

# Rotorua District Council

## Te Kaunihera ā rohe o Rotorua



Shaping  
@ Rotorua



Annual Report

2009



# Contents



## ISSN No. 117-8700

Copies of this Annual Report are distributed widely amongst community groups such as ratepayer associations, service organisations etc, as well as being available to view at Council's District Library, City Focus, and Civic Centre, Haupapa Street. The Annual Report can also be viewed on the internet at [www.rdc.govt.nz](http://www.rdc.govt.nz).

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# Mihi

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E nga iwi o te rohe o Rotorua, tena koutou katoa

E mihi atu ana ki a koutou e nga kai pupuri o nga taonga tuku iho.

Ko tatou tenei nga mahuetanga iho o ratou te hunga kua wheturangitia.

E kaha nei tatou ki te whakatutuki i o ratou moemoea hei taonga ma nga uri whakatipu. Ma tatou te tuapapa e hanga hei whaiwhai ake ma ratou.

Ko te purongo kua whakaputaina ake nei.

He korero nui i nga mahi tiketike a to Kaunihera.

He nui nga kaupapa kua tutuki engari he mahi ano kei mua i te aroaro hei whakaoti.

Na reira ma te noho tahi ma te ngakaunui tahi ki nga kaupapa ka tutuki a tatou tumanako me a tatou wawata.

Hei waahi to tika a Rotorua hei nohoanga ma nga uri whakatipu.

Tena Koutou Katoa

Greetings to the people of Rotorua.

We acknowledge you, the bearers of knowledge and wisdom, for you are the descendants of those wise people who have left us.

We strive for perfection and excellence as we endeavour to fulfil the aspirations of those who have gone.

It is up to us to set the platform and example so that up-and-coming generations can follow.

This report describes the excellent community we reside in and the work that your council has done to help make this community a vibrant one.

There has been a lot of positive work accomplished and there is more work to complete.

As a community we need to move together as one and focus positively on the issues we face in our community.

We need to fulfil the hopes and visions that will make Rotorua as a place where our children and their children can live in harmony.

# How to read this report

This Annual Report is an account of Rotorua District Council's performance in the year from 1 July 2008 to 30 June 2009. It not only outlines what we committed to do for the year, it describes how we delivered on that – pinpointing our accountability to ratepayers. The report is in three parts.

## 1. Overview – this includes:

- Summary by Chief Executive and Mayor of achievements.
- Report by Auditor-General.
- Reports showing:
  - Governance arrangements
  - Community outcomes
  - Funding partners
  - Strategic direction and sustainability

## 2. Statements of Service Performance

- This shows the detail of work done and money spent in each major area of council activity, and reports our performance against targets .

## 3. Financial Statements

- Detail of the council's position and performance in financial terms.

Both the Financial Statements and the Statements of Service Performance are externally audited before publication.

## Where the Annual Report Fits In

The Ten Year Plan, Annual Plan and the Annual Report form the essential guide to Council activity in any given year. In simple terms, the Ten Year Plan and Annual Plan set out what the Council will do in the year, while the Annual Report states what the Council actually did.

### Annual Plan and Ten Year Plan

The Ten Year Plan and Annual Plan set out in detail how the Council manages its funding and how it intends to promote Community Outcomes. This covers what projects are undertaken and how rates are determined . These plans also document how the Council consults with its community, how it plans for the medium and long term, and how it copes with uncertainty and changing circumstances.

### Annual Report

The Annual Report tells you how much was achieved. It is the Council's key accountability report. It also provides ratepayers with a report on how well their district's assets are being looked after and how well the Council is performing as an organisation (financially and otherwise). The Annual Report looks to inform readers on Council's ongoing progress towards a sustainable development philosophy.

## Ten Year Plan and Annual Report Publication Reporting Calendar

The dates below show the planning and reporting relationship of the Ten Year Plan (LTCCP), Annual Plan and Annual Report.

Ten Year Plan for 2006-16	Adopted 26 June 2006
Annual Plan 2008/09	Adopted 27 June 2008
Annual Report 2008/09	Adopted 21 October 2009

# Message from His Worship the Mayor and the Chief Executive

Tena koutou katoa

The 2008/09 financial year has been another successful and productive period for the Rotorua District Council.

Elected members, management and staff have had to deal with a very demanding work programme, one which has provided many and varied challenges. However we have achieved much in these 12 months and our community continues to be well served by its local authority.



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

The global recession began to hit home during this financial year and its effects continue to be felt today. We have had to be particularly conscious of operational costs while continuing to provide the services expected by our community, and carrying out commitments we had previously made to residents.

We have been successful in complying with our legislative obligations and keeping on track with helping to achieve our community outcomes – our residents' aspirations for Rotorua. At the same time we have been able to focus on providing a sound platform for the local economy to grow in the future.

For many years now we have had some of the lowest general rates increases of all councils in the country, and the just-completed year has been no exception. This is a result of the council planning well for its future needs, following prudent budgeting processes and setting realistic and responsible objectives.

We are proud of the very strong and effective business partnerships we have with the likes of the Rotorua Trust, and other public and private organisations that have become part of the Rotorua Partner Programme. Their commitment to the Rotorua community helps our council to provide many services that would not otherwise be possible.

Some of the 2008/09 highlights are:

**Airport development:** By the end of the year runway extension works had progressed to the stage where the airport was close to being fully trans-Tasman capable. This has since been followed by an announcement that Air New Zealand will commence direct twice-weekly Sydney-Rotorua A320 services before Christmas 2009, providing exciting opportunities for the district.

**Customer Centre:** The council's new customer centre was completed and opened midway through the 2008/09 year and has been very well received by residents and other customers. The centre is part of the council's wider and ongoing customer service enhancement programme.

**Lakes water quality:** RDC continues to implement new sewerage schemes for lakeside communities as alternatives to septic tanks, which are known to affect lakes water quality. An important partnership with Environment Bay of Plenty, Te Arawa Lakes Trust and the Crown is seeing real progress made on this important issue.

**Maintaining service levels:** The council has managed its operations within approved budget constraints and without sacrificing levels of service. In fact, in many cases, previous service levels have been surpassed.

**Museum Centennial Project:** Work is well underway on the final phase of the Museum Centennial Project to complete construction of the Bath House building to the architect's original plans, more than 100 years after the building first opened.

**Library expansion:** During the year a development programme to expand the public library, now called the Rotorua District Library, was completed and this has significantly enhanced this popular facility.

**Ten Year Plan:** Considerable resources were channelled into development of the new 2009-19 Ten Year Plan during the Year. The new plan is a requirement of the Local Government Act and is now in effect.

**New rating system:** After many years of research, planning, development and testing of various options, a new rating system has now been adopted. This system is expected to prove more equitable than the previous model.

# Message from His Worship the Mayor and the Chief Executive **cont.**

**Review of policies:** A review of all major council policies has been undertaken and a number of policies were amended or rewritten as a result.

**Sustainable growth:** RDC has been involved in a number of measures ensuring the district is well positioned to achieve sustainable growth for the foreseeable future.

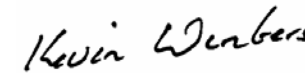
A review of the 'Bright Future' Community Outcomes was undertaken and this confirmed those outcomes previously identified by Rotorua residents. The only change was the addition of 'visionary community leadership' as an overarching theme. 'A safe and caring community' remains our residents' top priority and we continue to be pleased with the way crime has been trending down in our city in recent years.

A survey carried out by independent research organisation NRB (National Research Bureau) in April 2009 asked residents about their perceptions of the council. The results were very positive with 88% of residents satisfied with the performance of the mayor and councillors, and 85% satisfied with staff performance. These results are

higher than the ratings most councils in New Zealand received from their own residents.

We are really appreciative of the support we have had from the people of the district, especially those who have willingly engaged with the council as we go about the job of 'Shaping Rotorua.' This support helps us to make sound decisions that will ensure Rotorua has a very positive future.

*Ma te mahi tahi ka tutuki* – working together we will succeed.



