet upgrades/renewals	259,000
City event entrance signage	80,000
Nursery renewals	14,000
Boat ramp upgrades and developments	127,000
Parks and Tokorangi Triangle renewals	606,000
Playgrounds	8,000
Puketawhero Park toilet	140,000
Renewal of parks structures and buildings	296,000
Tarawera Landing sewerage system	100,000
Crematorium renewals	9,000
Mamaku youth space construction	120,000
Total	1,834,000



Pensioner Housing

Purpose

To provide safe, accessible residential hubs to support the wellbeing of our older people.

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓						

Key projects for 2014/15

RDC has previously considered partnering with a community organisation to manage and develop the council's 156 pensioner units. Council will explore a partnership with a community or iwi provider to help achieve this for our community and, potentially, improve current provision. Approximately 24 units require major refurbishment in the near future. Council alone cannot access central government funding for upgrades. There is a real opportunity to examine how to enhance the current service.

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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.	85%	N/A



Pensioner Housing

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	-	8,000	-	-
Fees and charges	783,520	760,404	790,404	790,000
Subsidies and grants	-	-	-	-
Total income	783,520	768,404	790,404	790,000
Operating expenditure				
Staff costs	68,890	65,492	34,172	32,000
Direct costs	442,683	340,409	277,806	257,000
Finance cost	-	-	-	-
Depreciation	194,715	256,000	552,456	552,000
Group overhead	158,857	96,691	179,691	181,000
Total operating expenditure	865,145	758,592	1,044,125	1,022,000
Operating net cost of service	(81,625)	9,812	(253,721)	(232,000)
Capital expenditure				
Capital acquisitions	-	-	-	-
Capital renewals	(29,973)	(83,000)	(82,170)	-
Depreciation	194,715	256,000	552,456	552,000
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	-	-	-
Net funding position	83,117	182,812	216,565	320,000



Purpose

To collect, preserve and showcase the unique stories of Rotorua’s local culture, history and its people, to our people and to our visitors.

- Programmes – public programmes
- Education
- Collections – approximately \$35m

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
		✓	✓			

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
To collect, preserve and show case the unique stories of Rotorua’s local culture, history and its people to our people and to our visitors	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 to 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

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	1,817,000	2,077,000	2,365,251	2,401,000
Fees and charges	1,843,702	2,006,000	1,894,000	1,894,000
Subsidies and grants	-	-	18,000	18,000
Total income	3,660,702	4,083,000	4,277,251	4,313,000
Operating expenditure				
Staff costs	1,366,981	1,574,996	1,575,700	1,505,000
Direct costs	1,514,148	1,682,538	1,622,903	1,519,000
Finance cost	215,171	176,869	178,569	189,000
Depreciation	592,700	465,000	483,192	483,000
Group overhead	396,670	700,306	700,306	713,000
Total operating expenditure	4,085,670	4,599,709	4,560,670	4,409,000
Operating net cost of service	(424,968)	(516,709)	(283,419)	(96,000)
Capital expenditure				
Capital acquisitions	(9,059)	-	-	(9,000)
Capital renewals	(197,976)	(276,000)	(273,240)	(197,000)
Depreciation	592,700	465,000	483,192	483,000
Capital funding				
Capital revenue	7,395	428,000	423,698	-
Asset proceeds	-	-	-	-
Net funding position	(31,908)	100,291	350,231	181,000

Capital expenditure

	\$
Museum renewals	197,000
Collection development	9,000
Total	206,000

Economic Development

Purpose

To promote Rotorua as a great place to live, visit, work, invest and do business.

- Tourism attraction and marketing
- Economic development - Grow Rotorua and Airport
- Inner city development and operations

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
		✓	✓	✓	✓	

Key projects for 2014/15

- **Arts trail link to Government Gardens – 1% of all projects**
Council has a policy where 1% of all capital projects is allocated to art projects in public spaces. The priority for the coming year is the inner city. It is proposed to create an arts trail linking to Government Gardens.
- **Air New Zealand joint venture funding year 2 – \$1 million**
Over the last few years Council has committed to joint venture marketing of the trans-Tasman air service with Air New Zealand. The most recent agreement was for Council to contribute up to \$3 million over a two year agreement, based on a number of performance measures. One million dollars was included in the 2013/2014 budget. In the 2014/15 budget \$1 million has been included.
This funding is included in the direct costs line of the economic development activity and paid directly by Council, not the airport company.
- **Tourism Marketing – Famously Rotorua Campaign**
Launched in October 2013, this three year campaign showcases the diversity Rotorua has to offer the domestic market. It aims to appeal to people who want to indulge in nature, unique and indigenous cuisine, adventure, and quality family experiences. The Famously Rotorua campaign has been jointly funded by industry partners and a one-off contribution from Council last year. In 2014/15 the campaign continues to be funded through Rotorua Marketing's activity.
- **Grow Rotorua Funding**
Grow Rotorua Ltd is a council controlled organisation set up to play a key role in lifting the district's economic performance, with a primary focus on evaluation of four well established sectors with economic growth potential: agriculture, forestry, geothermal and tourism. Council funds Grow Rotorua Ltd (\$800,000) to deliver the council's objectives. This funding is included in the direct cost line of the Economic Development activity.

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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%
	95% of residents very/fairly satisfied with appearance and cleanliness of CBD.	95%	95%
Facilitating events at the city centre which contribute to the vibrancy of the	Minimum of 300 events held in the city centre annually.	300	300



Economic Development

Level of Service	Performance measures	2014/15 targets	2013/14 targets
city.	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).	3.130m	3.068m
	Number of visitor nights spent in Rotorua.	3.704m	3.595m
	Average daily expenditure per domestic visitor.	\$82	\$81
	Average daily expenditure per international visitor.	\$157	\$155
	Total visitor expenditure in Rotorua.	\$558m	\$538m
Focus marketing efforts into: - the existing large markets of Auckland and Australia; and - the fast growing key Asian markets	Rotorua's market share of Aucklander visitor nights spent in NZ regions, expressed as a percentage.	7.1%	6.8%
	Rotorua's market share of Australian visitor arrivals to NZ.	19.8%	19.7%
	Number of arrivals to Rotorua from key Asian markets (i.e. sum of day and overnight arrivals from China, Japan and Korea).	215,100	192,600
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%
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.	100	75
	Percentage of respondents that list Rotorua as a preferred lifestyle destination to live, work and invest.	80%	75%
	Business sector satisfaction rating with live, work and invest promotion.	80%	75%
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%	85%
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.	\$1.8m	\$1.6m
	Percentage sales directly contributing to the Rotorua economy.	85%	80%



Economic Development

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	9,831,000	12,811,000	11,476,542	11,650,000
Fees and charges	5,714,828	4,878,787	3,747,902	3,747,000
Subsidies and grants	318,795	51,000	51,000	51,000
Total income	15,864,623	17,740,787	15,275,444	15,448,000
Operating expenditure				
Staff costs	2,643,694	3,271,595	2,541,428	2,426,000
Direct costs	5,115,068	7,088,864	5,714,527	5,611,000
Finance cost	3,971,657	3,686,076	3,884,506	4,139,000
Depreciation	1,434,589	1,474,104	1,421,054	1,420,000
Group overhead	2,718,109	2,109,181	3,086,181	3,119,000
Total operating expenditure	15,883,117	17,629,820	16,647,696	16,715,000
Operating net cost of service	(18,494)	110,967	(1,372,252)	(1,267,000)
Capital expenditure				
Capital acquisitions	(880,605)	(3,940,000)	(3,566,430)	-
Capital renewals	(153,706)	(227,000)	(407,520)	(153,000)
Depreciation	1,434,589	1,474,104	1,421,054	1,420,000
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	-	-	-
Net funding position	381,784	(2,581,929)	(3,925,148)	-

Capital expenditure

	\$
City Focus renewals	33,000
Runway and other Airport renewals	120,000
	153,000



Consenting Services

Purpose

To promote, encourage and assist our citizens and developers in fulfilling their objectives to enhance, grow and create new developments.

- Building consents
- Resource consents

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
			✓	✓	✓	

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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%
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%
Timely and consistent processing of consent applications.	100% of 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%



Consenting Services

Level of Service	Performance measures	2014/15 targets	2013/14 targets
	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.	Achieved	N/A
	Percentage of customers very/fairly satisfied with the consent process.	Net 5% increase on previous year's actual	Net 5% increase on previous year's actual
Prompt responses to complaints.	100% of complaints responded to within one working day of receipt.	100%	100%
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%
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%



Consenting Services

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	135,120	198,000	72,898	74,000
Fees and charges	2,896,939	1,695,704	1,468,079	1,465,000
Subsidies and grants	-	-	-	-
Total income	3,032,059	1,893,704	1,540,977	1,539,000
Operating expenditure				
Staff costs	3,114,896	1,589,521	1,436,747	1,371,000
Direct costs	696,055	875,267	745,620	700,000
Finance cost	-	516	1,516	1,000
Depreciation	133	-	-	-
Group overhead	772,955	(595,528)	(595,528)	(538,000)
Total operating expenditure	4,584,039	1,869,776	1,588,355	1,534,000
Operating net cost of service	(1,551,980)	23,928	(47,378)	5,000
Capital expenditure				
Capital acquisitions	-	-	-	-
Capital renewals	-	(25,000)	-	-
Depreciation	133	-	-	-
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	-	-	-
Net funding position	(1,551,847)	(1,072)	(47,378)	5,000



Regulatory Services

Purpose

To support the council's compliance and enforcement activities to optimise the safety and wellbeing of our citizens and visitors.

- Animal control
- Health and liquor permits
- Parking enforcement

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓		✓	✓			

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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%



Regulatory Services

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	630,000	-	-	-
Fees and charges	2,713,273	3,005,143	2,898,412	2,997,000
Subsidies and grants	-	-	-	-
Total income	3,343,273	3,005,143	2,898,412	2,997,000
Operating expenditure				
Staff costs	1,932,482	1,516,622	1,545,392	1,475,000
Direct costs	829,634	810,366	801,112	778,000
Finance cost	1,926	2,318	2,318	1,000
Depreciation	28,538	24,000	25,724	25,000
Group overhead	568,140	467,429	467,429	473,000
Total operating expenditure	3,360,720	2,820,735	2,841,975	2,752,000
Operating net cost of service	(17,447)	184,408	56,437	245,000
Capital expenditure				
Capital acquisitions	-	-	-	-
Capital renewals	(10,141)	(36,000)	(35,640)	(10,000)
Depreciation	28,538	24,000	25,724	25,000
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	-	-	-
Net funding position	950	172,408	46,521	260,000

Capital expenditure

	\$
Dog pound renewals	6,000
Inspection equipment renewals	4,000
Total	10,000



Roads and Footpaths

Purpose

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

- **Roads** – maintenance of roading infrastructure including road marking, reseals, street lighting
- **Travel demand management** - working with communities to deliver road safety education, travel planning, walking and cycling.
- **Management of state highway network** - within the district
- **Footpaths** – well maintained, allowing citizens to participate in other forms of transport, and getting around the district

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓			✓			

Key projects for 2014/15

- **Rural road seal extension - \$400,000**
Council has historically borrowed to fund approximately 7km of rural road seal extension each year. This year Council has again included funding for rural seal extensions but the funding level has been reduced to \$400,000 per annum (approximately one-third of previous levels).
- **Local bus routes and tourist bus parking improvements - \$100,000**
Local bus routes are to be rearranged to circulate in both directions around the inner city. This is intended to improve the economic value of patrons throughout the inner city, and to reduce problems resulting from too many people waiting at Pukuatua Street bus stops. The intended routes will circulate passengers along Fenton, Arawa and Amohia Streets, and possibly Rotorua Central to complete the circuit. Also a changed median strip on Fenton Street will prevent right turns from Haupapa Street.



Roads and Footpaths

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Provision of an efficient well maintained roading network.	95% of public bus services run on time.	Achieved	Achieved
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 educational and sustainability programmes that support the environment.	6 educational programmes delivered per year.	6	6
* Performance measure - road safety	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.		
* Performance measure - road condition	The average quality of ride on a sealed local road network, measured by smooth travel exposure.		
* Performance measure - road maintenance	The percentage of the sealed local road network that is resurfaced.		
* Performance measure - footpaths	The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).		
* Performance measure - response to service requests	The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.		

* A number of new indicators have been added by government legislation that measure core services. During this year council will monitor initial results to provide a benchmark to enable council to set targets in the following years.



Roads and Footpaths

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	8,983,000	8,822,000	8,989,137	9,125,000
Fees and charges	22,965	54,622	42,000	42,000
Subsidies and grants	3,782,284	1,050,769	3,244,000	3,244,000
Total income	12,788,249	9,927,391	12,275,137	12,411,000
Operating expenditure				
Staff costs	844,404	713,546	664,621	633,000
Direct costs	842,605	6,363,101	5,988,999	5,599,000
Finance cost	2,002,966	818,645	818,645	873,000
Depreciation	5,281,962	7,550,683	6,458,880	6,458,000
Group overhead	6,505,046	2,519,372	2,743,372	2,718,000
Total operating expenditure	15,476,983	17,965,347	16,674,517	16,281,000
Operating net cost of service	(2,688,734)	(8,037,956)	(4,399,380)	(3,870,000)
Capital expenditure				
Capital acquisitions	(5,452,528)	(4,271,000)	(3,053,880)	(560,000)
Capital renewals	(5,005,014)	(5,174,000)	(5,123,730)	(4,994,000)
Depreciation	5,281,962	7,550,683	6,458,880	6,458,000
Capital funding				
Capital revenue	4,274,191	5,659,882	4,145,917	4,145,000
Asset proceeds	-	-	-	-
Net funding position	(3,590,123)	(4,272,391)	(1,972,193)	1,179,000

Capital expenditure

	\$
Drainage renewals	236,000
Footpath renewals	154,000
Parks roads renewals	91,000
Passenger transport infrastructure	46,000
Local bus routes and tourist bus parking improvements	100,000
Pavement rehabilitation	1,603,000
Road reseals	2,578,000
Rural road seal extensions	400,000
Structural renewals	137,000
Te Ngae Road footpath (Rotokawau)	15,000
Traffic services renewals	194,000
Total	5,554,000



Sewerage and Sewage

Purpose

To provide for the removal, treatment and disposal of wastewater from homes and businesses in a way that is safe, economical, sustainable and responsive to the needs of our citizens.

- **Wastewater** - removal, treatment and disposal

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓						✓

Key projects for 2014/15

- **Tarawera Landing sewerage system - \$100,000**
Problems with the sewerage system for public toilets beside the Landing Café resulted in beach closures during the summer of 2013/14. These have been repaired but a replacement system is required to ensure the beach and lake are protected.
- **Construction of the full Terax plant - \$7.5m in 2014/15 and \$2m in 2015/16**
Council has partnered with Scion to develop a technology solution for the treatment of sludge from the Wastewater Treatment Plant. The trial and pilot have been very successful to the extent that Council is now committed to construction of a full plant. The full plant is intended to process waste sludge produced in Rotorua district and provide a reference plant for others interested in the technology.
In addition, the Intellectual Property (IP) has been trademarked as TERAX™. Scion and RDC now wish to commercialise the IP which has significant market development potential with other local authorities.

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Provide sewerage systems that are safe, reliable and sustainable.	Reduction in number of household unit equivalents discharging to septic tanks.	Tarawera 393 Mamaku 243 connected	N/A
	95% of customers are very/fairly satisfied with wastewater services.	95%	95%
* Performance measure - system and adequacy	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.		