**Kevin Winters**  
Mayor



**Peter Guerin**  
Chief Executive

*Some 88% of residents were satisfied with the performance of the mayor and councillors, and 85% satisfied with staff performance. These results are higher than the ratings most councils in New Zealand received from their own residents.*

# 5 year financial summary

## Statement of Financial Performance (Council)

For the year ended 30 June:

	2009	2008	2007	2006	2005
	\$000's	\$000's	\$000's	\$000's	\$000's
General rates	45,489	42,919	41,095	38,328	36,379
Targeted rates	18,812	16,805	15,305	14,108	13,332
Other services	39,016	35,332	31,499	42,682	29,696
Non operating adjustments	743	4,345	2,178	8,916	423
<b>Total Revenue</b>	<b>104,060</b>	<b>99,401</b>	<b>90,077</b>	<b>104,034</b>	<b>79,830</b>
Operating expenditure	97,997	91,706	86,551	80,888	70,998
Non operating expenditure	0	0	40	0	6,145
Taxation	0	0	0	5	23
<b>Total expenditure</b>	<b>97,997</b>	<b>91,706</b>	<b>86,591</b>	<b>80,893</b>	<b>77,166</b>
<b>Net surplus</b>	<b>6,063</b>	<b>7,695</b>	<b>3,486</b>	<b>23,141</b>	<b>2,664</b>

## Statement of Financial Position (Council)

For the year ended 30 June:

	2009	2008	2007	2006	2005
	\$000's	\$000's	\$000's	\$000's	\$000's
Current assets	18,454	19,815	15,046	21,403	50,980
Current liabilities	28,556	25,111	23,004	22,070	51,532
Working capital	-10,102	-5,296	-7,958	-667	-552
Investments	2,440	2,500	2,092	1,794	1,888
Fixed assets	912,430	860,016	847,543	798,779	581,189
	<b>904,768</b>	<b>857,220</b>	<b>841,677</b>	<b>799,906</b>	<b>582,525</b>
Financed by:					
Rate payers equity	805,484	781,994	771,895	756,001	375,597
Debt	100,751	82,860	74,852	61,042	36,051
Other term liabilities	2,237	2,172	2,405	2,603	1,421
Reserves	-3,704	-9,805	-7,475	-19,740	169,456
	<b>904,768</b>	<b>857,220</b>	<b>841,677</b>	<b>799,906</b>	<b>582,525</b>

### Revenue

Revenue has increased by 4.7% from the 2008 financial year. This includes a 7.7% increase in rates revenue and the balance from other revenue, which includes a significant increase in vested assets. The proportion of rates revenue to total revenue is 62% compared to 60% in the previous year.

### Expenditure

Expenditure has increased 6.9% on the previous year. Key areas of increase were in staffing costs, depreciation and loss on revaluation. CPI increase for the year 2008/09 was 1.9%.

Note that comparative figures relating to 2005 are based on previous generally accepted accounting practice (pre NZ IFRS).



# 5 year financial summary cont.

## Working Capital

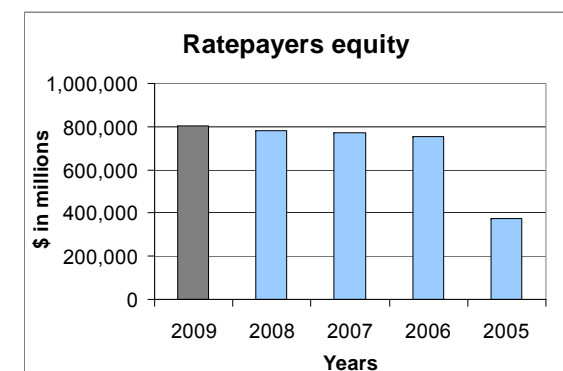
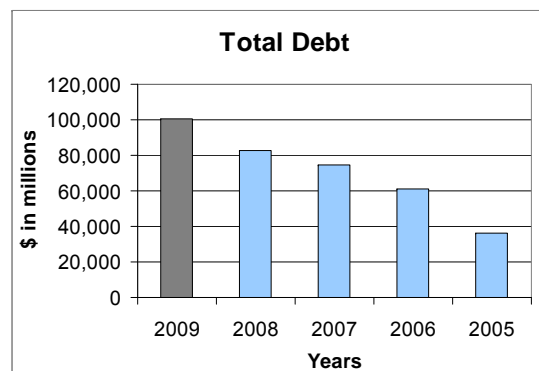
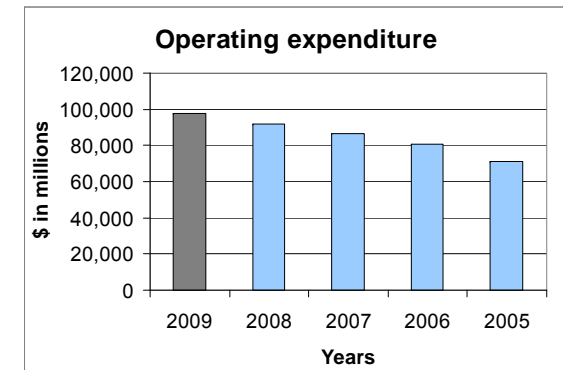
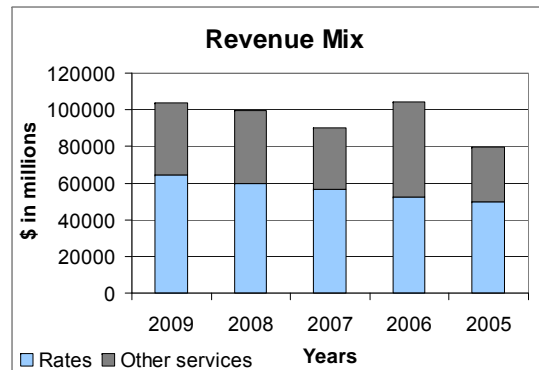
Working Capital reduced by \$4.8 million on 2008, with current assets reducing by \$1.4 million and current liabilities increasing by \$3.4 million.

## Fixed Assets

The value of Council's property, plant and equipment have increased by \$52 million with the significant items of capital expenditure being - Airport - Museum - Library - Civic Building - Roothing - Waste Water.

## Public Debt

Council's public debt has increased by \$18 million to \$100.8 million. It was forecasted in the LTCCP that the debt would be at \$142.7 million by 30 June 2009, however capital expenditure has not been as high as planned. Council is still well within the borrowing limits as listed in the Borrowing Policy.



# Report of the Auditor-General

## AUDIT NEW ZEALAND

Mana Arotake Aotearoa

### Audit Report

#### To the readers of Rotorua District Council and group's financial statements and performance information for the year ended 30 June 2009

The Auditor-General is the auditor of Rotorua District Council (the District Council) and group. The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out an audit. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2009, including the financial statements.

### Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 158 to 213:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's financial position as at 30 June 2009; and
    - the results of operations and cash flows for the year ended on that date.

- The service provision information of the District Council and group on pages 46 to 158 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 21 October 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

### Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

# Report of the Auditor-General cont.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

## Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2009. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

# Report of the Auditor-General cont.

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## Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



B H Halford  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand

# Rotorua partners' programme

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

It comprises three categories of partners:

## Foundation Partner



## Corporate Partner



## Project Partner



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

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

## What is the Rotorua Partners' Programme?

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

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

However there are many important district stakeholders who have the means, community spirit and desire to get involved in some way in Rotorua's development.

The Rotorua Partner Programme matches partnering organisations (our Partners) to projects and other opportunities they want to be associated with.

The Rotorua District has some significant community-wide projects underway. Currently these include the Rotorua Regional Airport, the Rotorua Museum of Art & History Centennial Project, the Civic Theatre development, the Lakefront Project, Rotorua lakes and major events.

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

*Our Partners want to be part of the Rotorua vision for the future.*

**Note:** The Rotorua Partner Programme has no bearing on the council's regulatory, purchasing and decision making processes. These processes are totally independent of the Partners' Programme.

# Rotorua partners' programme cont.

## Inaugural Foundation Partners



## Foundation Partners



## Corporate Partners



## Project Partners



# Developing maori capacity to contribute to decision making

Council has a long standing history of working closely with Te Arawa as the Confederated Iwi of Rotorua District. A number of mechanisms have been developed for both consultation purposes and to involve Maori of the district in council decision-making processes. These mechanisms will continue to be developed and reviewed to ensure their effectiveness.

The following structures and forums have provided opportunities for greater involvement by Maori in Council's decision-making processes throughout the year.

## Te Arawa Standing Committee (TASC)

The committee met regularly, every six weeks, to provide a Te Arawa perspective for Council on all matters that affect Maori. The Committee has representatives from Council, along with representatives appointed by Maori stakeholder organisations and elected by iwi.

It was resolved by Council that TASC members could attend all council committee meetings, be acknowledged by the chair of those committees and be afforded speaking rights. This policy enables Maori to have a greater input into council decision making at a strategic level, especially as it might affect Te Arawa and Maori of the Rotorua District. In July 2007 at a Te Arawa hui-a-iwi at Te Papaouru Ohinemutu, a recommendation was made that the Te Arawa Standing Committee be reviewed and that the review include representation and election model and functions, roles and accountabilities of the Te Arawa Committee. Six representatives on the Te Arawa committee will be elected, there will be no appointments from Te Arawa organisations. The elections, nominations and voting process for the Te Arawa is scheduled to be undertaken from January 2010 and completed in March 2010.

## Te Pukenga Koeke O Te Arawa O Te Whare Taonga

Te Arawa Kaumatua and kuia contribute to decision-making processes pertaining to care and protection of Te Arawa Taonga within the Rotorua Museum. The committee met periodically during the year to give guidance on the management of Te Arawa taonga.

Te Pukenga Koeke has been working steadily towards the goals of repatriating Te Arawa taonga from other Museums. They have met twice with the Auckland Museum and have been able to view a number of Te Arawa taonga held in the Auckland museum.

## Ngati Whakaue Gifted Lands Protocol

This is an agreement between the Rotorua District Council and Pukeroa Oruawhata Trust on behalf of the original owners of the Pukeroa Oruawhata Block (known as the City of Rotorua) and their descendants. Council gives effect to the protocol through consultation when there is a significant or important decision to change status of any affected reserve. The committee met in April of 2009

## Iwi Consultative Group

The Iwi Consultative Group held fortnightly meetings to assess resource consent applications and advise Council on sections 6(e) of the Resource Management Act 1991, and to provide relevant Tangata Whenua contacts for consent matters.

## Kauae Cemetery Committee

Kauae Cemetery Committee trustees meet twice a year to work through operations, policies and procedures, including provisions for the burial of descendants of Ngati Whakaue. A meeting was called by the Ngati Whakaue trustees of the Kauae Cemetery in May 2009 at Te

Papiouru Marae, Ohinemutu. The meeting was to discuss the return of koiwi tangata (human remains) from Te Papatongarewa and to discuss the role of the Ngati Whakaue trustees on the Kauae cemetery.

## Pukaki Trust

The Pukaki Trust meets to ensure the safe-keeping, conservation and maintenance of Pukaki, located in the Council Civic Centre Galleria.

## Waka Taua Trust

The main function of this trust is to ensure that Te Arawa Waka Taua and the shelter that houses the waka are both well maintained. Te Arawa Lakes Trust and Rotorua District Council are jointly discussing needed maintenance of the Waka Shelter

## Council's Kaupapa Maori Department

This department maintains Council relationships with Tangata Whenua and Maori as well as strengthening the organisation's ability to effectively engage with Maori through training in tikanga and te reo. The department provides whanau, hapu, iwi and marae contacts and consultation advice to various council departments. The unit has also produced resources such as 'Whare Korero', a pocket booklet for staff, councillors and the public in general. The booklet is a guide to Maori protocol, rituals and basic Maori language and pronunciation. The aim of the booklet is to provide an easy to use guide for Maori rituals, structures (Marae) practices and language that Council and members of the public may encounter in Rotorua. The Kaupapa Maori department is involved in various projects including, MOU development between Te Arawa Lakes Trust, District Plan Review, Central Business District revitalisation, Te Reo training for staff and councillors, Te Arawa Standing Committee Review, traffic management in Ohinemutu and corporate policy projects.

# Developing maori capacity to contribute to decision making **cont.**

## Mana Whenua Funding Policy 2008-09

In 2005/06 Council reviewed its support of iwi management plans and developed a new Mana Whenua funding policy with objectives that are aimed at both supporting the intent of section 81 of the Local Government Act 2002, as well as promoting resource management objectives. This policy was launched in October 2007 with four Maori land trust recipients. The funded projects include sustainable housing, light industrial park feasibility study and an environmental rejuvenation project. The overall aim of the policy is to stimulate and encourage the sustainable development of unoccupied Maori land in the District. The intent is to investigate viable strategies; build capacity of Maori land owners and develop joint projects that will benefit owners and the wider community. In 2008-09, Council has contributed to the enhancement of a significant ecological and cultural site Waitangi Soda Springs, which currently provides recreational value to locals and visitors to Rotorua. Three feasibility studies have been completed one for commercial enterprise, the other for possible retrofit of community facilities on Maori owned land and a papakainga feasibility project. This year's funds have been allocated towards a kaumatua housing and marae feasibility project in Tarawera, strategic plan in Rotoiti, replanting project in Horohoro, a water irrigation project in Rotoehu and a papakainga feasibility study in Ngongotaha.

## Memorandum of Understanding

In April 2005, Council signed a memorandum of understanding with Tuhourangi. The founding statements of the memorandum include: *"Council also wishes to establish and maintain processes to provide the opportunity for Tuhourangi to contribute to the decision-making of the Council"*.

Tuhourangi have met with Council regarding the following projects; Tarawera and Okareka landscape Assessment; proposed Crater Lake Park Development

update; traffic and parking management plan for Punaromia, Tarawera Landing; Lake Tarawera boat trailer parking; Whakarewarewa Forest Vision and Tarawera Trail.

## Tangata Whenua and Maori Communications and Consultation Guide

In 2005/06 Council developed a Tangata Whenua and Maori communications and consultation guide. This resource enables staff to more effectively engage with Tangata Whenua and Maori and improves Maori participation in Council decision-making processes. The principles of this guide have ensured Maori input into long term land use planning initiatives such as the Eastern and Western Structure Plans. The guide was updated in June 2008 and another update is due for the 2009 year.

## Rotorua Te Arawa Lakes Strategy Group

This joint committee, with representatives from Environment Bay of Plenty, Te Arawa Lakes Trust and Rotorua District Council, met regularly to ensure a proactive strategic approach to coordinating lakes quality improvement in the district. This structure has been enshrined in legislation as part of the Te Arawa Rotorua Lakes Settlement. The committee met in March and June of 2009.

## Lakes Restoration and Rehabilitation Programme

This programme was established for both the strategic and operational delivery of objectives to enhance fresh water sustainability of the Rotorua lakes and has iwi representatives. A number of action plans for specific lakes have been developed with contribution from a range of stakeholders including iwi.

## Community and Public Arts

Local Maori artists, writers, performers and composers have participated, contributed and developed activities and events this year including the Matariki festival, Artists in Residence, the implementation of public art concepts and mural design and development in Western Heights, Brookland area and the modernisation of Lake front public facilities with a locally made mural, collaborative partnership in the Magma Film Festival, kaitiaki sculptures in Ngongotaha, Children's Day and ongoing consultation with iwi regarding gateway designs for the Northern entry into Rotorua. All of these activities and events contribute to Rotorua's District's community outcomes of valuing a living Maori Culture and a Happening community.

## Te Arawa Committee

This Committee has representatives appointed and elected from Te Arawa Iwi. The Committee's terms of reference are "to have responsibility for providing a Te Arawa perspective on all matters affecting Maori".



Back row (left to right): Hawea Vercoe, Peter Guerin (Chief Executive), Piki Thomas, Mayor Kevin Winters, Cr Bob Martin, Mauriora Kingi (Director Kaupapa Maori), Deputy Mayor Trevor Maxwell  
Front row (left to right): Bella Tait (Iwi Research Officer), Jim Gray, Rene Mitchell, Piwiri Heke  
Absent: Toby Curtis





# Bright future Rotorua – community outcomes

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

The purpose of the community outcomes process is to:

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

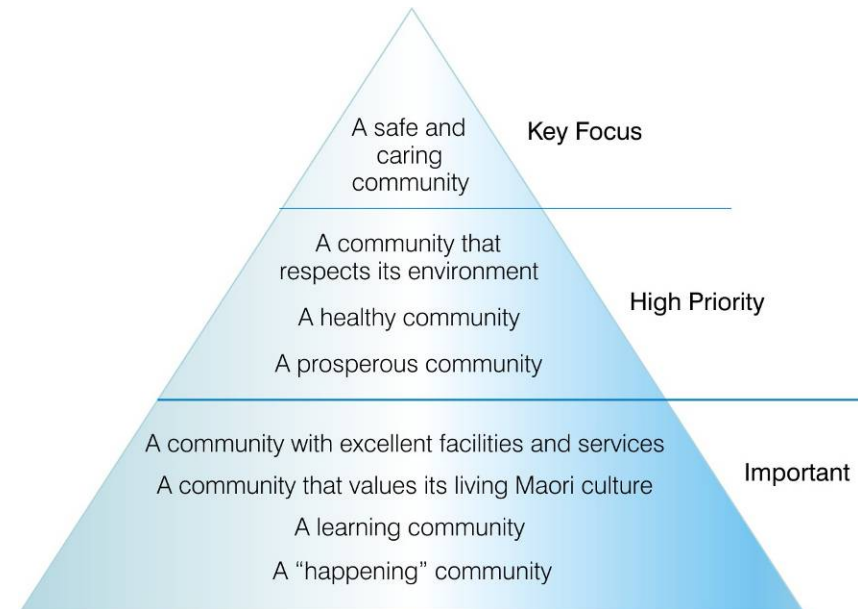
Community Outcomes are overarching strategic goals that councils and other organisations can use to guide their service delivery and resource allocation. They are also a focal point for promoting closer working relationships, to ensure resources are used more effectively and in a coordinated manner.

Rotorua District Council's contribution to promoting the community outcomes is described in the LTCCP (Ten Year Plan). It is a requirement of all LTCCPs to describe which community outcomes different council activities will contribute towards.

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

The results of that consultation showed that a safe and caring community is the most important outcome for Rotorua residents. Other high priorities included a healthy community, a prosperous community and a community that respects its environment.