Sewerage and Sewage

Level of Service	Performance measures	2014/15 targets	2013/14 targets
* Performance measure - discharge compliance	<p>Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <ul style="list-style-type: none"> ▪ abatement notices ▪ infringement notices ▪ enforcement orders, and ▪ convictions, <p>received by the territorial authority in relation to those resource consents</p>		
* Performance measure - fault response times	<p>Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:</p> <ul style="list-style-type: none"> ▪ attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and ▪ resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault 		
* Performance measure - customer satisfaction	<p>The total number of complaints received by the territorial authority about any of the following:</p> <ul style="list-style-type: none"> ▪ sewage odour ▪ sewerage system faults ▪ sewerage system blockages, and ▪ the territorial authority's response to issues with its sewerage system, <p>expressed per 1000 connections to the territorial authority's sewerage system</p>		

* A number of new indicators have been added by government legislation that measure core services. During this year council will monitor initial results to provide a benchmark to enable council to set targets in the following years.



Sewerage and Sewage

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	10,432,000	10,971,000	12,475,444	12,664,000
Fees and charges	847,545	803,850	516,280	516,000
Subsidies and grants	-	-	-	-
Total income	11,279,545	11,774,850	12,991,724	13,180,000
Operating expenditure				
Staff costs	1,679,494	1,560,442	1,259,114	1,203,000
Direct costs	5,987,410	5,100,410	5,300,399	4,886,000
Finance cost	-	427,697	432,197	460,000
Depreciation	5,251,153	4,037,067	4,393,164	4,393,000
Group overhead	1,347,506	3,213,105	3,837,713	3,803,000
Total operating expenditure	14,265,563	14,338,721	15,222,587	14,745,000
Operating net cost of service	(2,986,018)	(2,563,871)	(2,230,863)	(1,565,000)
Capital expenditure				
Capital acquisitions	(6,140,991)	(1,579,000)	(2,671,085)	(12,030,000)
Capital renewals	(1,604,871)	(1,877,000)	(1,802,515)	(1,754,000)
Depreciation	5,251,153	4,037,067	4,393,164	4,393,000
Capital funding				
Capital revenue	245,906	2,396,362	704,884	4,185,000
Asset proceeds	-	-	-	-
Net funding position	(5,234,821)	413,558	(1,606,415)	(6,771,000)

Capital expenditure

	\$
Stormflow pump station screen	30,000
Flow balancing tank and pipe upgrade	700,000
Inlet screen installation	120,000
Land treatment renewals	19,000
Sewage pump station renewals	256,000
Construction of full Terax plant	10,980,000
Treatment Plant renewals	262,000
Urban network renewals	1,067,000
Waste water treatment and disposal upgrade	350,000
Total	13,784,000



Stormwater and Land Drainage

Purpose

To protect people and property from flood damage and to minimise the adverse effects of stormwater run-off on the district's lakes and waterways.

- **Stormwater** - operations and maintenance

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓	✓					✓

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
* Performance measure - system adequacy	The number of flooding events that occur in a territorial authority district. For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system).		
* Performance measure - discharge compliance	Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of: <ul style="list-style-type: none"> ▪ abatement notices ▪ infringement notices ▪ enforcement orders, and ▪ convictions, received by the territorial authority in relation to those resource consents.		
* Performance measure - response times	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.		
* Performance measure - customer satisfaction	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.		

- * A number of new indicators have been added by government legislation that measure core services. During this year council will monitor initial results to provide a benchmark to enable council to set targets in the following years.



Stormwater and Land Drainage

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	4,289,000	4,497,000	5,633,849	5,719,000
Fees and charges	127,518	123,756	63,000	63,000
Subsidies and grants	-	-	-	-
Total income	4,416,518	4,620,756	5,696,849	5,782,000
Operating expenditure				
Staff costs	-	527,004	220,000	210,000
Direct costs	591,785	376,657	767,836	666,000
Finance cost	739,379	1,039,781	779,781	831,000
Depreciation	2,145,522	2,065,198	2,086,512	2,086,000
Group overhead	1,365,253	991,810	1,376,810	1,364,000
Total operating expenditure	4,841,939	5,000,450	5,230,939	5,157,000
Operating net cost of service	(425,421)	(379,694)	465,910	625,000
Capital expenditure				
Capital acquisitions	(617,009)	(598,000)	(419,738)	(724,000)
Capital renewals	(1,783,574)	(1,729,000)	(1,475,300)	(1,675,000)
Depreciation	2,145,522	2,065,198	2,086,512	2,086,000
Capital funding				
Capital revenue	45,374	44,035	-	-
Asset proceeds	-	-	-	-
Net funding position	(635,108)	(597,461)	657,384	312,000

Capital expenditure

	\$
Stormwater renewals	1,675,000
Stormwater upgrades	724,000
Total	2,399,000



Waste Management

Purpose

To provide for the collection, reduction, re-use, recycling and disposal of waste in a sustainable manner.

- Recycling
- Waste collection
- Landfill
- Transfer stations

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓	✓				✓	

Key projects for 2014/15

- **Waste minimisation strategy**
Council is intending to review its waste minimisation strategy during the year. This strategy will be an important opportunity to discuss options for recycling with the community.
- **Tarawera transfer station 24 hour access - \$75,000 plus operational cost increases of \$10,000 - \$30,000 per year**
Over the 2013/14 summer a trial was undertaken providing 24 hour access to the Tarawera transfer station. This trial was well received by residents and users of the new Tarawera trail, which begins across the road. With the heavy influx of visitors to Tarawera over summer there are often problems with rubbish bags left on Spencer Road or in reserve areas. This project is intended to allow for a redesign of the transfer station to provide permanent 24 hour access.

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Provide sustainable recycling facilities for household, green waste and concrete.	Percentage of green waste and concrete recovered from total amount landfilled.	19%	17%
	Number of tonnes per annum of recycled material recovered.	4,690 tonnes	4,470 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%
Provide sustainable recycling facilities for household, green waste and concrete.	Percentage of green waste and concrete recovered from total amount landfilled.	19%	17%



Waste Management

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	3,364,000	3,879,000	3,925,667	3,985,000
Fees and charges	5,643,845	6,541,353	3,447,550	3,447,000
Subsidies and grants	-	-	-	-
Total income	9,007,845	10,420,353	7,373,217	7,432,000
Operating expenditure				
Staff costs	40,298	1,051,961	174,382	164,000
Direct costs	2,078,935	5,788,894	2,985,332	2,619,000
Finance cost	4,814	430,896	430,896	458,000
Depreciation	1,049,280	701,645	339,396	339,000
Group overhead	5,861,785	2,618,034	4,776,034	4,743,000
Total operating expenditure	9,035,112	10,591,430	8,706,040	8,323,000
Operating net cost of service	(27,267)	(171,077)	(1,332,823)	(891,000)
Capital expenditure				
Capital acquisitions	(1,387,620)	(1,084,000)	(1,048,000)	(75,000)
Capital renewals	(326,720)	(110,000)	(54,000)	(326,000)
Depreciation	1,049,280	701,645	339,396	339,000
Capital funding				
Capital revenue	812,000	822,977	953,000	953,000
Asset proceeds	-	-	-	-
Net funding position	119,673	159,545	(1,142,427)	-

Capital expenditure

	\$
Landfill renewals	326,000
Tarawera transfer station 24 hour access	75,000
Total	401,000



Water Supplies

Purpose

To provide residents with uninterrupted access to safe, clean and drinkable water

- Urban water scheme
- Rural water scheme

Contribution to Rotorua 2030

Rotorua 2030 Goals						
Resilient communities	Homes that match needs	Outstanding places to play	Vibrant city heart	Business innovation and prosperity	Employment choices	Enhanced environment
✓	✓					

How we measure success

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Provide water to households that is safe to drink, sustainable and has adequate pressure and flow.	Achieve MOH gradings of minimum Cc across all water supplies.	Achieved	Achieved
Provide educational programmes to ensure efficient use of water.	3 education programmes delivered per year.	3	3
* Performance measure - safety of drinking water	Compliance with: <ul style="list-style-type: none"> ▪ part 4 of the drinking-water standards (bacteria compliance criteria), and ▪ part 5 of the drinking-water standards (protozoal compliance criteria) 		
* Performance measure - maintenance of the reticulation network	The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).		



Water Supplies

Level of Service	Performance measures	2014/15 targets	2013/14 targets
* Performance measure - fault response times	<p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:</p> <ul style="list-style-type: none"> ▪ attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and ▪ resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. ▪ attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and ▪ resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. 		
* Performance measure - customer satisfaction	<p>The total number of complaints received by the local authority about any of the following:</p> <ul style="list-style-type: none"> ▪ drinking water clarity ▪ drinking water taste ▪ drinking water odour ▪ drinking water pressure or flow ▪ continuity of supply, and ▪ the local authority's response to any of these issues <p>expressed per 1000 connections to the local authority's networked reticulation system.</p>		
* Performance measure - demand management	<p>The average consumption of drinking water per day per resident within the territorial authority district.</p>		

* A number of new indicators have been added by government legislation that measure core services. During this year council will monitor initial results to provide a benchmark to enable council to set targets in the following years.



Water Supplies

Activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	4,045,000	7,403,000	6,767,712	6,870,000
Fees and charges	5,412,348	826,035	226,000	214,000
Subsidies and grants	-	-	-	-
Total income	9,457,348	8,229,035	6,993,712	7,084,000
Operating expenditure				
Staff costs	2,251,991	3,716,954	2,553,761	2,295,000
Direct costs	2,721,446	2,828,718	2,410,050	2,209,000
Finance cost	31,770	338,588	338,588	360,000
Depreciation	2,729,440	3,063,908	3,115,764	3,153,000
Group overhead	1,283,007	245,120	1,484,455	1,576,000
Total operating expenditure	9,017,654	10,193,288	9,902,618	9,593,000
Operating net cost of service	439,694	(1,964,253)	(2,908,906)	(2,509,000)
Capital expenditure				
Capital acquisitions	(3,894,729)	(2,267,000)	(1,142,400)	(485,000)
Capital renewals	(1,331,973)	(1,701,500)	(1,569,915)	(2,491,000)
Depreciation	2,729,440	3,063,908	3,115,764	3,153,000
Capital funding				
Capital revenue	3,029,988	618,780	47,480	47,000
Asset proceeds	-	-	-	-
Net funding position	972,420	(2,250,065)	(2,457,977)	(2,285,000)

Capital expenditure

	\$
Plant and building renewal	20,000
Backflow prevention devices installation or upgrade	200,000
Meter renewals	40,000
Minor and electrical and mechanical plant upgrades	21,000
Urban network renewals	1,227,000
New rider mains	300,000
Planning and establishment of new Ngongotaha water source	600,000
Plant improvements	10,000
Kaharoa water renewals	6,000
Mamaku water renewals	11,000
Okareka water renewals	8,000
Reporoa water renewals	7,000
Replacement of monitoring equipment	11,000
Sectorisation and pressure management	475,000
Seismic shut-off valve installation	40,000
	2,976,000



Council controlled organisations (CCOs)

A council controlled organisation (CCO) is a company or trust controlled by council. The activities of the company are overseen by a board of directors. Council selects and appoints the directors to the board based on their ability to add value to the organisation.

Expectations for the CCO are set by the council. Council is able to set the level of decision-making for the board and the outcomes they are to achieve.

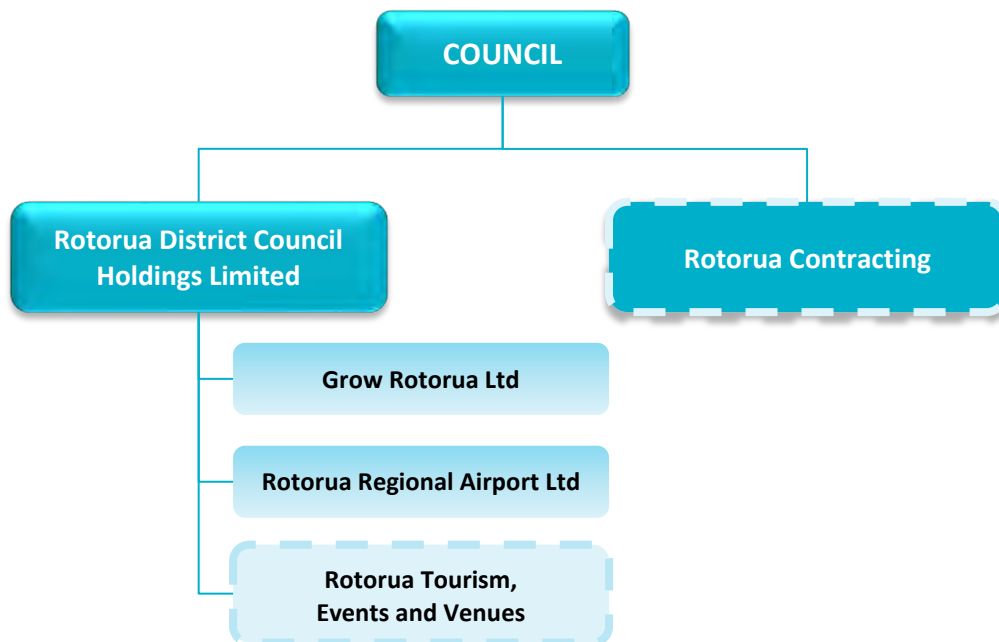
In contract to councils, CCOs are focused on achieving a constrained set of business objectives. This brings a unifying focus to the organisation along with efficiencies through a corresponding drive to align resources with the required outcomes.

The formation of partnerships and alliances is a further strength of the CCO model. Commonly perceived as being more commercial and flexible than councils, CCOs are often able to collaborate more effectively with the private sector.

RDC presently has a number of CCOs (Rotorua District Council Holding Ltd, Grow Rotorua Ltd, Rotorua Regional Airport Ltd) and proposes to introduce two new CCOs in the coming financial year – Rotorua Contracting, and Rotorua Tourism, Events and Venues.

Council is currently undertaking design work on the potential creation of the above CCOs. On completion of this design work, council will undertake the special consultative process to gain feedback from the wider community on the proposal.

The proposed structure for CCO accountability is:



--- Proposed new CCOs for 2014/15 (final names yet to be determined)



Council controlled organisations (CCOs)

Rotorua District Council Holdings Ltd

In 2010 council established a holding company, Rotorua District Council Holdings Limited, to be used as an umbrella for a range of commercial activities that were identified at the time. Going forward council is considering using the holding company to assist in managing and coordinating the activities of Grow Rotorua Ltd, Rotorua Regional Airport Ltd and the new Tourism, Events and Venues CCO. The advantages to this approach include:

- The application of additional commercial focus and rigor applied in the interface between council and the subsidiary organisations;
- Enhanced coordination arising from the ability to have representation on the holding company board from each of the subsidiary boards;
- The potential to include some level of political representation on the holding company board; and
- A more streamlined interface from a council perspective.

As at 30 June 2013 the holding company had not traded.

Grow Rotorua Ltd

Grow Rotorua Ltd is a council controlled organisation (CCO) that is 100% council owned. It was established in late 2012 as a result of the Rotorua Sustainable Economic Growth Strategy. Grow Rotorua Ltd continues to influence in the development of initiatives that strengthen economic investment opportunities in key economic driver areas: forest industry, tourism, agriculture (including land use change) and geothermal and other sources of renewable energy. During the 2014/15 year Grow Rotorua Ltd will progress development of new spa opportunities and discussions on potential geothermal-themed golf tourism and deliver a strategic plan to maximise the economic opportunities generated by mountain biking in Rotorua. Grow Rotorua's forestry focus will centre on the case for Centre of Excellence for Engineered Wood Products investment in Rotorua and on-shore value-added processing of export logs.

Rotorua Regional Airport Ltd

Rotorua Regional Airport Limited (RRAL) is a limited liability company which trades as Rotorua International Airport. RRAL is fully owned by the Rotorua District Council and is a Council Controlled Trading Organisation as defined under section 6 of the Local Government Act 2002. Airport operations are managed by a chief executive reporting to the company's board of directors. One of his key objectives is to ensure that the Airport improves its financial performance and its return to its shareholder.

Rotorua Tourism, Events and Venues

This proposed CCO will be focussed on attracting visitors to Rotorua. This will include i-Site, Events and Venues, the role of the Tourism Committee, and Destination Rotorua Marketing. Transfer of responsibility of the customer service functions of the Redwoods Centre and the City Focus is part of the proposal. Overall the function of this CCO would:

- encourage collaboration with related industry sectors;
- ensure a coordinated approach while avoiding duplication; and
- provide greater commercial discipline and drive efficiency and effectiveness gains.

Rotorua Contracting

Existing council services of Castlecourt, the Nursery and the Landfill are proposed to be transitioned to this CCO. The formation of this CCO would:

- support enhanced employment and training outcomes;
- foster business development and growth;
- maintain the ability of council to control key service attributes (eg: nature of planting in the CBD);
- encourage commercial discipline and efficiency; and
- provide a mechanism for external investment.



Financial statements

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Purpose of financial statements

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 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.



Prospective statement of comprehensive income

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Income				
Rates revenue	71,682,000	73,518,000	75,134,000	76,270,000
Fees and charges	36,018,000	28,483,000	21,922,000	22,655,000
Subsidies and grants	4,174,000	1,180,000	3,942,000	3,449,000
Capital revenue	10,226,000	10,429,000	6,455,000	9,488,000
Total income	122,100,000	113,610,000	107,453,000	111,862,000
Expenditure				
Staff costs	37,935,000	35,604,000	35,854,000	34,089,000
Direct costs	40,795,000	46,954,000	42,836,000	41,531,000
Finance cost	10,102,000	9,385,000	9,331,000	9,878,000
Depreciation	26,434,000	26,298,000	27,383,000	27,404,000
Total expenditure	115,266,000	118,241,000	115,404,000	112,902,000
Interdepartmental charges				
Group overhead	-	-	-	-
Surplus / (Deficit) before taxation	6,834,000	(4,631,000)	(7,951,000)	(1,040,000)
Income tax expense	-	-	-	-
Surplus / (Deficit) after taxation	6,834,000	(4,631,000)	(7,951,000)	(1,040,000)
Other comprehensive income				
Gains on revaluation of PP&E	-	-	-	-
Total comprehensive income	6,834,000	(4,631,000)	(7,951,000)	(1,040,000)



Prospective statement of financial position

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Assets				
Current assets				
Cash and cash equivalents	1,841,000	5,901,000	1,000,000	1,000,000
Debtors and other receivables	17,986,000	18,500,000	23,389,000	23,389,000
Inventories	1,611,000	1,279,000	1,325,000	1,325,000
Total current assets	21,438,000	25,680,000	25,714,000	25,714,000
Non-current assets				
Property, plant and equipment	1,151,880,000	1,033,954,125	1,127,000,000	1,120,703,500
Intangible asset	4,029,000	2,804,000	3,600,000	3,600,000
Forestry assets	316,000	1,230,000	-	-
Other financial assets	2,092,000	2,147,000	3,570,000	3,570,000
Total non-current assets	1,158,317,000	1,040,135,125	1,134,170,000	1,127,873,500
Total assets	1,179,755,000	1,065,815,125	1,159,884,000	1,153,587,500
Liabilities				
Current liabilities				
Creditors and other payables	28,932,000	22,500,000	19,100,000	19,100,000
Borrowings	15,000,000	46,000,000	36,150,000	36,150,000
Provisions	604,000	604,000	750,000	750,000
Employee entitlements	5,508,000	5,339,000	5,300,000	5,300,000
Total current liabilities	50,044,000	74,443,000	61,300,000	61,300,000
Non-current liabilities				
Borrowings	162,392,000	124,001,000	133,525,000	137,756,000
Provisions	2,198,000	2,000,000	2,600,000	2,600,000
Employee entitlements	766,000	469,000	500,000	500,000
Total non-current liabilities	165,356,000	126,470,000	136,625,000	140,856,000
Total liabilities	215,400,000	200,913,000	197,925,000	202,156,000
Net assets	964,355,000	864,902,125	961,959,000	951,431,500
Equity	964,355,000	864,902,125	961,959,000	951,431,500



Prospective statement of cash flows

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Cash flows from operating activities				
Receipts from rates	71,919,000	73,518,385	75,134,901	76,270,500
Receipts from other revenue	36,800,000	29,663,000	25,864,710	26,104,000
Payments to suppliers and employees	(77,581,000)	(83,018,780)	(79,120,919)	(76,049,000)
Interest paid	(10,063,000)	(8,923,605)	(8,901,296)	(9,449,000)
Total cash flows from operating activities	21,075,000	11,239,000	12,977,396	16,876,500
Cash flows from investing activities				
Receipts from capital revenue	10,226,000	10,429,000	6,455,594	9,488,000
Proceeds from sale of property, plant and equipment	178,000	2,000,000	2,000,000	1,000,000
Purchase of property, plant and equipment	(36,358,000)	(31,496,000)	(28,892,743)	(31,595,500)
Total cash flows from investing activities	(25,954,000)	(19,067,000)	(20,437,149)	(21,107,500)
Cash flows from financing activities				
Proceeds from borrowing	29,879,000	26,887,000	43,609,753	40,381,000
Repayments of borrowings	(25,000,000)	(15,000,000)	(36,150,000)	(36,150,000)
Total cash flows from financing activities	4,879,000	11,887,000	7,459,753	4,231,000
Net increase / (decrease) in cash and cash equivalents	-	4,059,000	-	-
Cash and cash equivalents at the beginning of the year	1,841,000	1,842,000	1,000,000	1,000,000
Cash and cash equivalents at the end of the year	1,841,000	5,901,000	1,000,000	1,000,000



Summary of corporate services and internal business unit

Corporate Services activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	4,340,880	-	-	-
Fees and charges	3,086,540	1,396,571	1,396,571	1,037,000
Subsidies and grants	-	-	-	-
Total income	7,427,420	1,396,571	1,396,571	1,037,000
Operating expenditure				
Staff costs	6,157,068	5,876,385	5,967,050	5,697,000
Direct costs	3,555,510	4,799,421	4,649,616	5,038,000
Finance cost	1,653,014	673,237	673,237	676,000
Depreciation	2,170,582	811,000	2,581,039	2,578,000
Group overhead (recovery)	(11,013,934)	(11,509,981)	(11,509,981)	(11,940,000)
Total operating expenditure	2,522,240	650,062	2,360,961	2,049,000
Operating net cost of service	4,905,180	746,509	(964,390)	(1,012,000)
Capital expenditure				
Capital acquisitions	(378,927)	-	(640,081)	(563,000)
Capital renewals	(983,932)	(1,563,000)	(1,220,410)	(1,087,000)
Depreciation	2,170,582	811,000	2,581,039	2,578,000
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	2,000,000	2,000,000	1,000,000
Net funding position	5,712,903	1,994,509	1,756,158	916,000

Capital expenditure

	\$
Core hardware replacements	661,000
Core software replacements	213,000
District wide orthophotography	91,000
Growth in hardware requirements	123,000
Geothermal reticulation of all RDC buildings in CDB for heating	350,000
Software development	212,000
Total	1,650,000



Summary of corporate services and internal business unit

Castlecorp activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	-	-	-	-
Fees and charges	510,748	-	215,868	232,000
Subsidies and grants	-	-	-	-
Total income	510,748	-	215,868	232,000
Operating expenditure				
Staff costs	7,575,375	240,996	7,083,665	6,768,000
Direct costs	6,278,034	97,057	3,675,938	4,136,000
Finance cost	34,658	62,962	63,340	62,000
Depreciation	766,084	719,808	845,622	844,000
Group overhead (recovery)	(14,464,075)	(1,568,019)	(11,316,962)	(11,230,000)
Total operating expenditure	190,076	(447,196)	351,603	580,000
Operating net cost of service	320,672	447,196	(135,735)	(348,000)
Capital expenditure				
Capital acquisitions	-	-	-	-
Capital renewals	(675,248)	(1,167,000)	(1,166,335)	(496,000)
Depreciation	766,084	719,808	845,622	844,000
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	-	-	-
Net funding position	411,508	4	(456,448)	-

Capital expenditure

	\$
Corporate furniture, office equipment	10,000
Fleet purchases	664,000
Fleet sales	(178,000)
	496,000



Funding impact statements – council services

Roads and Footpaths

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	8,983,000	8,822,000	9,125,000
Targeted rated (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	3,782,284	1,050,769	3,244,000
Fees, charges and targeted rates for water supply	22,965	54,622	42,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	12,788,249	9,927,391	12,411,000
Application of operating funds			
Payments to staff and suppliers	1,687,009	7,076,647	6,232,000
Finance costs	2,002,966	818,645	873,000
Internal charges and overheads applied	6,505,046	2,519,372	2,718,000
Other operating funding applications	-	-	-
Total application of funds (B)	10,195,021	10,414,664	9,823,000
Surplus (deficit) of operating funding (A - B)	2,593,228	(487,273)	2,588,000
Sources of capital funding			
Subsidies and grants for capital expenditure	4,274,191	5,659,882	4,145,000
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	4,274,191	5,659,882	4,145,000
Application of capital funding			
Capital expenditure			
to meet additional demand	5,452,528	4,271,000	560,000
to improve levels of service			
to replace existing assets	5,005,014	5,174,000	4,994,000
increase (decrease) in reserves			
increase(decrease) in investments			
Total application of capital funding (D)	10,457,542	9,445,000	5,554,000
Surplus (deficit) from capital funding (C-D)	(6,183,351)	(3,785,118)	(1,409,000)
Funding balance ((A-B) + (C-D))	(3,590,123)	(4,272,391)	1,179,000



Funding impact statements – council services

Sewerage and Sewage

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	-	-	-
Targeted rated (other than a targeted rate for water supply)	10,432,000	10,971,000	12,664,000
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	847,545	803,850	516,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	11,279,545	11,774,850	13,180,000
Application of operating funds			
Payments to staff and suppliers	7,666,904	6,660,852	6,089,000
Finance costs	-	427,697	460,000
Internal charges and overheads applied	1,347,506	3,213,105	3,803,000
Other operating funding applications	-	-	-
Total application of funds (B)	9,014,410	10,301,654	10,352,000
Surplus (deficit) of operating funding (A - B)	2,265,135	1,473,196	2,828,000
Sources of capital funding			
Subsidies and grants for capital expenditure	245,906	2,396,362	4,185,000
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	245,906	2,396,362	4,185,000
Application of capital funding			
Capital expenditure			
to meet additional demand	6,140,991	1,579,000	12,030,000
to improve levels of service			
to replace existing assets	1,604,871	1,877,000	1,754,000
increase (decrease) in reserves			
increase(decrease) in investments			
Total application of capital funding (D)	7,745,862	3,456,000	13,784,000
Surplus (deficit) from capital funding (C-D)	(7,499,956)	(1,059,638)	(9,599,000)
Funding balance ((A-B) + (C-D))	(5,234,821)	413,558	(6,771,000)



Funding impact statements – council services

Stormwater and Land Drainage

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	4,289,000	4,497,000	5,719,000
Targeted rated (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	127,518	123,756	63,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	4,416,518	4,620,756	5,782,000
Application of operating funds			
Payments to staff and suppliers	591,785	903,661	876,000
Finance costs	739,379	1,039,781	831,000
Internal charges and overheads applied	1,365,253	991,810	1,364,000
Other operating funding applications	-	-	-
Total application of funds (B)	2,696,417	2,935,252	3,071,000
Surplus (deficit) of operating funding (A - B)	1,720,101	1,685,504	2,711,000
Sources of capital funding			
Subsidies and grants for capital expenditure	45,374	44,035	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	45,374	44,035	-
Application of capital funding			
Capital expenditure			
to meet additional demand	617,009	598,000	724,000
to improve levels of service			
to replace existing assets	1,783,574	1,729,000	1,675,000
increase (decrease) in reserves			
increase(decrease) in investments			
Total application of capital funding (D)	2,400,583	2,327,000	2,399,000
Surplus (deficit) from capital funding (C-D)	(2,355,209)	(2,282,965)	(2,399,000)
Funding balance ((A-B) + (C-D))	(635,108)	(597,461)	312,000



Funding impact statements – council services

Water

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	-	-	-
Targeted rated (other than a targeted rate for water supply)	4,045,000	7,403,000	6,870,000
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	5,412,348	826,035	214,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	9,457,348	8,229,035	7,084,000
Application of operating funds			
Payments to staff and suppliers	4,973,437	6,545,672	4,504,000
Finance costs	31,770	338,588	360,000
Internal charges and overheads applied	1,283,007	245,120	1,576,000
Other operating funding applications	-	-	-
Total application of funds (B)	6,288,214	7,129,380	6,440,000
Surplus (deficit) of operating funding (A - B)	3,169,134	1,099,655	644,000
Sources of capital funding			
Subsidies and grants for capital expenditure	3,029,988	618,780	47,000
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	3,029,988	618,780	47,000
Application of capital funding			
Capital expenditure			
to meet additional demand	3,894,729	2,267,000	485,000
to improve levels of service			
to replace existing assets	1,331,973	1,701,500	2,491,000
increase (decrease) in reserves			
increase(decrease) in investments			
Total application of capital funding (D)	5,226,702	3,968,500	2,976,000
Surplus (deficit) from capital funding (C-D)	(2,196,714)	(3,349,720)	(2,929,000)
Funding balance ((A-B) + (C-D))	972,420	(2,250,065)	(2,285,000)



Funding impact statements – council services

All other activities

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	43,933,000	41,825,000	41,892,000
Targeted rated (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	391,786	130,000	205,000
Fees, charges and targeted rates for water supply	29,608,165	26,675,396	21,820,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	73,932,951	68,630,396	63,917,000
Application of operating funds			
Payments to staff and suppliers	63,812,166	61,371,941	57,919,000
Finance costs	7,328,228	6,760,455	7,354,000
Internal charges and overheads applied	(10,500,812)	(6,969,407)	(9,459,000)
Other operating funding applications	-	-	-
Total application of funds (B)	60,639,582	61,162,989	55,814,000
Surplus (deficit) of operating funding (A - B)	13,293,369	7,467,407	8,103,000
Sources of capital funding			
Subsidies and grants for capital expenditure	2,631,253	1,710,566	1,111,000
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	2,000,000	1,000,000
Lump sum contributions	-	-	-
Total sources of capital funding (C)	2,631,253	3,710,566	2,111,000
Application of capital funding			
Capital expenditure			
to meet additional demand	5,748,196	6,276,000	1,642,000
to improve levels of service	14,504,895	16,505,500	16,154,000
to replace existing assets	(9,725,432)	(10,481,500)	(10,914,000)
increase (decrease) in reserves	-	-	-
increase(decrease) in investments	-	-	-
Total application of capital funding (D)	10,527,659	12,300,000	6,882,000
Surplus (deficit) from capital funding (C-D)	(7,896,406)	(8,589,434)	(4,771,000)
Funding balance ((A-B) + (C-D))	5,396,963	(1,122,027)	3,332,000



Funding impact statements – council services

All of Council

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	57,205,000	55,144,000	56,736,000
Targeted rated (other than a targeted rate for water supply)	14,477,000	18,374,000	19,534,000
Subsidies and grants for operating purposes	4,174,070	1,180,769	3,449,000
Fees, charges and targeted rates for water supply	36,018,541	28,483,659	22,655,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	111,874,611	103,182,428	102,374,000
Application of operating funds			
Payments to staff and suppliers	78,731,301	82,558,773	75,620,000
Finance costs	10,102,343	9,385,166	9,878,000
Internal charges and overheads applied	-	-	2,000
Other operating funding applications	-	-	-
Total application of funds (B)	88,833,644	91,943,939	85,500,000
Surplus (deficit) of operating funding (A - B)	23,040,967	11,238,489	16,874,000
Sources of capital funding			
Subsidies and grants for capital expenditure	10,226,712	10,429,625	9,488,000
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	2,000,000	1,000,000
Lump sum contributions	-	-	-
Total sources of capital funding (C)	10,226,712	12,429,625	10,488,000
Application of capital funding			
Capital expenditure			
to meet additional demand	21,853,453	14,991,000	15,441,000
to improve levels of service	14,504,895	16,505,500	16,154,000
to replace existing assets			
increase (decrease) in reserves			
increase(decrease) in investments			
Total application of capital funding (D)	36,358,348	31,496,500	31,595,000
Surplus (deficit) from capital funding (C-D)	(26,131,636)	(19,066,875)	(21,107,000)
Funding balance ((A-B) + (C-D))	(3,090,669)	(7,828,386)	(4,233,000)



Funding and policies

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Statement of accounting policies

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.