Council undertook further review and consultation on community outcomes in 2008. This review essentially reconfirmed the initial community outcomes and priorities. The only changes were: the addition of 'visionary community leadership' as an overarching theme, and the introduction of specific statements related to sustainability in the supporting detail of community outcomes.





# Bright future Rotorua – community outcomes cont.

## Monitoring and Reporting

In June 2007 Rotorua District Council (RDC) published the first Rotorua Community Outcomes report. The report presented information on a range of indicators which were selected to reflect the state of the high level outcomes above. The Rotorua Community Outcomes are not the sole responsibility of RDC. Many local and national organisations contribute to each one. The report collected data from these organisations and other sources, and reflects the current status of the district's eight community outcomes.

The report help decision makers in the Rotorua District, to promote better co-ordination and application of community resources.

A summary of the results follows.

Progress indicators from the report reveal that Rotorua is doing well on a number of fronts, including:

- Falling crime rate and improving perceptions of community safety by residents.
- Low levels of unemployment.
- Reduced rates of school stand-downs and suspensions.
- Increased levels of educational attainment.
- Increased visitor numbers.
- Increased real median income, though still below the national average.
- Reduced rates of heart disease, though still above the national standardised rate.

Areas where the district is not doing so well include:

- Increased numbers of annual road traffic crashes and casualties since 2000 due to issues such as poor observation, speeding, failure to give way and drink driving.
- Relatively high levels of reported criminal offending, despite improvements.
- Relatively high levels of waste to landfill per capita.
- Poor oral health, with an average of 2.23 decayed, missing and filled teeth for 12-year olds compared to 1.67 for the national average.
- Increasing numbers of early school leaver exemptions.
- Algal blooms on Lakes Rotoehu, Rotoiti, Rotorua and Okaro.

In the first half of 2009, RDC undertook the Perceptions of Safety Survey for the fifth consecutive year.

The results can be described as mixed, with some trends strengthening (positively) and others weakening or remaining stable.

RDC will continue to work on a range of collaborative projects to help Rotorua feel and be safe.

# Community outcomes

## Rotorua's Bright Future Community Outcomes are:

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

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

- Safe homes and streets
- Less crime
- Fewer road accidents
- Organisations working together on agreed priorities
- Providing safe public spaces
- Families and whanau work, play and talk together

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

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

- Looking after our air, land and water resources
- Improve lake water quality
- Waste reduction
- Kaitiakitanga (guardianship)
- People using and enjoying our natural environment
- Historical sites and buildings are protected and promoted
- Manage and protect geothermal resources and our springs, trout, lakes, forests, geysers



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

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

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

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

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

- Rising average incomes
- Encouraging development of Maori Land
- Reducing unemployment rate
- More investment in our district
- More employment opportunities
- More new business
- Celebrating and promoting our district's unique qualities
- Encouraging growth

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

*He Iwi Whanui tenei e mau pu motuhake ana ki ona taonga me ona ratonga*

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

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

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

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

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

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

- Learning activities accessible for everyone
- Excellent pre-school/infants facilities
- Addressing skill shortages through the right training
- Improve rate of formal qualification for school leavers
- Quality educational institutions
- Increasing participation in tertiary education
- Whanau supported learning

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

*He Iwi Whanui tenei e tumeke ana*

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

# About the district

Rotorua lies on the boundary of the Bay of Plenty and Waikato Regional Council areas. According to the 2006 Census, Rotorua's usually resident population numbered 68,100. Rotorua ranks 5<sup>th</sup> in size out of the 58 districts in New Zealand, and 16<sup>th</sup> in size out of New Zealand's 73 cities and districts. The district is centred around a thriving urban area on the southern shore of Lake Rotorua, and extends to include a substantial rural area as well as lakeside communities. Rotorua is a bicultural district with an increasingly multicultural population. The local environment encompasses 14 lakes, active geothermal areas, and a considerable amount of public open space. Rotorua has an increasingly broad industry base that includes tourism, agriculture, forestry, retail, manufacturing, business services, social services and education.

Some district statistics:

- The total area of the Rotorua District is 2,615 km<sup>2</sup>.
- Based on the 2006 Census, the district's usually resident population stands at 68,100.
- According to the 2006 Census, the usually resident population of the main urban area stands at 53,766.
- Almost 20% of the population lives in rural and lakeside areas.
- The Rotorua District is a visitor icon in New Zealand and overseas, due in part to its geothermal and cultural attractions. For the year ending May 2009 there was an average of 4,800 visitors per day staying in Rotorua commercial accommodation.
- There are 800 ha of reserves managed by Rotorua District Council.
- There are more than 1,000 km of local roads in the district, of which almost 82% are sealed.
- The gross capital valuation is almost \$14.1 billion and gross land valuation is around \$7.9 billion.
- Rotorua's GDP is estimated at \$2.9 billion per annum.

## Rotorua's Early History

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. Prompted by reports from other explorers, including Tamatekapua's grandson Ihenga, other members of the Arawa tribe eventually moved from the coast and settled in the Rotorua and Taupo areas. The earliest Maori villages in Rotorua were located close to geothermal activity, including Ohinemutu and Whakarewarewa. Descendants of the original settlers have left their mark on modern-day Rotorua through song, dance, legends and place names.

European settlers arrived in New Zealand throughout the 18th century. The subsequent development of the Rotorua area was driven by interest in the unique geothermal and cultural attractions of the area, coupled with the establishment of transport links, forestry and farming. The foundations of today's local government structure were laid by the Thermal Springs District Act of 1881, which made provisions for the establishment of certain amenities in Rotorua. An agreement was also concluded between the Government and the Maori people on the setting up of a Town Board to administer the affairs of the new township. Te Arawa sub-tribe Ngati Whakauae contributed generously to the development of the town through the gifting of more than 120 parcels of land for health and recreational purposes. These include Government Gardens, Kuirau Park, Pukeroa Hill, the Lakefront Reserve, and many

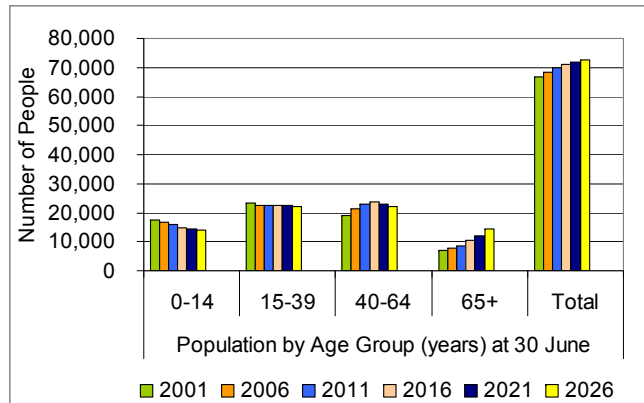
other reserves. Today, policy issues in respect of Rotorua's gifted reserves are discussed by a joint committee of the Pukeroa Oruawhata Trust and the District Council.

## Rotorua's People

Including people of mixed ethnicity, the major ethnic groups in the Rotorua District are European (58%), Maori (34%), New Zealander (10%), Pacific Islands (4%) and Asian (4%). More than half of Rotorua's young people are of Maori descent. According to 2001 Census results, around 8,000 Rotorua residents are affiliated with the Arawa tribe that were the original settlers of the central Bay of Plenty area. In addition, many of Rotorua's Maori residents are affiliated with tribes from other parts of New Zealand. Rotorua's population profile is becoming much more multicultural than it has been in the past, including increases in residents from the Pacific Islands, Asian countries, and many other parts of the world. Rotorua's population profile is also relatively youthful but, like other parts of New Zealand, is gradually growing older. Official projections show that the district is expected to have only moderate residential population growth over the coming decade, with more rapid growth in the eastern suburbs, northern rural areas and eastern lakeside areas.

## About the district **cont.**

### Population Projections by Age Group 2001 (Base)-2026 Rotorua District



### Te Arawa and Geothermal Activity of the District

Included in the mythology of the Te Arawa people is an explanation for the origins of the geothermal activity within the district. The story of the tohunga (person of great knowledge) Ngatoroirangi is known and has been recited by both Te Arawa and Tuwharetoa, people of the Rotorua and Taupo regions for hundreds of years.

The following is a brief excerpt of the legend of Ngatoroirangi and the Pacific Ring of Fire:

*The explorer Ngatoroirangi of the Arawa canoe was ascending Mount Tongariro when he called to his sisters from Hawaiki to bring him warmth or he would surely die. Ngatoroirangi's prayers were heard and his sisters called upon the fire demons, Te Pupu and Te Hoata, who plunged into the sea and swam to Ngatoroirangi. Te Pupu and Te Hoata surfaced for the 1<sup>st</sup> time at Whakaari (White Island), where the earth burst into flames, they found that they still*

*had many miles to go so continued on their journey, stopping briefly at Mou-tohora, Okakaru, Rotoehu, Rotoiti, Rotorua, Tarawera, Orakei-Korako and Taupo.*

This is but one legend that talks about the geothermal wonders of NZ. These stories act to inform future and current generations about where the geothermal and volcanic activity is, to provide warnings and create an aura of importance about these treasures, whereby they are respected and protected.