Statement of accounting policies

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.

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 a 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



Statement of accounting policies

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
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 assets 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



Statement of accounting policies

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.

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.



Statement of accounting policies

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.

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.



Statement of accounting policies

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.

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.



Statement of accounting policies

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.

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



Statement of accounting policies

- 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 on charging 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.

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.



Statement of accounting policies

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.

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.



Statement of accounting policies

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 revenue includes approximately \$3.3 million of rates due on council owned properties.

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.

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



Statement of accounting policies

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

Introduction

The Rating Policy forms part of the Revenue and Financing Policy and should also be read in conjunction with the Funding Impact Statement to gain a complete understanding of the way in which rates are set and assessed across the district and for particular properties. Council rates on a Capital Value rating system. The district's three yearly general revaluation is due to be completed later this year, however these values will not be used for rating purposes until 1 July 2015. The general revaluation will cause some reallocation of some rates across the district however it does not result in any change to the total rates revenue that Council collects

Changes for 2014/15

Council is making the following changes:

- 3% increase to all rates other than the Sewerage Scheme Capital Cost targeted rates which will remain unchanged.
- A reduction in the general rate differential for business from 2.1 to 1.9. This is in keeping with previous commitments provided to this sector.
- Adding a further sewerage scheme – Waikuta Marae.

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 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.

“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 (SUIP)” 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.

“Urban Sector” means the area as shown on the map titled Rotorua Urban Rating Boundary and contained in the rating maps section of this policy (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.



Rating policy

“**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.

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 three 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 is set as follows:

General rate differential categories		Relative differentials for the general rate
1	Base Rate	100%
2	Business	190%
3	Rural Residential	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.

Rural Residential

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.



Rating policy

Targeted Rate for Lakes Enhancement

Council sets a targeted rate of a fixed amount on every rating unit in the district, 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, or
- b) rating units, to which water is provided by metered supply, or
- c) rating units which are serviceable.

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

Metered water supply (except Kaharoa and Reporoa)

- A targeted rate of a fixed amount per separately used or inhabited part.
- 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.

Kaharoa water supply

These rates are set on rating units identified on Plan Number 11015 Sheet 7. Refer to the rating maps section of the rates funding impact statement in this document.

A targeted rate of a fixed amount per connection on each separately used or inhabited part of a 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 the rating maps section of the rates funding impact statement in this document

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.



Rating policy

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. Refer to the rating maps section of this policy.

For these purposes:

- **"connected"** means a rating unit from which sewage is collected, either directly or by a private drain to a public sewerage system.
- 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.
- **"Serviceable"** means those properties which are serviceable rating units.

Council sets the following targeted rates:

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 base amount
- Category 2 85% of the base amount
- Category 3 80% of the base amount
- Serviceable 50% of the base amount [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.

The total capital cost of a scheme will be divided by the maximum user capacity for which the scheme has been designed and built to arrive at the capital share contribution for each user. In this way existing users will not be required to pay for spare capacity planned to cater for future growth. As new users connect to the scheme they will be required to make a capital contribution on the same basis as the original scheme users. This ensures equity between those original scheme benefactors and future benefactors.

The targeted rates for the sewerage schemes are set on the remaining capital contribution after allowing for a rates funded 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 (where available). 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 prior to 1 July of the first financial year that Council charges a targeted rate for capital costs for the respective sewerage scheme. The option for ratepayers to settle the residual amount of their share of the capital cost of their particular scheme will be available throughout the remaining term of the targeted rate i.e. anytime during the 25 years. This ability exists for all schemes and is provided through a specific remission policy included elsewhere in this plan.

For future developments or connections Council reserves the right to select either of the options referred to above i.e. assessing a targeted rate over a 25 year term or inviting a capital payment contribution before the service connection is completed. This discretion may apply on a property by property basis.

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



Rating policy

- Marama Point
- Amora Lake Resort
- Hinemoa Point
- Brunswick
- Brunswick stages 4 and 6
- Rotokawa
- Lake Okareka/Blue Lake
- Okere Falls/Otaramarae/Whangamarino
- Paradise Valley
- Hamurana/Awahou
- Waikuta Marae

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. Where used as the factor to determine a rating unit's liability for a rate, HUE corresponds to the extent of provision of the service to the rating unit as objectively measured by the floor area calculation noted below.

Multiple Dwelling Units within a Rating Unit

Council sets targeted rates on a differential basis (differentiated by scheme) for all nominated rating units based on the household unit equivalent. A minimum of one HUE will apply to all nominated rating units including those where no building exists i.e are vacant. Where multiple dwellings exists, each household unit additional to the primary dwelling will be assessed on the following basis:

Floor Area of Additional Household Unit	% Charge/HUE
Less than 40m ²	No charge*
40m ² to less than 60m ²	50% HUE
60m ² to less than 70m ²	60% HUE
70m ² to less than 80m ²	70% HUE
80m ² to less than 90m ²	80% HUE
90m ² to less than 100m ²	90% HUE
100m ² or greater	100% HUE or 1 HUE

The first additional household unit of less than 40m² will not attract a separate sewerage capital targeted rate or voluntary contribution charge. Any further household units of less than 40m² will be assessed a sewerage capital targeted rate or voluntary contribution charge of 50% HUE. All subsequent dwellings constructed after the completion of a sewerage scheme will be charged a capital contribution targeted rate or voluntary contribution towards the sewerage scheme calculated on the same basis.

Targeted Rates Connection Costs for Sewerage Schemes

Where Council has undertaken the private connections for properties that had not connected to the reticulation network within a reasonable timeframe, the equalised cost of connection through a specific targeted rate shall be applied to those properties where the works have been undertaken. The present sewerage schemes affected by this include Mourea and Hinemoa Point. Future connections may be required for Rotokawa and Brunswick. This rate is separate to and in addition to the capital cost contribution for the relevant scheme.

Targeted Rate for Refuse Collection

This rate is set on rating units identified on Plan Number 10196, Sheets 1 and 2. Refer to the rating maps section of the rates funding impact statement in this document.

Council sets a differentiated fixed targeted rate for refuse collection from separately used or inhabited parts of a rating unit, excluding council reserves, within the respective service areas for refuse collection in urban and rural areas respectively, where the service is provided.

- Urban - 100% of the uniform sum
- Rural - 100% of the uniform sum plus \$2.50
- Urban CBD - (twice weekly collection) 200% of the uniform sum
- Serviceable 50% of the uniform sum

For these purposes:

- **"Serviceable"** means where the service is available, but the ratepayer has nominated in writing not to receive delivery of Council rubbish bags.
- Vacant sections are not subject to refuse charge.
- Council reserve tenants will have the option of purchasing council refuse bags if they wish to use the collection service.



Rating policy

Targeted Rate for Lakes Community Board

Council sets a Lakes Community Board uniform targeted rate to fund the Community Board costs on 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. Refer to the rating maps section of the rates funding impact statement in this document

Targeted Rates for Business and Economic Development

Council sets:

- a) a differentiated fixed targeted rate and,
- b) a differentiated targeted rate in the dollar on capital value

for the purposes of contributing to the cost of:

- Economic Projects
- Destination Rotorua Marketing
- Tourism Rotorua Travel and Information Centre

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 or more bedrooms are used for providing short-term accommodation.

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, farm stay 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.



Rates funding impact statement

Rates for 2014/15

The Funding Impact Statement should be read in conjunction with and with reference to the Revenue and Financing Policy and Rating Policy. All figures do not include GST.

Proportion of total rates paid by each sector

	Land Value 2011	Capital Value 2011	Rates Take 2012/13	Rates Take 2013/14	Total Rates Take 2014/15	General Rates Take 2014/15 (incl UAGC)
Farming	33%	23%	11%	11%	12%	16%
Business	12%	18%	28%	27%	26%	22%
Residential	55%	59%	61%	62%	62%	62%

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 \$15,147,451.

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

2014/15	\$540.60
2013/14	\$525.00

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 \$33,079,524.

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

	Relative differentials %	Rate per \$ of capital value	
		2013/14	2014/15
1 General Rate – Base	100	0.002314	0.002383
2 General Rate – Rural Residential	85	0.001967	0.002026
3 General Rate – Business	190	0.004860	0.004549

Targeted Rate for Lakes Enhancement

Council sets a lakes enhancement rate on all rateable land as a fixed amount for each rating unit, excluding those within the Environment Waikato region (plus GST at the prevailing rate).

The amount to be collected is \$452,635.

The lakes enhancement rate is set at:

2014/15	\$17.00
2013/14	\$16.50

Targeted Rates for Business and Economic Development

Council sets a differentiated targeted rate as a fixed amount for business and economic development for the following categories of properties (per rating unit or part of a rating unit if apportioned)

(plus GST at the prevailing rate)	2013/14	2014/15
Business Urban and Rural	\$177.78	\$183.11
Industrial	\$177.78	\$183.11
Farming	\$44.44	\$45.77

- 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 shown.
- 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 or more bedrooms are used for providing short-term accommodation.

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

	(rate in \$ on capital value)	
(plus GST at the prevailing rate)	2013/14	2014/15
Business Urban and Rural	0.002460	0.002526
Industrial	0.000802	0.000823
Farming	0.000160	0.000164

The total amount to be collected is \$5,517,909.



Rates funding impact statement

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 and could be effectively connected to that water supply service.

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

	Charging unit	2013/14	2014/15
Water supply (except Kaharoa & Reporoa) (Urban Plan number 11015 Sheet 1) plus Mamaku (Plan number 11015 Sheet 4); Rotoiti (Plan number 11015 Sheet 5); Rotoma (Plan number 111015 Sheet 6); Hamurana (Plan number 11015 Sheet 9); and Okareka (Plan number 11015 Sheet 10) <i>Refer to the rating maps section of this policy.</i>			
The amount to be collected is \$6,866,844 (plus GST at prevailing rate) (Metered water \$3,045,589; General water rate \$3,821,255)			
A differential targeted rate of:			
<ul style="list-style-type: none"> A fixed amount on each separately used or inhabited part of a rating unit connected (and not metered) 	Per SUIP	\$186.00	\$191.60
<ul style="list-style-type: none"> A fixed amount on each serviceable rating unit capable of connection. 	Per serviceable rating unit	\$93.00	\$95.80
<ul style="list-style-type: none"> A fixed amount on each separately used or inhabited part of a rating unit connected (and metered) 	Per SUIP	\$186.00	\$191.60
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	\$0.85
Kaharoa (Plan number 11015 Sheet 7) <i>Refer to the rating maps section of this policy</i>			
The amount to be collected is \$211,000 (plus GST at the prevailing rate)			
A targeted rate of a fixed amount per connection on each rating unit connected.	Per SUIP	\$226.00	\$232.80
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	\$0.30



Rates funding impact statement

Reporoa (Plan number 11015 Sheet 8) <i>Refer to the rating maps section of this policy</i>	Charging unit	2013/14	2014/15
The amount to be collected is \$508,546 (plus GST at the prevailing rate)			
A differential targeted rate:			
<ul style="list-style-type: none"> A fixed amount per connection on each Domestic/Non-Farming rating unit connected 	Per SUIP	\$132.00	\$136.00
<ul style="list-style-type: none"> A fixed amount per connection on each Farming/Dairy-Factory rating unit connected. 	Per SUIP	\$207.00	\$213.20
A differential targeted rate:			
<ul style="list-style-type: none"> A fixed amount on each metered Domestic/Non-Farming rating unit per cubic metre supplied in excess of the 82 cubic metres per quarter. 	Per cubic metre	\$0.40	\$0.41
<ul style="list-style-type: none"> A fixed amount on each metered Farming/Dairy-Factory rating unit per cubic metre supplied in excess of 207 cubic metres per quarter. 	Per cubic metre	\$0.25	\$0.26

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" 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.
- A rating unit used primarily as a residence for one household will be treated as having only one water closet or urinal

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

Sewerage Disposal	Charging Unit	2013/14	2014/15
The amount to be collected is \$11,502,810 (plus GST at the prevailing rate)			
1. Rating unit connected:			
Category 1 - means the rating units with 1 to 4 toilets (water closets or urinals)	Fixed amount for each toilet	\$328.00	\$338.00
Category 2 - means the rating units with 5 to 10 toilets (water closets or urinals)	Fixed amount for each toilet	\$278.80	\$287.30
Category 3 - means the rating units with 11 or more toilets (water closets or urinals)	Fixed amount for each toilet	\$262.40	\$270.40
2. Serviceable - means the rating units which are serviceable rating units.	Per rating unit	\$164.00	\$169.00



Rates funding impact statement

Targeted Rates for Urban Sewerage Development

(Plan number 11163, sheet 2 – refer rating maps section of this policy)

Council sets an urban sewerage development rate on all rateable land as a fixed amount for each rating unit in the “Urban Sector” (plus GST at the prevailing rate).

The amount to be collected is \$60,582

The urban sewerage development rate is set at:

2014/15	\$2.80
2013/14	\$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):

	Charging Unit	2013/14	2014/15
Mourea (Plan number 11163, Sheet 4) <i>Refer to the rating maps section of this policy</i>			
The amount to be collected is \$7,306 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per SUIP	\$228.31	\$228.31
Hinemoa Point (Plan number 11608, Sheet 8) <i>Refer to the rating maps section of this policy</i>			
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

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).