### Rotorua's Economy

Rotorua's central North Island location provides easy road, rail and air access. The district is enjoying a sustained period of investment, providing a solid infrastructure for growth. Council has invested significantly in improving public amenities in the District. Rotorua is home to an increasing number of industry clusters including forestry, tourism and education. These are made up of professional bodies that are committed to working together to improve their operations.

Rotorua's economic base has been changing at a rapid pace, with considerable innovation in the traditional sectors of tourism, forestry and agriculture. These industries jointly contribute an estimated 25% of Rotorua's total economic output. There is an increasing number of smaller lifestyle farming blocks in the district, as well as rationalisation and more intensive use of larger farming blocks. In sectors such as education, manufacturing and retailing, Rotorua's competitive local environment has enabled many businesses and organisations to excel. There is also an internationally recognised depth of local expertise in the transport and engineering sectors.

Rotorua's occupational profile is gradually changing, with fewer agricultural workers and increased numbers of manufacturers, professionals, teachers and other service occupations. Career opportunities exist across a wide range of industries. Fast-growing sectors over the coming years are expected to include trade and tourism, manufacturing, health, education and transport. Despite continued uncertainties in the forestry sector, the outlook for forestry and wood processing also remains optimistic. Emerging industries in Rotorua include spa and wellness, biotechnology and film and television. There is also considerable scope for increased commercial development on land and resources owned and managed by local Maori.

### Economic Recession

This Annual Report is being prepared against a background of international economic turmoil unprecedented in the lives of most New Zealanders. How this international environment will affect the Rotorua economy is as yet unclear. However, it is unlikely that the tactical responses that have served us well over the last three years will still be as effective, or indeed valid, in the future. Flexibility in responding to changing circumstances will be critical.

# About the district **cont.**

## Rotorua's Environment

Rotorua's unique environment has shaped the development and identity of the district and provides a wide range of social, cultural, recreational and economic resources. The landscape and its cover have been substantially altered over time by geological events and human activity. Land cover in the district is now dominated by pasture (48%) and planted forest (20%), as well as indigenous forest and lakes. There are 137 Protected Natural Areas in the district, covering more than 30,620 ha. More than half of this area comprises scenic reserves.

The district's 14 lakes form a backdrop to an abundant variety of natural resources, recreation opportunities, visitor attractions and economic opportunities. The lakes and geysers of Rotorua are icons, recognised in this country and known throughout the world. Around 80% of Rotorua residents visit the district's lakes on at least a monthly basis. Lake water quality is an issue of significant community concern. In general, lake water quality has been declining over the long-term due to increased nutrient levels resulting in sporadic algal blooms on a number of lakes. A collaborative approach is being taken with Environment Bay of Plenty, Te Arawa Maori Trust Board and lakeside communities to better manage lake water quality.

## Rotorua's Population in the Future

### Introduction

Each year there are around 5,400 births in Rotorua District and approximately 2,500 deaths, so the natural increase is around 0.8% per year. However, over the period 1996 to 2001 the Rotorua District population remained unchanged due to excess out-migration to other parts of New Zealand and to

overseas. The population grew by 2.2% between the 2001 and 2006 census.

The Rotorua District population was 68,100 in 2006. As well as overall population changes, the demographic profile of Rotorua is projected to change. In particular, the population profile is ageing, there is an increasing number of Maori residents, and also an increasing diversity of people belonging to Asian, Pacific Islands, and other ethnic groups.

Migrational 'churning' is a distinctive feature of the Rotorua District and wider Bay of Plenty. The latest population projections assume that Rotorua will continue to have slightly more out-migration than in-migration each year, resulting in an expected population growth rate of around 0.4% per annum over the coming 20 year period, compared with a national growth rate of 0.8%. The Bay of Plenty as a whole is forecast to grow at 1.25% per annum over this period, due to an expected continuation of rapid growth in Tauranga City and Western Bay of Plenty District.

The Rotorua District population is forecast to reach 71,986 in 2021 and 75,359 by 2051. These upper and lower limits are fairly arbitrary, but give some indication of the likely population increase.

### Forecasting Growth

To ensure there is accurate and consistent information for the basis of planning, the council has developed a growth model which looks at all the factors impacting on growth in the district.

This model includes assumptions around the type of growth, eg residents compared to visitors, and demographic make-up. This information underpins our projected services included in the 2009-19 Ten Year Plan. It is crucial that our planning for services, infrastructure and funding is realistic and coordinated

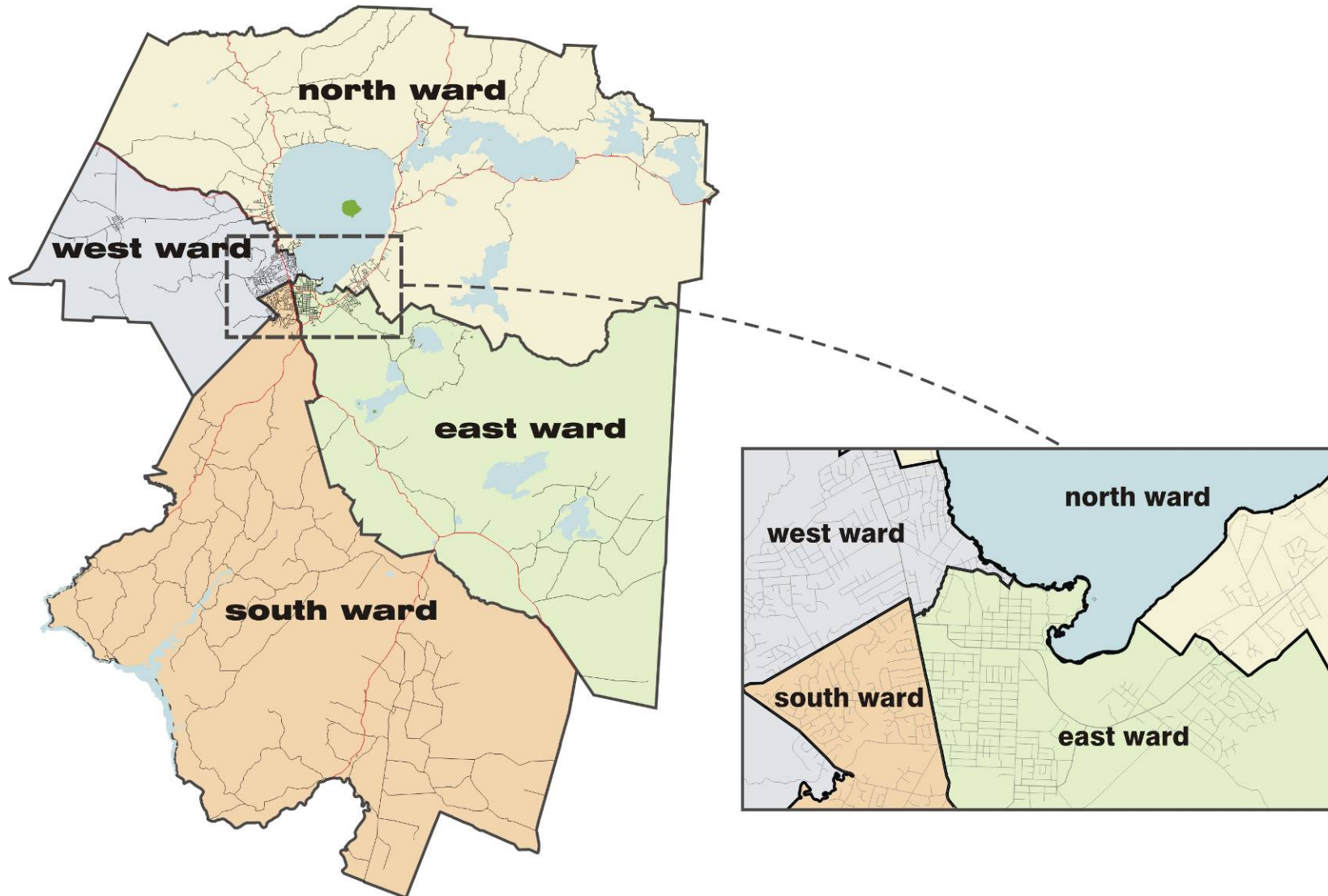
across the district. Key findings of the growth model are:

- Population Growth is forecast to grow by 0.38% per annum between 2001 and 2021, and a further 0.15% per annum to 2051.
- Household occupancy will trend down from 3 people per occupied dwelling in 2001 to 2.67 in 2021, and 2.6 in 2051.
- The number of households will increase from 26,493 in 2006 to 29,988 in 2021, and continue to grow to 32,058 in 2051.
- An additional 0.72 million visitor nights will be generated by 2021.
- Total visitor nights were 3.7 million in 2006 and are estimated to be 4.42 million by 2021.
- An additional 44 hectares of industrial/employment land will be needed by 2021 and a further 29 by 2051.
- An additional 8ha of retail/commercial land will be needed by 2021 and a further 5ha by 2051.
- The eastern suburbs show continued growth through to 2021 whilst the city experiences a reduction in population numbers. It is also believed that Hamurana, Ngongotaha and northern planning units will experience steady growth.