Amora Lake Resort (Plan number 11163, Sheet 5) <i>Refer to the rating maps section of this policy</i>	Charging Unit	2013/14	2014/15
The amount to be collected is \$12,250 (plus GST at the prevailing rate)			
A fixed amount	Per rating unit	\$12,250.34	\$12,250.34
Brunswick Stages 4 and 6 (Plan Number 11608, Sheet 11) <i>Refer to the rating maps section of this policy</i>			
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	\$292.74	\$292.74
Brunswick (Plan Number 11608, Sheet 10) <i>Refer to the rating maps section of this policy</i>			
The amount to be collected is \$54,245 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$609.49	\$609.49
Hamurana/Awahou (Plan Number 13222, Sheet 6) <i>Refer to the rating maps section of this policy</i>			
The amount to be collected is \$125,566 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$426.08	\$426.08



Rates funding impact statement

	Charging Unit	2013/14	2014/15
Hinemoa Point (Plan Number 11608, Sheet 8)			
<i>Refer to the rating maps section of this policy</i>			
The amount to be collected is \$24,515 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$495.25	\$495.25
Lake Okareka/Blue Lake (Plan Number 11608, Sheet 3)			
<i>Refer to the rating maps section of this policy</i>			
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	\$897.09	\$897.09
Marama Point (Plan Number 11163, Sheet 14)			
<i>Refer to the rating maps section of this policy</i>			
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	\$233.20	\$233.20
Mourea (Plan number 11163, Sheet 4)			
<i>Refer to the rating maps section of this policy</i>			
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	\$291.67	\$291.67
Okawa Bay (Plan number 11163, Sheet 5)			
<i>Refer to the rating maps section of this policy</i>			
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	\$454.46	\$454.46
Okere Falls / Otaramarae / Whangamarino (Plan Number 13222, Sheet 1) <i>Refer to the rating maps section of this policy</i>			
The amount to be collected is \$98,812 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$404.47	\$404.47
Paradise Valley (Plan number 12705, sheet 1)			
<i>Refer to the rating maps section of this policy</i>			
Refer to the rating maps section of this policy.			
The amount to be collected is \$4,886 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$375.85	\$375.85
Rotokawa (Plan Number 11608, Sheet 2)			
<i>Refer to the rating maps section of this policy</i>			
The amount to be collected is \$34,209 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually	\$187.96	\$187.96
Waikuta Marae (Plan Number 13774, sheet 1)			
<i>Refer to the rating maps section of this policy</i>			
Refer to the rating maps section of this policy.			
The amount to be collected is \$2,136 (plus GST at the prevailing rate)			
A fixed amount on each household unit equivalent (HUE)	Per HUE Annually		\$356.14



Rates funding impact statement

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. Except as stated above, the Council will not accept lump sum contributions in respect of any targeted rate.

Targeted Rates for Lakes Community Board

Council sets a lakes community board rate by way of a fixed 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. Refer to the rating maps section of this policy.

The amount to be collected is \$52,661 (plus GST at the prevailing rate).

The lakes community board rate is set at:

2014/15	\$21.10
2013/14	\$20.50

Targeted Rates for Refuse Collection

(Plan number 10196, Sheets 1 and 2 - Refer to the rating maps section of this policy)

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	Charging Unit	2013/14	2014/15
The total amount to be collected is \$2,306,137 (plus GST at the prevailing rate)			
Urban (weekly collection)	Per SUIP	\$77.00	\$79.50
Urban (CBD twice-weekly collection)	Per SUIP	\$154.00	\$159.00
Rural (weekly collection)	Per SUIP	\$79.50	\$82.00
Urban serviceable	Per SUIP	\$38.50	\$39.75
Rural serviceable	Per SUIP	\$39.75	\$41.00

Rates Postponement

To cover costs, the following fees and charges are set for the 2014/15 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	2013/14	2014/15
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)			
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.



Rates funding impact statement

Lump sum contributions

Except where stated by the Council, lump sum contributions will not be invited in respect of any other targeted rate.

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	Penalty date
Instalment Number 1	20 August 2014	21 August 2014
Instalment Number 2	20 November 2014	21 November 2014
Instalment Number 3	20 February 2015	23 February 2015
Instalment Number 4	20 May 2015	21 May 2015

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 2014/15 is 2.00%.

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 and applied two working days after the due date.

Penalties on unpaid rates

▪ Current overdue rates instalments:

A penalty will be added to any part of an instalment that remains unpaid after the due date for payment of the instalment. The penalty will be 10% of the unpaid instalment.

▪ Arrears of rates (including past instalments):

- A further penalty of 10% will be added on 7 July 2014 to rates assessed in any previous financial year and which remain unpaid on 4 July 2014.
- A further penalty of 10% will be added on 8 January 2015 to rates assessed in any previous financial year, plus any previous further penalty, and which remain unpaid on 7 January 2015.

Note: Penalties will not be applied to rating units approved by the Chief Financial Officer 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.
- Land is designated 'Maori Freehold land title'; and
 - Is under multiple ownership; and
 - Is unoccupied



Rates funding impact statement

Indicative rates 2014/15

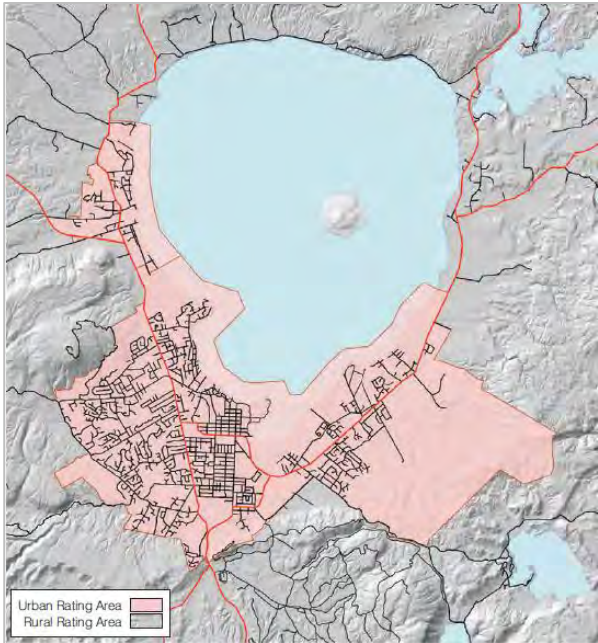
Category	Land Value \$	Capital Value \$	Total RDC 2014/2015 rates \$	Total RDC 2013/2014 rates \$	Increase/ (decrease) in total RDC rates \$	% Increase/ (decrease) in total RDC rates	Average % change for category
Business							
Lower capital value	\$129,000	\$255,000	\$2,965	\$2,994	-\$28	-1.0%	
Medium capital value	\$154,000	\$459,000	\$4,408	\$4,487	-\$78	-1.7%	-2.3%
Upper capital value	\$360,000	\$895,000	\$8,587	\$8,739	-\$153	-1.75%	
Farming General							
Lower capital value	\$500,000	\$522,000	\$1,916	\$1,861	\$55	3.0%	
Medium capital value	\$757,000	\$837,000	\$2,735	\$2,657	\$79	3.0%	3.0%
Upper capital value	\$1,300,000	\$1,580,000	\$4,611	\$4,478	\$132	3.0%	
Rural Residential General							
Lower capital value	\$104,000	\$214,000	\$1,094	\$1,062	\$32	3.0%	
Medium capital value	\$185,000	\$360,000	\$1,270	\$1,233	\$37	3.0%	2.68%
Upper capital value	\$350,000	\$570,000	\$2,154	\$2,091	\$63	3.0%	
Urban Residential General							
Lower capital value	\$86,000	\$172,000	\$1,579	\$1,533	\$46	3.0%	
Medium capital value	\$127,000	\$222,000	\$1,699	\$1,649	\$50	3.0%	3.04%
Upper capital value	\$147,000	\$315,000	\$1,920	\$1,864	\$56	3.0%	



Rates funding impact statement

Rating Maps

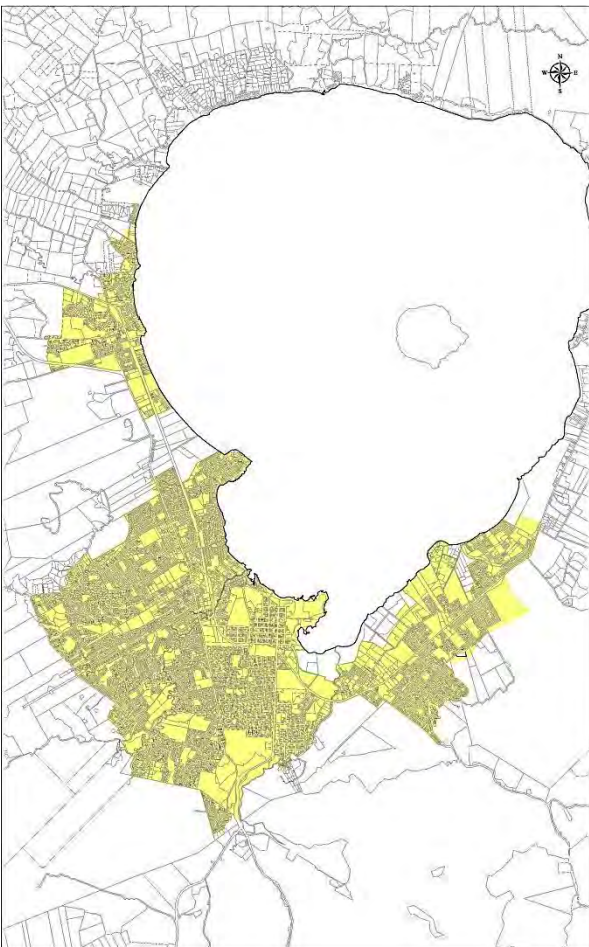
Rotorua Urban Rating Boundary



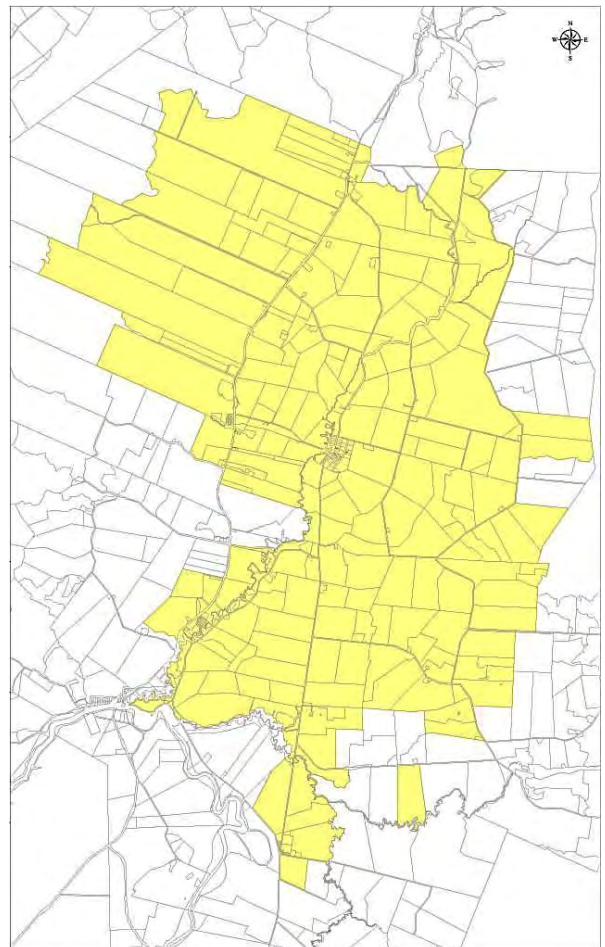
Rotorua Lakes Community Board



Urban Water Supply (Plan 11015, sheet 1)



Reporoa Water Supply (Plan 11015, sheet 8)



Rates funding impact statement

Mamaku Water Supply (Plan 11015, sheet 4)



Rotoiti Water Supply (Plan 11015, sheet 5)

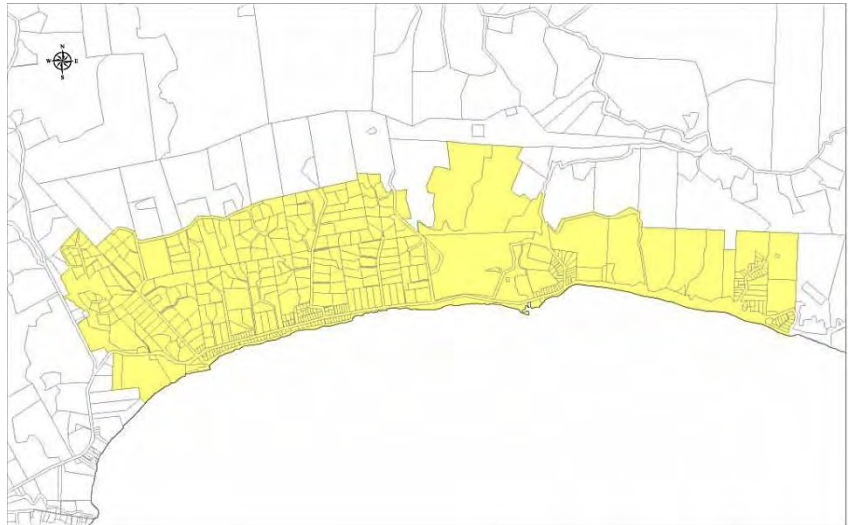


Rotoma Water Supply (Plan 11015, sheet 6)

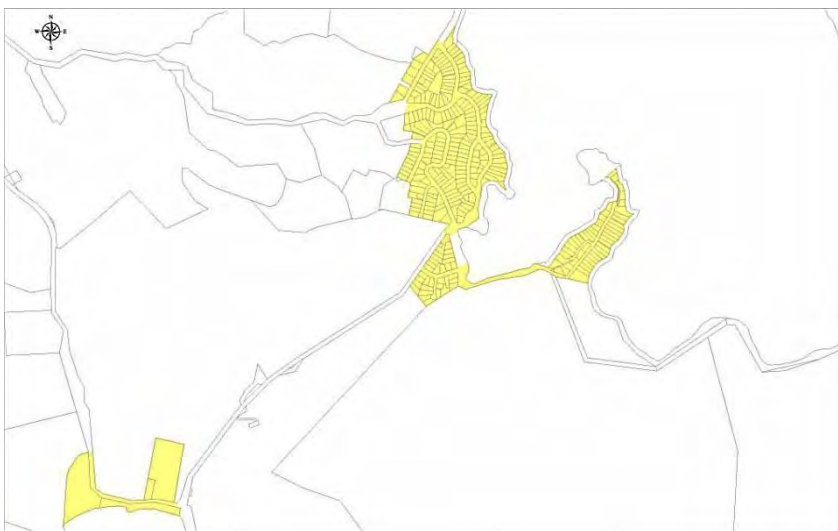


Rates funding impact statement

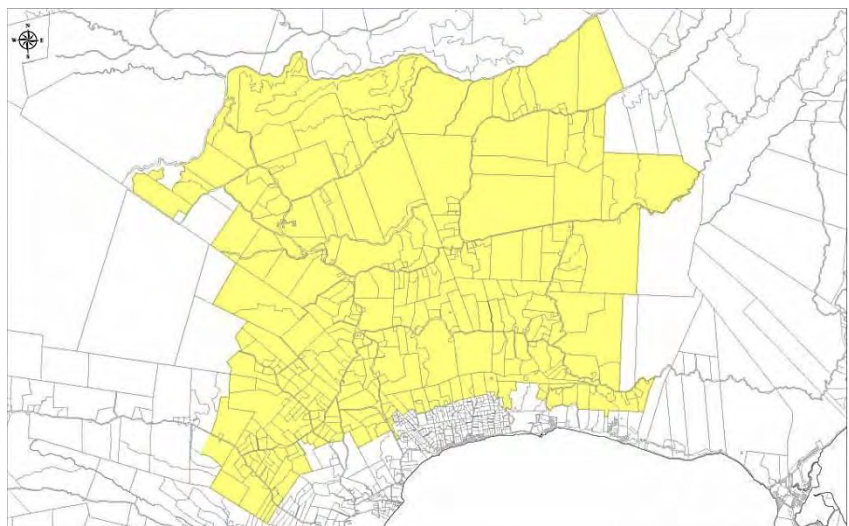
Hamurana Water Supply (Plan 11015, sheet 9)



Okareka Water Supply (Plan 11015, sheet 10)

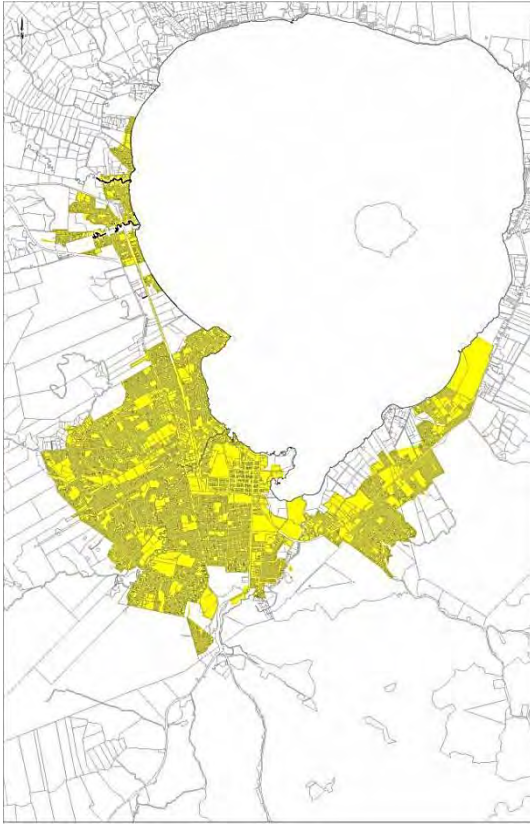


Kaharoa Water Supply (Plan 11015, sheet 7)



Rates funding impact statement

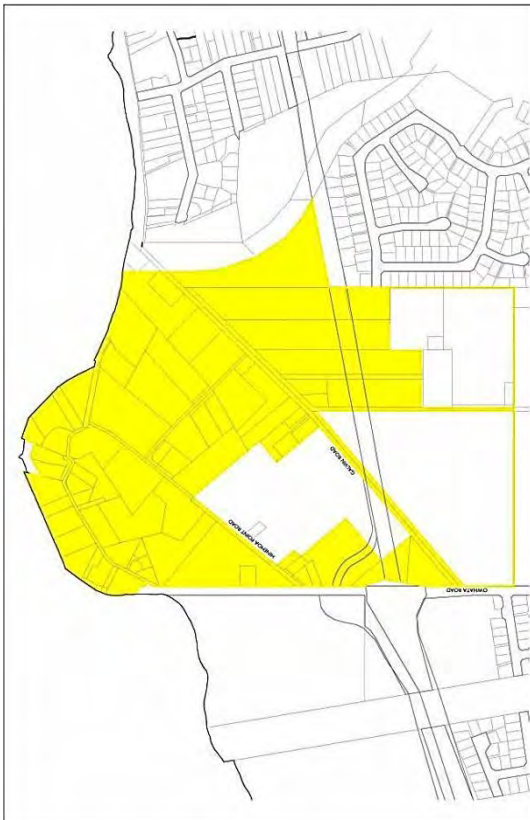
Urban Sewerage (Plan 11163, sheet 2)



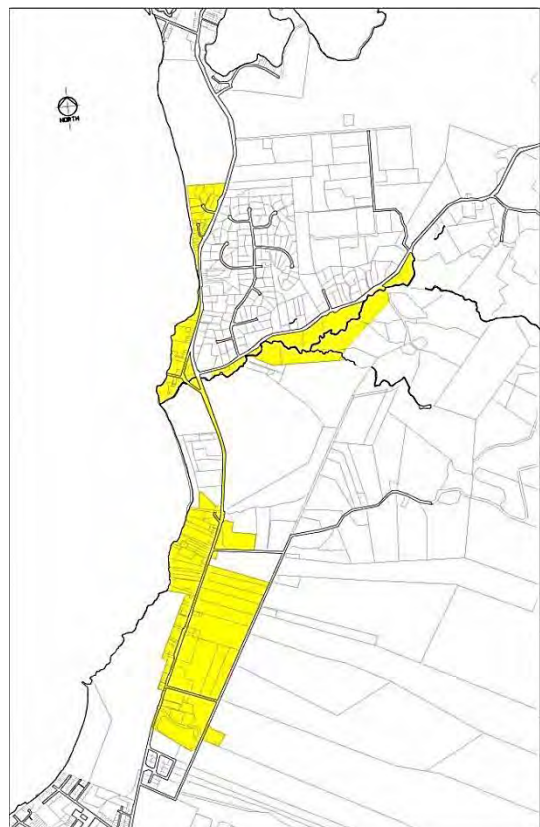
Lake Okareka, Blue Lake Sewerage Scheme
(Plan 11608, sheet 3)



Hinemoa Point Sewerage Scheme (Plan 11608, sheet 8)



Rotokawa Sewerage Scheme (Plan 11608, sheet 2)

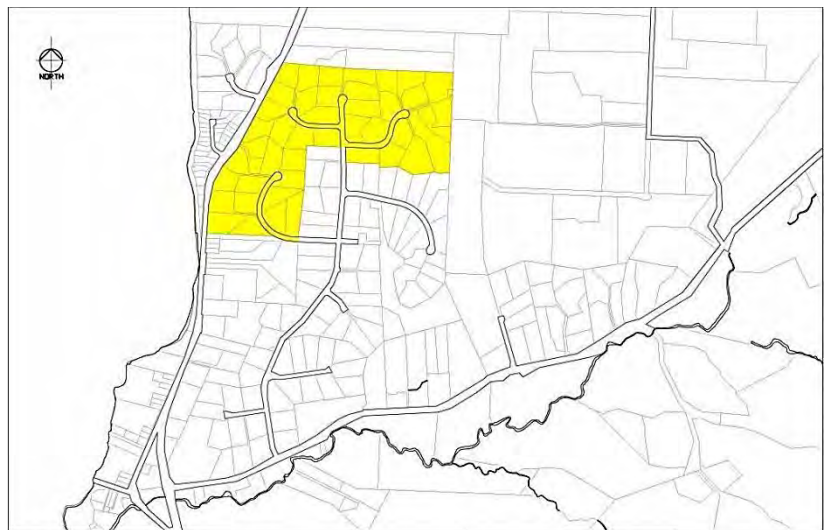


Rates funding impact statement

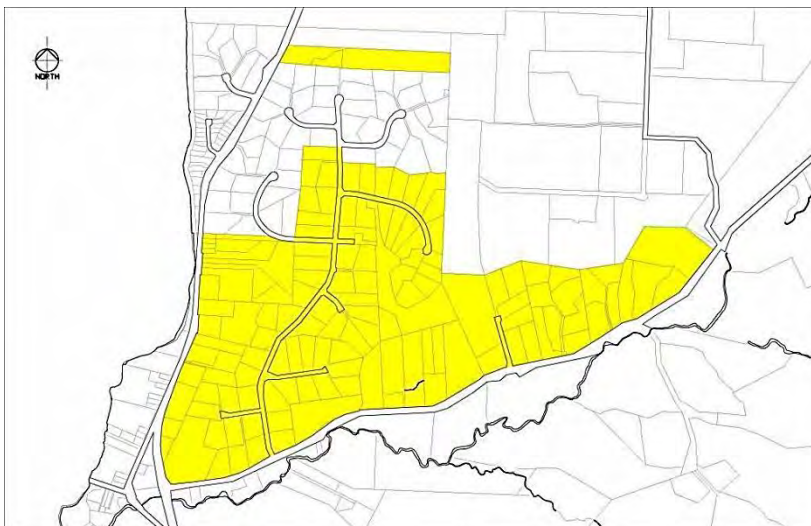
Okawa Bay, Amora Lake Resort Sewerage Scheme (Plan 11163, sheet 5)



Brunswick Stages 4 & 6 Sewerage Scheme (Plan 11608, sheet 11)

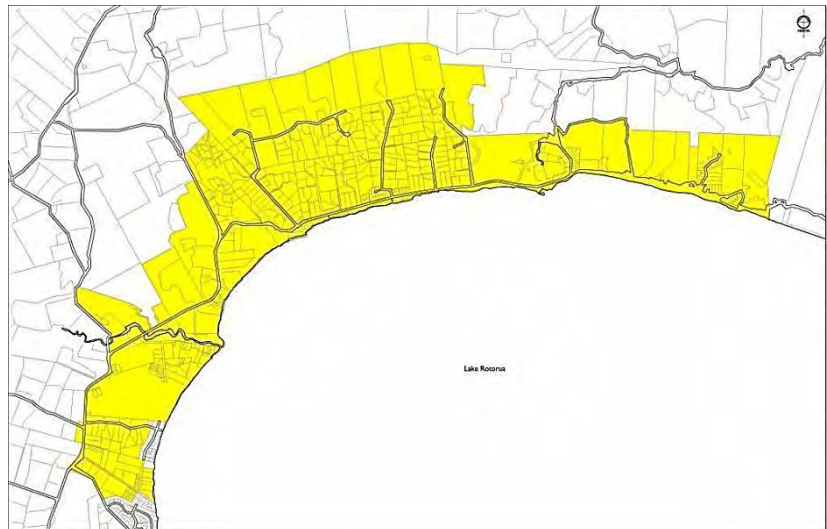


Brunswick Sewerage Scheme (Plan 11608, sheet 10)

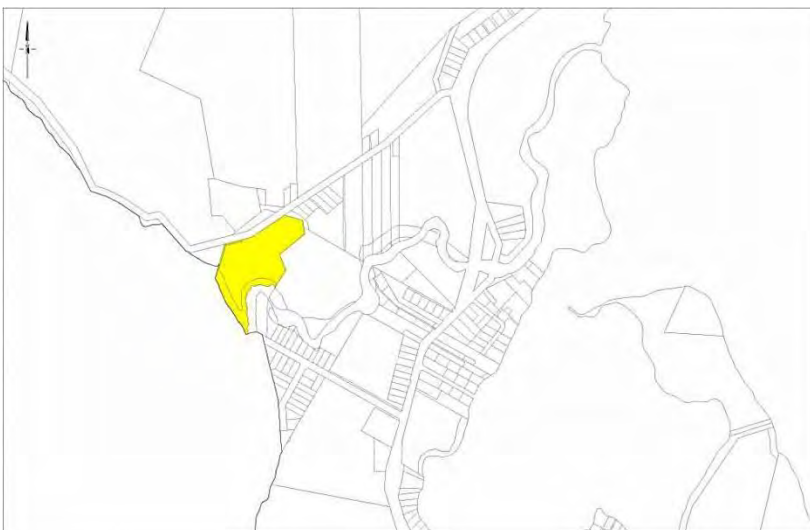


Rates funding impact statement

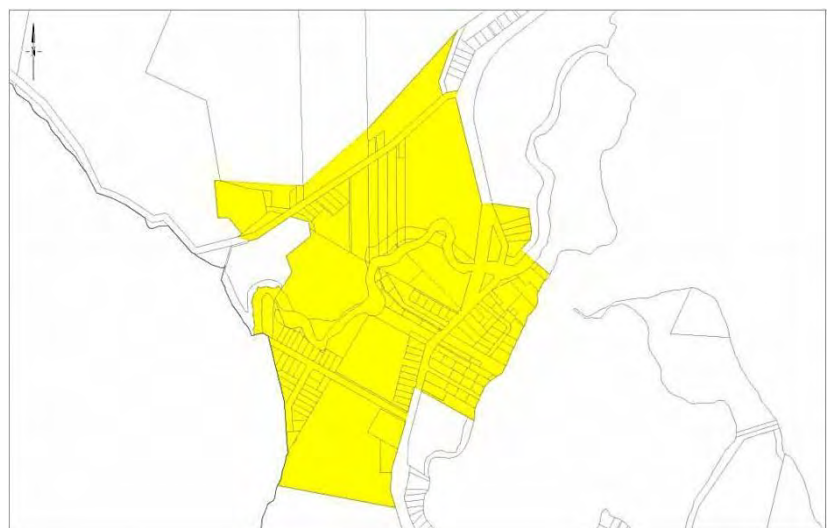
Hamurana/Awahou Sewerage Scheme (Plan 13222, sheet 6)



Marama Point Sewerage Scheme (Plan 11163, sheet 14)

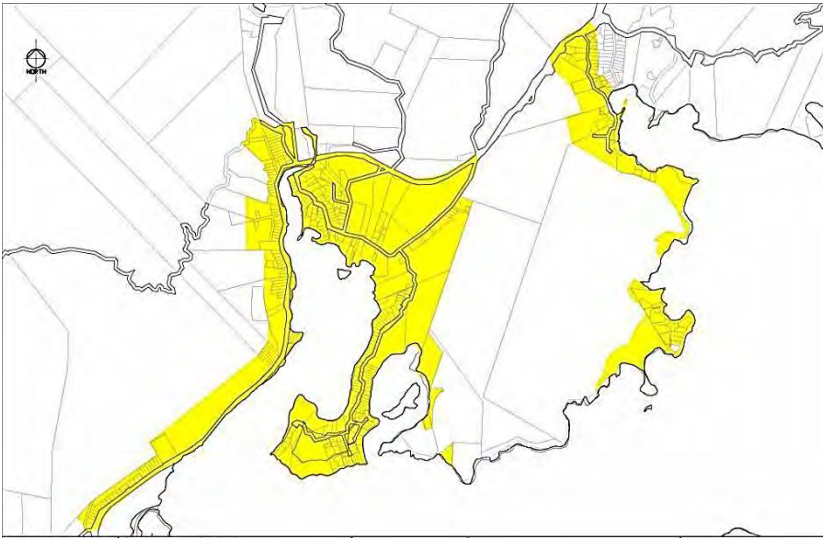


Mourea Sewerage Scheme (Plan 11163, sheet 4)



Rates funding impact statement

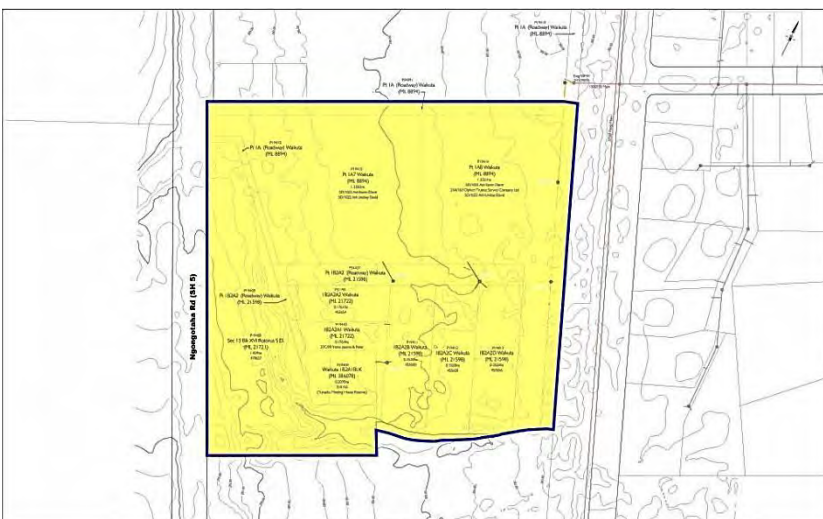
Okere Falls, Otaramarae, Whangamarino Sewerage Scheme (Plan 13222, sheet 1)