### Aging Population

The implications of an aging population for local government are considerable. As the age structure of a population changes, the services required by the community will change. As a community ages, its demand for road construction and maintenance is likely to stagnate (or even decrease) while demand for passenger transport and total mobility services may increase. The nature of open spaces may change from playgrounds and fields for contact sports to requests for walkways and fewer sports grounds. In short, local communities will demand changes in the type and scale of a range of community services.

# Ward boundaries map



# Governance report

Governance of the district relates to the manner of achieving representation of the community's views and how these are translated into actions and work programmes of the Council. This section outlines the structures and processes that promote the following governance themes:

Representation	<ul style="list-style-type: none"> <li>▪ involvement in governance decisions at Council, Committee and Community Board level</li> <li>▪ advocacy undertaken on behalf of the Rotorua community</li> <li>▪ effectiveness of governance structures</li> </ul>
Leadership	<ul style="list-style-type: none"> <li>▪ overview of governance structures and outputs achieved</li> </ul>
Strategic directions	<ul style="list-style-type: none"> <li>▪ strategic community achievements</li> <li>▪ setting of strategic platform</li> </ul>

## Background

Local government in the Rotorua District is based on three core premises: transparency, participation and accountability. **Transparency** is achieved through the community being able to "clearly see the policies, plans and objectives and how they are able to be financed". **Participation** is achieved through the consultative community input processes that enable Council to connect with its constituents and interested parties. **Accountability** is achieved through a number of reports, including the Annual Report, which are produced to gauge effectiveness and attainment of targets. The Government's watchdog, the Auditor-General, audits both the financial and non-financial achievements in the Annual Report, providing both the

community and Central Government with an independent assessment of Council's achievements.

## Role of Council

Council has the overall responsibility for:

- Proper direction and control of the district's activities in a prudent financial manner
- Representing the views of the community in the most effective, strategic, and holistic manner possible
- Laying the strategic foundations for the district to grow in a dynamic and enabling manner.

These roles require stewardship of:

Operational policy and strategic direction, including:

- Risk management
- Administration of regulations and bylaws
- Management integration
- Safeguarding public interest, including advocacy.

## Representation

### Electoral System

The system of elected member representation was reviewed for the 2007 elections. There are four wards with three members elected per ward:

- North Ward
- South Ward
- East Ward
- West Ward

There is also a Rotorua Lakes Community Board with four members elected and two appointed by Council.

Ward boundaries are shown in the previous section. Members are remunerated in accordance with the determinations made by the Remuneration Authority.

The next elections will be held in October 2010. Council has undertaken a further review of its representation and is proposing to change from a ward based system to electing councillors at large. This proposal will be determined by the Local Government Commission.

### Meetings

Council's committee structure and meeting arrangements were determined by Council in November 2007, and this committee structure provides an open and accountable governance system.

### The Mayor and Councillors

The Mayor is an ex-officio member of all council committees, and attends most meetings. The Mayor also holds positions on many trusts, community organisations, and community committees. These positions include acting as trustee or board member, committee member or chair, and patron. The Mayor also hosts many meetings to ensure facilitation and that information is passed on to the community.

The Mayor is a Justice of the Peace, and hosts Citizenship Ceremonies, Community Awards, Trustpower Spirit of Rotorua Awards, and Young Achievers' Awards. The award ceremonies recognise the important contribution that others make to the Rotorua community.