Paradise Valley Sewerage Scheme (Plan 12705, sheet 1)

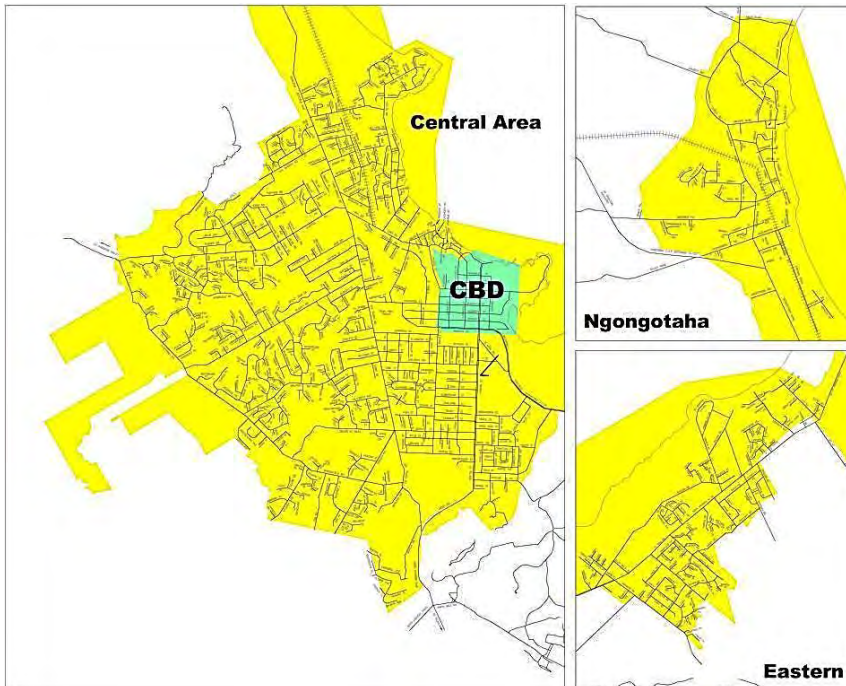


Waikuta Marae Sewerage Scheme (Plan 13774, sheet 1)

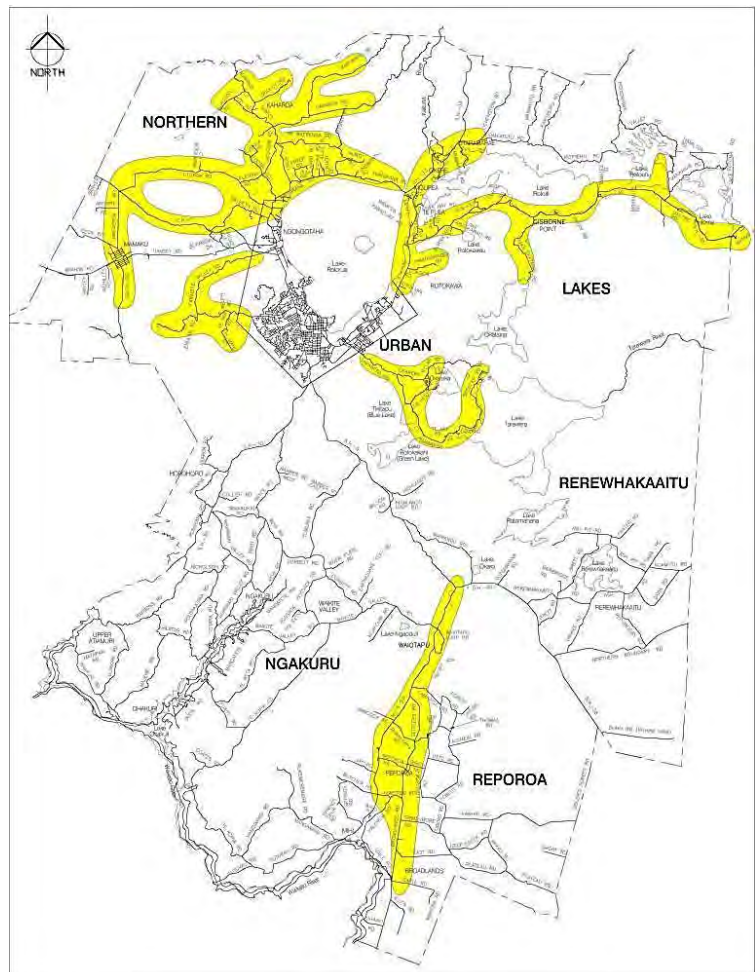


Rates funding impact statement

Urban Refuse Collection (Plan 10196, sheet 2)



Rural Refuse Collection (Plan 10196, sheet 1)



Fees and charges

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Animal control fees and charges

Sources of Funding

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

- Rates – 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 3 March 2014 a total of 11,040 dogs had been registered.

New Fee Structure

	2013/14	2014/15
Urban Domiciled Dogs	\$70.00	\$72.00
Rural Domiciled Dogs	\$43.00	\$44.50
Selected Dog Owner Status	\$43.00	\$44.50
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	\$36.00
- Rural Dog	\$22.00	\$22.20
Dog Impounding Fees:		
- First Impounding	\$50.00	\$55.00
- Second Impounding	\$150.00	\$154.50
- Third and Subsequent Impounding	\$170.00	\$175.00
Sustenance Fee (per day)	\$9.00	\$9.50
Microchip implant	\$20.00	\$20.00
Replacement Tag	\$7.00	\$7.20
Collars:		
- Toy Dog	\$6.00	\$6.30

	2013/14	2014/15
- Small	\$7.50	\$8.00
- Medium	\$9.00	\$9.50
- Large	\$11.00	\$11.50
- Extra Large	\$13.00	\$13.50
Leads:		
- Narrow	\$9.50	\$10.00
- Wide	\$10.00	\$10.50
Kennel Licensing:		
- Initial Licence	\$55.00	\$56.50
- Renewal of Licence	\$20.00	\$20.60

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.

Re-homing fees are fixed as follows:

	2013/14	2014/15
Female dog	\$145.00	\$149.00
Male dog	\$97.00	\$100.00
Already 'desexed' dog	\$68.00	\$70.00

Hire of Bark Collar

	2013/14	2014/15
Hire for seven (7) days	\$26.00	\$27.00
Purchase – Ag'tronics	\$192.00	\$198.00

Stock Impounding Fee

Stock impounding fees cover actual staff costs on a time involved basis.

- Callout Charges (minimum)

	2013/14 per two hours	2014/15 per two hours
7am to 6pm	\$106.00	\$109.00
6pm to 10pm	\$141.00	\$145.00
10pm to 7am	\$209.00	\$215.00
Weekends and Holidays	\$209.00	\$215.00

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



Animal control fees and charges

2. Transportation:

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

3. Release Fee:

	2013/14	2014/15
Release Fee	\$32.00	\$33.00

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:

	2013/14 per head	2014/15 per head
For every horse, donkey, cattle beast or deer	\$18.00	\$19.00
For every sheep, goat or pig	\$13.00	\$13.50

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 2013/14	PIM / TAR Fee 2013/14	Consent Fee 2014/15	PIM / TAR Fee 2014/15
FIXED COST BUILDING CONSENTS					
1	Proprietary garages, carports, playgrounds (2 inspections)	\$508.00	\$218.00	\$525.00	\$225.00
2	Proprietary garages with fire wall (3 inspections)	\$588.00	\$218.00	\$606.00	\$225.00
3	Proprietary farm buildings	\$677.00	\$218.00	\$700.00	\$225.00
4	Minor works (single inspection) – sewer connection, garden sheds	\$327.00	\$28.00	\$340.00	\$29.00
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	\$345.00	Nil
5	Minor works (2 inspections) – retaining walls, pergolas, , simple decks, conservatories,	\$508.00	\$218.00	\$525.00	\$225.00
5a	Plumbing and drainage alteration, accessible showers	\$588.00	Nil	\$606.00	Nil
6	Demolition – residential	\$340.00	\$43.00	\$350.00	\$44.00
7	Demolition – commercial	\$425.00	\$218.00	\$440.00	\$225.00
LODGEMENT DEPOSITS FOR BUILDING CONSENTS					
8	Custom designed garages, carports, farm buildings	\$463.00	\$218.00	\$477.00	\$225.00
9	Small projects (less than \$20,000) – shop fit outs, shop fronts, residential alteration altering footprint, complex decks,	\$545.00	\$218.00	\$562.00	\$225.00
9a	Internal residential alteration (less than \$20,000), alteration to a specified system (does not include change of use)	\$632.00	Nil	\$652.00	Nil
10	Subsidiary buildings (eg: sleepout)	\$545.00	\$218.00	\$562.00	\$225.00
11	Additions and alteration to residential buildings (over \$20,000)	\$796.00	\$218.00	\$820.00	\$225.00
12	New dwellings	\$1,042.00	\$578.00	\$1,074.00	\$596.00
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)	\$872.00	\$578.00	\$900.00	\$596.00
14	New commercial and industrial buildings (Add additional \$100.00 for each \$100,000 or part thereof in excess of \$300,000)	\$1,042.00	\$643.00	\$1,074.00	\$663.00



Building services fees and charges

Code	Category	Fees 2013/14	Fees 2014/15
OTHER SUNDRY CHARGES			
A	Certificate of title	\$15.00	\$15.00
B	Compliance schedule OR amendment to compliance schedule	\$117.00	\$121.00
C	Building Warrant of Fitness – annual charge	\$86.00	\$89.00
D	Building Warrant of Fitness – re check	\$85.00	\$88.00
E	Knock down swimming pool inspections per annum	\$71.00	\$74.00
F	Additional / re-inspections – 30 minutes	\$85.00	\$88.00
G	Inspection – 45 minutes	\$127.50	\$132.00
H	Inspection – 1 hour	\$170.00	\$176.00
I	Section 72 or 77 notice	\$117.00	\$121.00
J	Certificate of acceptance – lodgement fee	\$470.00	\$485.00
K	Certificate of acceptance – processing fee per half hour Normal PIM and consent fees apply	\$85.00	\$88.00
L	Notice to fix – issue and inspection	\$127.50	\$132.00
M	Certificate for public use	\$223.00	\$230.00
N	Certificate for public use in conjunction with building consent application	\$85.00	\$88.00
O	Amendment to issued building consent (lodgement only)	\$115.00	\$120.00
P	Re-site report for existing building	\$190.00	\$196.00
Q	Lodgement of independent reports on file/exemption application	\$115.00	\$120.00
R	Building services monthly statistics/yearly		
		(one month)	\$24.00
		(yearly subscription)	\$256.00
S	Copy of compliance schedule	\$25.00	\$26.00
T	Application for an extension of time to complete consented work	\$85.00	\$88.00



Environmental health fees and charges

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 2014/15.

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.

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	2013/14	2014/15
Application Fee	\$434.00	\$447.00
Transfer Notation	\$44.00	\$45.50

- 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	2013/14	2014/15
Application Fee	\$261.00	\$269.00
Transfer Notation	\$44.00	\$45.50

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	2013/14	2014/15
Application Fee	\$434.00	\$447.00
Transfer Notation	\$44.00	\$45.50

- 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	2013/14	2014/15
Application Fee	\$180.00	\$185.00
Transfer Notation	\$44.00	\$45.50

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

Category FP2C	2013/14	2014/15
Application Fee	\$261.00	\$269.00
Transfer Notation	\$44.00	\$45.50

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

Category FP2D	2013/14	2014/15
Application Fee	\$113.00	\$116.00
Transfer Notation	\$44.00	\$45.50



Environmental health fees and charges

- 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	2013/14	2014/15
Application Fee	\$113.00	\$116.00
Transfer Notation	\$44.00	\$45.50

3. Miscellaneous fees

	2013/14	2014/15
New premises establishment fee	\$231.00	\$238.00
Inspection/re-inspection, redefinition inspection	\$231.00	\$238.00
Closed premises re-inspection	\$575.00	\$592.00
Transfer Notation (owner transfer) fee	\$44.00	\$45.50
Copy or re-issue of Certificate		
Registration of food vending machine	\$113.00	\$116.00
Keeper of mobile and travelling food shops	A) Fenton Street and Ngongotaha Road sites: i) \$1500.00 per year ¹ ii) \$150.00 per month, maximum of 3 consecutive months ¹ , plus one-tenth food premise registration per month B) Balance of Rotorua District \$213.00 per year ¹	A) Fenton Street and Ngongotaha Road sites: i) \$1545.00 per year ¹ ii) \$154.50 per month, maximum of 3 consecutive months ¹ , plus one-tenth food premise registration per month B) Balance of Rotorua District \$219.00 per year ¹
Food stall	As per Registration Risk Category	As per Registration Risk Category
Consultation and miscellaneous duties	Officer charge-out \$164.00 per hour plus disbursements	Officer charge-out \$169.00 per hour plus disbursements
Late payment fee	\$124.00	\$128.00

¹ Plus food premise registration fee



Environmental health fees and charges

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)

	2013/14	2014/15
Verification of Food Control Plan (Food Safety Programme)	Fixed fee of \$113.00 per application plus \$164.00 per hour thereafter	Fixed fee of \$116.00 per application plus \$169.00 per hour thereafter
Audit of Food Control Plan (Food Safety Programme)	Fixed fee of \$113.00 per application plus \$164.00 per hour thereafter	Fixed fee of \$116.00 per application plus \$169.00 per hour thereafter
New premises establishment fee	\$347.00	\$357.00
Inspection/re-inspection, investigation, redefinition inspection	\$231.00	\$238.00
Notation of transfer fee	\$44.00	\$45.50
Notation of minor food premise or activity	\$113.00	\$116.00
Consultation and miscellaneous duties	Officer charge-out \$164.00 per hour plus disbursements	Officer charge-out \$169.00 per hour plus disbursements
Notation of Food Control Plan Registration (handling fee)	\$113.00	\$116.00
Fee payable for cancellation and/or failed audit appointments to holder of FSP	-	\$116.00

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.

	2013/14	2014/15
Application Fee	\$170.00	\$175.00
Transfer Notation	\$44.00	\$45.50

2. Offensive Trades

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

	2013/14	2014/15
Application Fee	\$261.00	\$269.00
Transfer Notation	\$44.00	\$45.50

3. Hairdressers

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

	2013/14	2014/15
Application Fee	\$170.00	\$175.00
Transfer Notation	\$44.00	\$45.50

4. Camping Grounds

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

	2013/14	2014/15
Application Fee	\$251.00	\$259.00
Transfer Notation	\$44.00	\$45.50



Environmental health fees and charges

5. Miscellaneous Fees

	2013/14	2014/15
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 \$213 per year	A) Fenton Street and Ngongotaha Road sites: i) \$1545.00 per year ii) \$154.50 per month, maximum of 3 consecutive months B) Balance of Rotorua District \$217 per year
Hawker (non food)	\$44.00	\$45.50
Itinerant trader (non food)	\$44.00	\$45.50
Stall (non food)	\$44.00	\$45.50
Bee keeping	\$44.00	\$45.50
Billiard room	\$113.00	\$116.00
Return of seized equipment	1 st \$179.00 2 nd \$337.00	\$185.00 \$347.00
New premise establishment fee	\$231.00	\$238.00
Transfer notation (owner transfer) fee Copy or re-issue of Certificate	\$44.00	\$45.50
Inspection/re-inspection, redefinition inspection	\$231.00	\$238.00
Consultation and miscellaneous duties	Officer charge-out of \$164.00 per hour plus disbursements	Officer charge-out of \$169.00 per hour plus disbursements
Late payment fee	\$124.00	\$128.00



Resource Management Act fees and charges

Matters relevant to all fees and charges

The following charges shall take effect from 1 July 2014. They 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 indicated by '*'. 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 \$87.50 (0.5 hour charge out rate), 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 \$175.00 per hour for professional staff time, and \$100.00 per hour for administrative time. This charge shall be sourced from the 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 the actual cost incurred for processing the consent is less than the deposit paid, a refund will be paid to the applicant where the difference is greater than \$87.50 or 0.5 hour charge out rate.

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.

Commissioning of reports or peer review

Where additional costs because of the commissioning of a report or peer reviews the actual and reasonable costs will be payable by the applicant subject to agreement under section 92 RMA. The reasons for the report or peer review will be discussed with the applicant and an estimate of the cost provided prior to engaging the work to be undertaken. The actual and reasonable costs passed on to an applicant will take into account matters stated in section 36(4)(b) and maybe reduced accordingly.

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 all CBD and Controlled Minor applications. The monitoring fee is set at \$175.00 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.

Discount

Where land use and subdivision consents are not processed within statutory timeframes, the section 36AA discount policy may apply. Discount will be calculated in accordance with the Council's policy on Discounting Administrative Charges Regulations 2010 and the regulation whichever is most generous.



Resource Management Act fees and charges

Land Use Fees

Classification	2013/14	2014/15
NOTIFIED LAND USE		
Notified land use	*\$2,503.50+M	*\$2,500.00+M (includes public advertising costs)
Notified sign bond	\$67.00	\$69.00
Limited notified	*\$1,400.50+M	*\$2,000.00+M
Statutory hearing fee	\$170.00	\$175.00
Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
NON-NOTIFIED LAND USE		
Application for consents related to conservation, restoration, and protection of heritage buildings and features listed in Appendix A (Operative) or Appendix 1 (Proposed) of the District Plan	No charge	No charge
Controlled CBD Design Guide	\$350.00	\$360.00
Controlled (minors)	\$350.00	\$360.00
Controlled	\$525.50	\$540.00+M
Restricted/Limited discretionary	*\$612.50+M	*\$811.00+M
Discretionary	*\$788.00+M	*\$811.00+M
Non-complying	*\$788.00+M	\$811.00+M
Contribution to valuation for heritage and reserve purposes	\$70.00	\$75.00
Certificate of title	\$15.00 per title	\$15.00 per title
Financial contributions for reserve and heritage purposes	As valued	As valued
Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
Extension of time (s125)	\$170.00	\$175.00
Cancellation of approval (s126)	\$170.00	\$175.00
Change/Variation to conditions of consents (s127)	*\$509.50+M	*\$811.00+M
Review of consent conditions (s128)	*\$849.50+M	*\$811.00+M

Land Use Consent Monitoring

Classification	2013/14	2014/15
MONITORING FEE		
For all land use consents that require monitoring excluding controlled CBD and controlled (minors)	*\$170.00	*\$175.00

- M Monitoring charges @ \$175.00 per hour
 * Deposits when additional charges may apply



Resource Management Act fees and charges

Subdivision Fees

Classification	2013/14	2014/15
NOTIFIED SUBDIVISION		
Notified	*\$2,503.50+M	*\$2,500.00+M (includes public advertising costs)
Notified sign bond	\$67.00	\$69.00
Limited notified	*\$1,400.50+M	*\$2,000.00+M
Statutory hearing fee	\$170.00	\$175.00
Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
NON-NOTIFIED SUBDIVISION		
Controlled, including cross lease to freehold	*\$907.50	*\$935.00
Controlled, cross lease amendment	*\$907.50	*\$935.00
Restricted/Limited discretionary	*\$907.50	*\$935.00
Discretionary	*\$1,072.50	*\$935.00
Non-complying	*\$1,072.50	*\$935.00
Additional lots	@\$58.00 per lots over 3	\$60.00 per lots over 3
Survey plan approval (s223)	\$330.00	\$340.00
Compliance certificate (s224c)	\$330.00	\$340.00
Combined 223/224 applications	Nil	\$510.00
Engineering inspection and plan approval	\$330 minimum plus \$170 per hour for each hour exceeding 2 hours	\$340 minimum plus \$175 per hour for each hour exceeding 2 hours
Contribution to valuation for reserves and heritage purposes	\$70.00	\$72.00
Financial contribution for reserves and heritage purposes	As valued	As valued
Additional consent fees, commissioning reports, peer review, photocopying and other costs related to consents	Actual costs	Actual costs
Extension of time (s125)	\$170.00	\$175.00
Cancellation of approval (s126)	\$170.00	\$175.00
Change/Variation to conditions of consent (s127)	*\$495.00	*\$935.00
Review of consent conditions (s128)	*\$825.00	*\$935.00
Bond for outstanding conditions	125% of actual cost of work	125% of actual cost of work

M Monitoring charges @ \$175.00 per hour

* Deposits when additional charges may apply



Resource Management Act fees and charges

Other Fees

Classification	2013/14	2014/15
Right of way	*\$412.50	*\$541.00
Right of way certification (s348 LGA)	\$330.00	\$340.00
Variation or cancellation of consent notice (s221(3)) – where separate from subdivision application	*\$825.00	*\$935.00
Section 226	*\$825.00	*\$935.00
Preparation of bonds, consent notices, legal documents	*\$170.00	*\$175.00
Easement approval, cancellation of right-of-way, amalgamation, easement, building line restriction where separate from subdivision application	*\$170.00	*\$175.00
Compliance certificates (s139)	*\$525.50	*\$541.00
Existing use rights certificates (s139A)	*\$700.00	*\$541.00
Outline plan approval (s176A)	*\$436.50	*\$541.00
Planning sale of liquor certificate	\$170.00	\$175.00
Overseas investment, motor vehicle dealers, and other certificates	\$170.00	\$175.00
Applications for street naming	\$350.00	\$360.00

M Monitoring charges @ \$175.00 per hour

* Deposits when additional charges may apply



Resource Management Act fees and charges

Policy Fees

Classification	2013/14	2014/15
DESIGNATIONS		
Notice of requirement	*\$3,960.00	*\$3,960.00
Alteration of designation	*\$3,960.00	*\$3,960.00
Removal of designation	*\$990.00	*\$990.00
Statutory hearing fee	\$170.00	\$175.00
Commissioning reports, peer review, photocopying and other costs related to designations process	Actual costs	Actual costs
PLAN CHANGES		
Private plan changes	*\$9,990.00	*\$9,990.00
Statutory hearing fee	\$170.00	\$175.00
Commissioning reports, peer review, photocopying and other costs related to designations process	Actual costs	Actual costs
POLICY DOCUMENTS		
Operative District Plan text and maps on CD	\$45.00	\$46.00
Operative District Plan text (hard copy)	Actual costs	Actual costs
Operative District Plan maps (hard copy)	Actual costs	Actual costs
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
Proposed District Plan text and maps (hard copy)	\$235.00	\$240.00
Operative Part 20 – Lakes A Zone text and maps on CD	\$35.00	\$36.00
Operative Part 20 – Lakes A Zone text and maps (hard copy)	\$275.00	\$280.00
Copies of plan changes, variations and publications	Actual costs	Actual costs

M Monitoring charges @ \$175.00 per hour

* Deposits when additional charges may apply

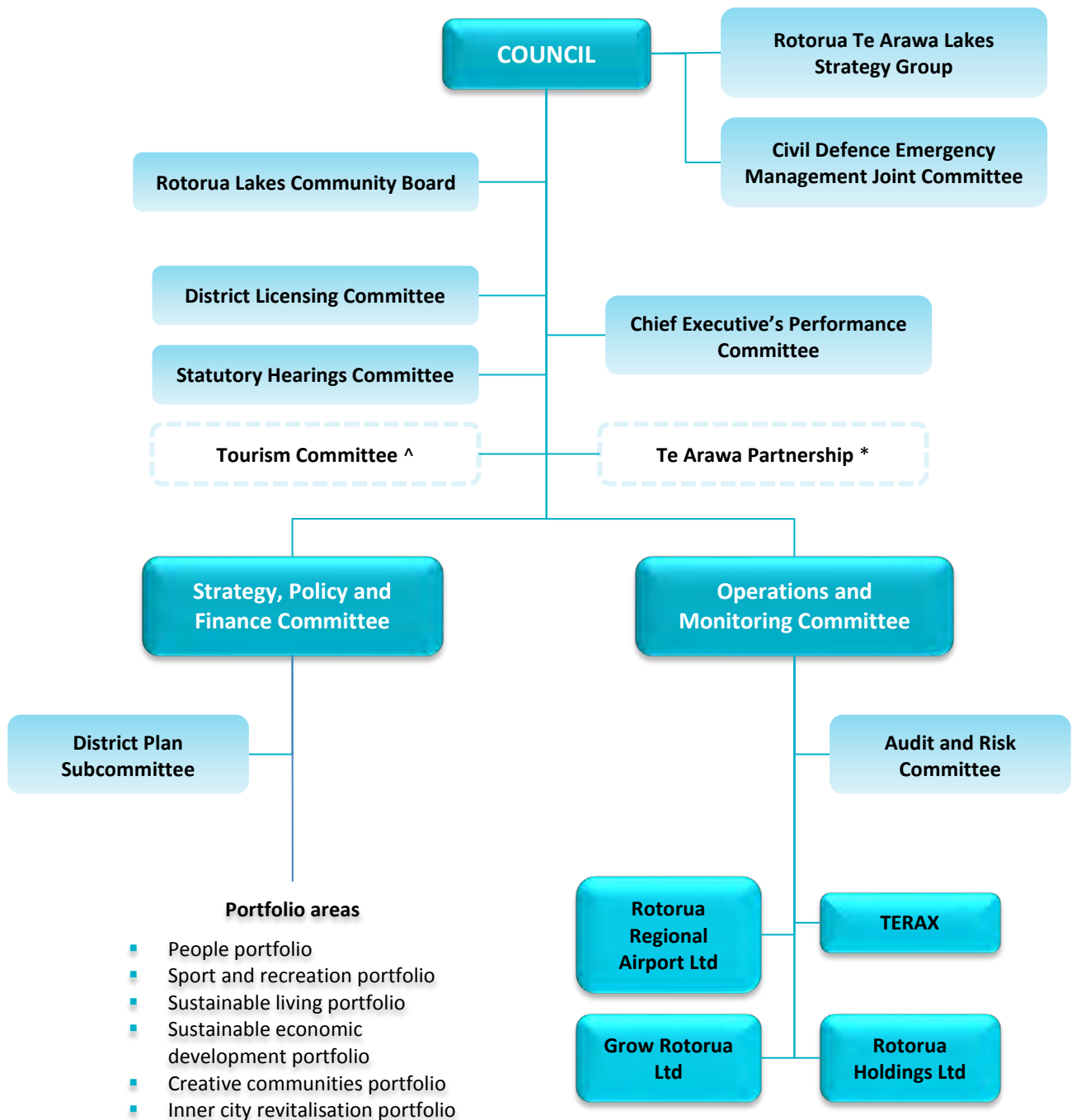


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Committee structure



^ The Tourism Committee is currently meeting informally until the Rotorua District Council organisational structure/ governance is confirmed.

* Te Arawa partnership arrangements are currently under review by Te Arawa.



Surplus performance measures

A number of mandatory measures were introduced for 2014/15. This, along with the Rotorua 2030 development, provided the catalyst to review all the performance measures. Council has decided that a number of the measures set in the Long-term Plan do not impact upon Rotorua 2030 and therefore will not be measured in 2014/15.

Governance and Engagement

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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
Work towards making Rotorua district safer and more connected, through a reduction in crime and injury statistics.	Maintain Safe Community accreditation.	Achieved	Achieved
Provide support for character building/relationship building through programmes/networks aimed at Rotorua's young people.	Ten Youth Council meetings each year.	10	10

Emergency Management

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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%

Aquatic Centre

Level of Service	Performance measures	2014/15 targets	2013/14 targets
To provide safe facilities.	Poolsafe accreditation is maintained.	Achieved	Achieved
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.	350,000	320,000
	Percentage of households using/visiting the aquatic centre in a year.	70%	65%
To provide safe facilities.	Poolsafe accreditation is maintained.	Achieved	Achieved



Surplus performance measures

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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.	350,000	320,000
	Percentage of households using/visiting the aquatic centre in a year.	70%	65%

District Library

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Library readily accessible to residents and visitors for the purpose of information gathering, education and recreation.	Number of total visits to the Library per year.	390,000	390,000
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.	Number of total visits to the Library per year.	390,000	390,000

Gardens, Reserves and Sportsgrounds

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Provide access to safe, well maintained parks,-reserves and sportsfields	Amount of reserve per 1000 population.	12 ha	12 ha
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.	12 ha	12 ha
	90% of children's play areas within 500m of dwellings in the urban area.	90%	90%



Surplus performance measures

Economic Development

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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%
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 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%
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%

Consenting services

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Buildings are constructed and maintained so people can use them safely.	Percentage of PIMs, building consents processed within statutory timeframe of 19 working days.	40% on or before day 10	40% on or before day 10
		60% on or before day 15	60% on or before day 15
		100% on or before day 19	96% on or before day 19
Manage process in accordance with the national code of practice for utility operators access to transport corridors.	60% of works approval notices consented within 5 days.	70%	60%
		90% works approval notices consented within 10 days.	90%
		95% of works approval notices consented within 15 days.	95%



Surplus performance measures

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Timely and consistent processing of consent applications.	Percentage of PIMs, building consents processed within statutory timeframe of 19 working days.	40% on or before day 10	40% on or before day 10
		60% on or before day 15	60% on or before day 15
		100% on or before day 19	96% on or before day 19
			100% on or before day 20
Buildings are constructed and maintained so people can use them safely.	Percentage of PIMs, building consents processed within statutory timeframe of 19 working days.	40% on or before day 10	40% on or before day 10
		60% on or before day 15	60% on or before day 15
		100% on or before day 19	96% on or before day 19
			100% on or before day 20

Roads and Footpaths

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Provide a safe roading network. <i>Replaced by mandatory measure</i>	Declining trend for injury crashes.	63	64
Provision of an efficient well maintained roading network.	Cumulative road condition indices within 1.5% of national average.	Achieved	Achieved
<i>Replaced by mandatory measure</i>	80% of residents are very/fairly satisfied with the roading network.	80%	80%

Sewerage and Sewage

Level of Service	Performance measures	2014/15 targets	2013/14 targets
Provide sewerage systems that are safe, reliable and sustainable.	Less than 14 overflows caused by network faults (per 100km of mains) annually.	14	14
<i>Replaced with mandatory measure</i>	95% of overflows responded within 1 hour.	95%	95%
	100% of consent conditions complied with.	100%	99%



Surplus performance measures

Stormwater and Land Drainage

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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 to people, their properties and livelihoods.	Less than 3 dwellings per year affected by floodwaters	<3	<3
<i>Replaced by mandatory measures</i>	95% of blockages responded to in 24 hours	95%	95%
<i>Replaced by mandatory measures</i>	80% of people very/fairly satisfied with stormwater drainage schemes.	80%	80%

Water Supplies

Level of Service	Performance measures	2014/15 targets	2013/14 targets
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%
<i>Replaced by mandatory measures</i>	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 an adequate water supply for fire fighting purposes within urban fire districts.	95% of hydrants within the urban fire district meet the requirements of the NZFS CoP for Firefighting Water Supplies under normal operating conditions.	95%	95%



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