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



# Governance report cont.

## Mayor and councillors as at 30 June 2009



His Worship the Mayor  
Kevin Winters JP



Cr Charles Sturt



Cr Bob Martin



Cr Karen Hunt

### north ward



Cr Mike McVicker



Cr Glenys Searancke QSM



Cr Julie Calnan

### south ward



Cr Trevor Maxwell MNZM  
Deputy Mayor



Cr Geoff Kenny

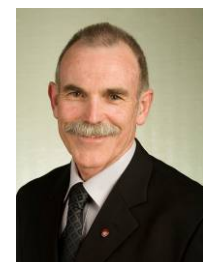


Cr Janet Wepa

### west ward



Cr Maureen Waaka  
MNZM, JP



Cr Dave Donaldson QSM

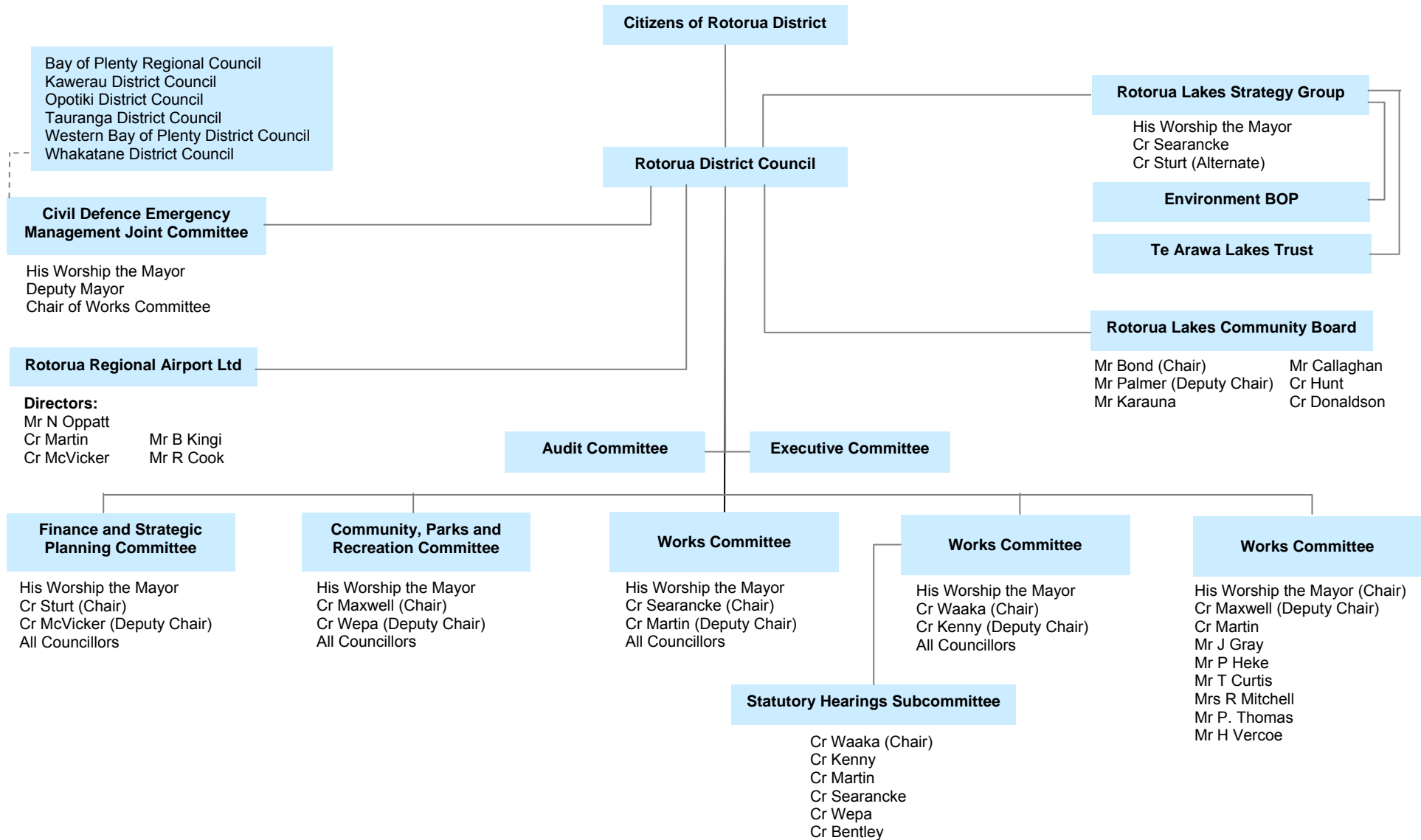


Cr Maggie Bentley

### east ward

# Governance report cont.

## Committee structure



# Governance report cont.

## Committee terms of reference

- **Finance**  
LTCCP and Annual Plan, rates, financial, general, tourism marketing, economic development, Castlecorp business unit, civil defence, airport company, City Focus
- **Community, Parks and Recreation**  
Rotorua's Museum of Art and History, library, community, social policy, monitoring, information and research, community assistance policies, Safer Community Council, sister city relationships, pensioner housing, parks and reserves, aquatic facilities, cemeteries/crematorium, event facilities.
- **Works**  
Local roads, state highways, footpaths, street lighting, vehicle crossings, road closures, road and traffic safety, land drainage, waste management, sewerage, water supplies.
- **Planning and Bylaws**  
Planning, lakes waters, building, geothermal, health and control of dogs and stock control, parking, noise control, signage
- **Te Arawa**  
The Te Arawa Standing Committee was established in 1993 and is chaired by the Mayor at the request of Te Arawa at the time the committee was established. As part of the Rotorua District Council's decision making process Te Arawa Standing Committee has the responsibility to provide a Te Arawa perspective on all matters that affect Maori.
- **Executive Committee**  
Comprises His Worship the Mayor, the Deputy Mayor, chairpersons of Finance and Strategic Planning Committee, Planning and Bylaws Committee, Works Committee, Community Parks and Recreation Committee and Chief Executive. Its work includes decisions on matters requiring urgency.
- **Statutory Hearings Subcommittee**  
This subcommittee is chaired by Cr Waaka along with five other councillors who are members of the Planning and Bylaws Committee. It has approximately 12 meetings per year and deals with matters such as subdivision applications, resource consent conditions and applications, objections and the District Plan
- **Rotorua Te Arawa Lakes Strategy Group**  
Rotorua District Council, Environment BOP, and the Te Arawa Maori Trust Board form this joint committee. Lakes water quality is an important issue for the district and the committee has been charged with ensuring that a proactive strategic approach is taken toward co-ordinating lakes quality improvement. Mayor Winters and Councillor Searancke (Councillor Sturt – alternate) are Council's representatives.
- **Rotorua Regional Airport Ltd (RRAL)**  
The airport is a vital infrastructural component of the Rotorua and wider Bay of Plenty/Southern Waikato Region's economy. The Airport is 100% owned by the Rotorua District Council through a company which manages and plans separately to Rotorua District Council through a board of directors. Members of the Board during the year were Cr B Martin, Cr M McVicker, Mr R Cook and Mr B Kingi, Cr N Oppatt.

- **Civil Defence Emergency Management Joint Committee**  
The six district councils in the Bay of Plenty region, together with the Bay of Plenty Regional Council, form this joint committee. The functions of the joint committee are to identify, assess and manage hazards and risks for the Bay of Plenty region.
- **Audit Committee**  
This committee comprises His Worship the Mayor, the chairperson and deputy chairperson of the Finance Committee and an "outside" appointee, Mr B. Lane. Its work includes internal/external audit matters. This committee meets as required
- **Other Committees**  
These are formed as subcommittees to deal with particular issues as required. They usually meet irregularly and are in existence for as long as required, sometimes being in a period of abeyance between active periods. The Mayor is an ex-officio member of all committees.

### Rotorua Lakes Community Board



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

# Governance report cont.

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## Delegation

Not all decisions of Council are made by committees or full council. A number of delegations of Council exist that allow individual elected members, sub-committees, the Chief Executive and senior management to make certain decisions that allow the smooth and efficient running of day-to-day affairs.

These delegations are documented in Council's policy manual and are subject to review at each triennial election and any other time required.

## Support for Elected Members

Elected members are guided, and advised formally and informally through a number of mechanisms. The Local Government Act 2002 and other legislation provides the framework in which members are elected and must operate.

Council has adopted a Guide to Good Governance which includes a code of conduct to help ensure transparency and a high standard of behaviour. Model standing orders are also used to guide meeting procedures and assist sound decision making processes.

The Remuneration Authority determines the overall salary pool for the Mayor and councillors, and how Councillors are remunerated from the pool is determined by Council.

Elected members are advised by the Chief Executive (who may seek additional external advice on matters such as legal opinions) and staff. Resources are also available from such bodies as LGNZ, and professional organisations. However, first and foremost, elected members are advised by the community which they represent through many formal and informal processes.

Members are elected every three years with the last election being in October 2007. Following elections, members undertake a formal induction programme covering their roles and responsibilities as well as providing a thorough overview of the organisation and its operations.

## Risk Management

The Chief Executive is responsible for managing organisational risk to ensure continued provision of services and to minimise financial impacts on residents.

Council's asset management plans incorporate risk management policies and actions and for each of Council's activities there are identified methods for ensuring business continuity in the event of an emergency or disaster. Overall risk management is supported further through regularly reviewed insurance policies.

The management team regularly reviews the work of occupational health and safety subcommittees and also ensures appropriate staff are familiar with the SOLGM legal compliance project as it relates to their work area.

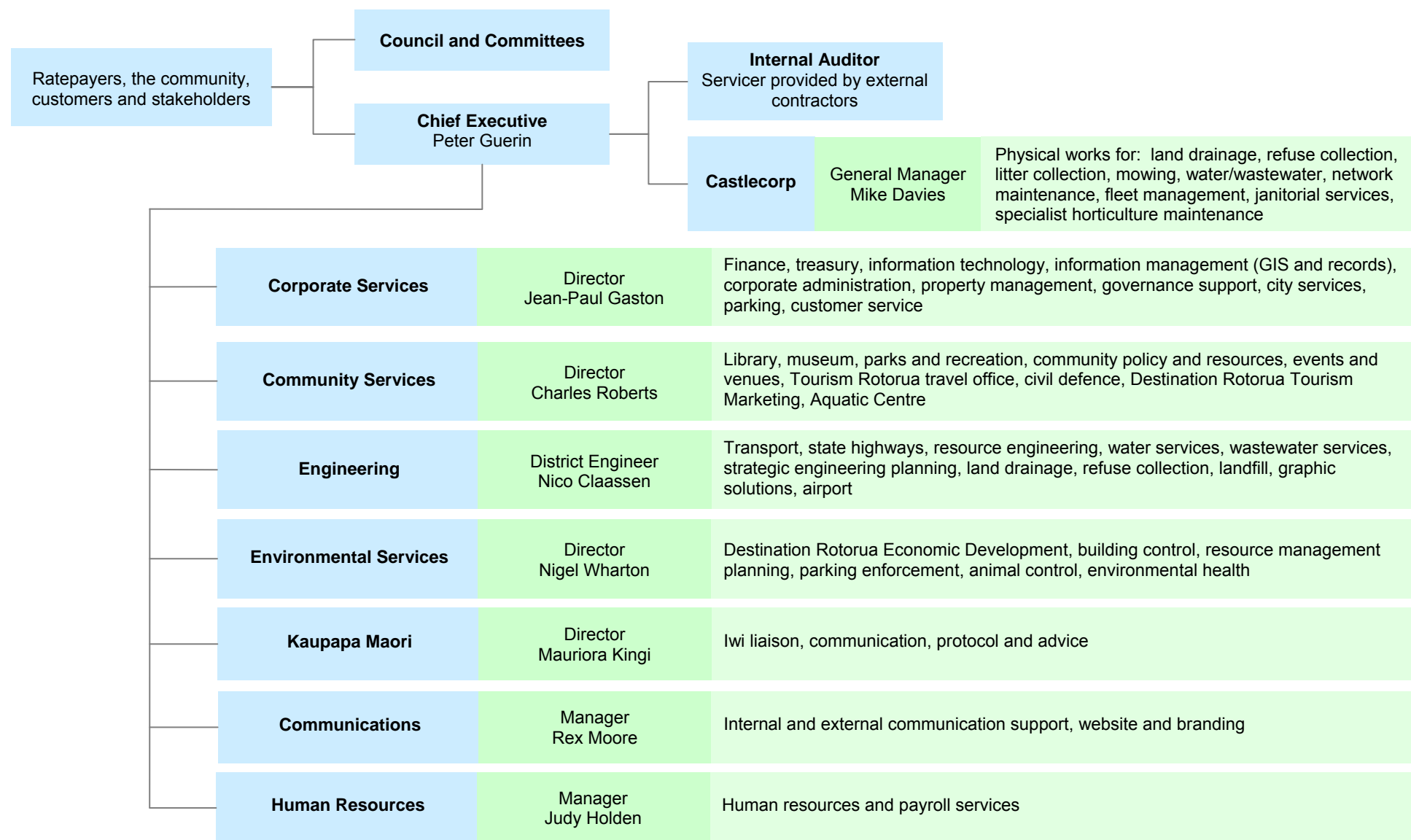
A schedule of members' financial interests is maintained and they are required to declare their interests in any matter being considered by them in their role as an elected member at meetings.

## Emergency Management

The Mayor and appointed members play a key function in Council's civil defence role. Along with staff, elected members undertake regular training and participate in civil defence exercises.

# Governance report cont.

## Management structure



# Strategic direction

## Strategic Framework

Council has adopted a strategic and corporate planning framework that ensures there are clear linkages between the community's desired outcomes and the services Council provides.

The community outcomes express what is important for the Rotorua District to achieve social, economic, environmental and cultural well-being.

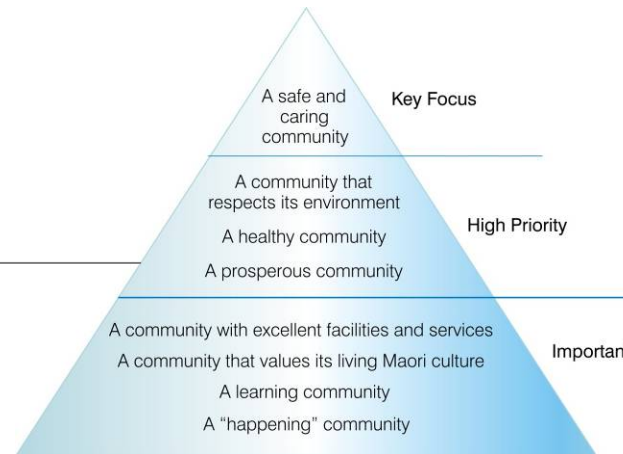
**Our Mission for the District**

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

**Council's Vision**

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

## The Community Outcomes you want us to help promote for a Bright Future



**Our Guiding Principles**

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

Council's mission, vision and guiding principles help Council to link its aims, goals and actions to the community outcomes above.

## Long Term Council Community Plan

Council's LTCCP is also called our Ten Year Plan. This plan is required by the Local Government Act 2002 and describes our activities and budgets for the next ten years to ensure:

- Transparency with the community
- Sound decision making for the long term; and
- Best use of resources

Council consulted on and adopted a new Ten Year Plan for 2009-19.

## Annual Plan

The Annual Plan is an action plan produced in the years that Council does not adopt a LTCCP, and sets out how Council has prioritised its goals on an annual basis.

The Annual Plan for 2008/09 was adopted on 27 June 2008 following public consultation. There were 83 submissions on a range of issues relating to Council's services and activities.

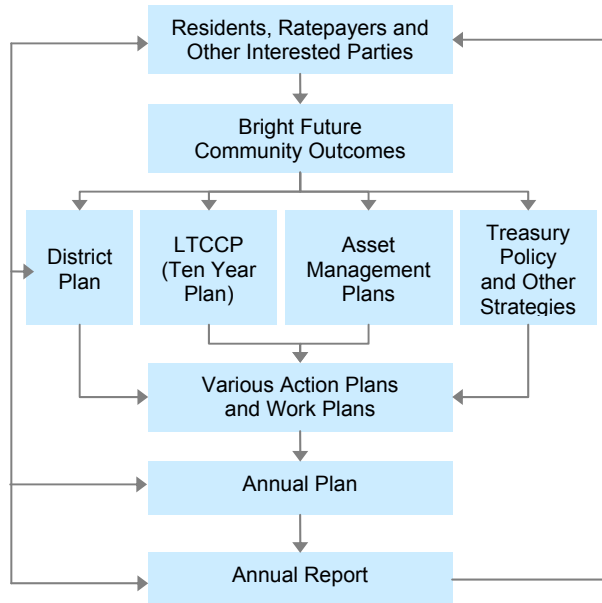
## Annual Report

The purpose of this annual report is to compare Council's actual performance for the year with that which was projected in the Annual Plan for 2008/09. The report has an accountability and informative role. The relative importance of these roles may vary for different users. Accountability is the requirement for Council to account to ratepayers, residents and other interested parties for its performance over the last year. This requires financial reports that:

- Identify the objectives and targets established by formal process.
- Measures actual achievements against those objectives and targets.

Such objectives and targets are both financial and non-financial. The Annual Report is therefore an important link in Council's planning process and annual communication cycle. The diagram overleaf shows how various other public documents integrate with this Annual Report. The following describe the purpose of each document in the diagram. It is hoped that this will aid in understanding the role of this Annual Report.

# Strategic direction cont.



## District Plan

This document deals with environmental management and significant resource management issues of the District.

## Asset Management Plans

These documents are prepared to describe how Council proposes to manage major assets (i.e. infrastructural assets) in order to achieve various goals and objectives, and include the levels of service against which performance will be measured; life cycle management plans; policies, procedures and timetables for cost effective acquisition, maintenance, operation and disposal of assets to meet agreed levels of service; and cashflows.

## Treasury Policy

This document is Council's response to the liberalisation of borrowing powers for local authorities which, in return for increased autonomy, requires policies for "borrowing" and "investments" to be promulgated, and because the two issues are so closely interlinked a single comprehensive Treasury Management Policy has been prepared.

## Funding Policy

The funding policy, which includes a number of strategic issues, requires the use of economic principles in the first instance and the political decision to allocate the costs of expenditure for activities Council chooses to engage in.

## Setting the Strategic platform

With the advent of the Local Government Act 2002, a strategic platform has been established for the future direction of the district. This strategic platform is based around the:

- Long Term Council Community Plan (Ten Year Plan)
- BrightEconomy
- Rotorua Visitor Industry Strategy
- Retail Strategy
- Funding and Rates Review
- District Plan Review

## Consultation during the Year

Council regularly connects, consults, and communicates with the community over a range of issues, some using formal statutory processes, others using informal processes. One of the consultative processes that were undertaken this year was for the Annual Plan.

## Ten Year Plan 2009-19

Council consulted extensively on the Ten Year Plan 2009-19 and the various policies that are comprised in this document. Also as part of the preparation of the

Ten Year Plan, Council also undertook consultation with the community on a number of matters, which included:

- Rating options for 2009/10 and beyond.
- Community Outcomes for Rotorua district.
- Levels of service for Council activities.

Council's Ten Year Plan 2009-19 proposal was a 'steady as she goes' approach, with an overall rate increase of less than inflation (after providing for growth). There was no change proposed to the current level of service. Council received approximately 750 submissions to the Ten Year Plan 2009-19, which was very satisfying. Following consideration of these submissions, there was only minor changes made to the plan, and the overall rate increase for residents was less than 2%.

## Other consultation and events during the year

Council undertook a significant amount of consultation with the community during the 2008/09 year either as part of a special consultative process or where Council wanted an indication from the community as to what option was preferred.

This consultation included:

- District Plan Review (Shaping Rotorua)
- Earthquake Prone Building Policy
- Representation Review (for Council elections)
- Public Places Liquor Control Bylaw
- New sewerage schemes for Okere/Otaramarae/Whangamarino and Okareka
- Reserve User Survey
- Aquatic Centre User Survey
- Consultation with communities and residents on walkways, boatramps, playgrounds and other development
- Perception of Safety Survey
- Priorities for safe community initiatives
- Annual Community Satisfaction Survey
- Joining Regions (Economic Development)
- Skilled Workforce Gap Analysis
- Satisfaction with Shop Rotorua Survey

# Strategic direction cont.

## Community Satisfaction Survey

The 2009 Community Satisfaction Survey undertaken by National Research Bureau indicated that 66% of those surveyed approved of Council's decisions and actions, which was a decrease when compared to 2008. Also, of those who contacted Council over the past 12 months, 84% were satisfied with the service received.

Generally most Council activities exceed both the peer group and national averages for the level of community satisfaction.

## Rotorua Regional Airport Ltd

As at 30 June 2009 Council owned 100% of the Rotorua Regional Airport Ltd and appointed all directors to that company. The directors appointed by Council that served on the board during the year are Councillor Bob Martin; Councillor Mike McVicker; Ray Cook, businessman; Neil Oppatt, Councillor Environment BOP; and Bill Kingi, Ngati Rangiteaore Kahikatea Trust representative. These Directors have represented Council's interests throughout the year at a governance level.

## Audit Committee

Council has an Audit Committee with Mayor Winters and Councillor Sturt as elected members, and Mr B. Lane, a Chartered Accountant, as an external member. The Committee met once during the year and received management reports from Audit NZ on end of year reporting.

## Corporate Health Indicators

In addition to performance targets for the individual activities that Council undertakes, there are also some high level strategic indicators that provide a sense of how well the organisation is performing collectively. Each year Council reports on the following corporate health indicators.

Corporate Health Indicators	Targets	Achievement
1. Annual Report	Unqualified Audit (NZ) opinion	Achieved
2. LTCCP Amendments	No Audit (NZ) issues	Achieved
3. LTCCP/Annual Plans	At least 70% targets met annually	Achieved
4. Complaints/Appeals to External Agencies <ul style="list-style-type: none"> <li>– Ombudsman</li> <li>– Privacy Commissioner</li> <li>– Audit</li> </ul>	No complaints. (Any complaints determined in Council favour).	Achieved
5. Litigation Schedule	Risks manageable	Achieved
6. Serious Fraud Matters (in terms of Council Policy)	Nil	Achieved
7. NRB Rating (Council staff)	At least 8% above national average in satisfaction rating (National 59%, Council 67%)	Achieved
8. Staff Turnover (organisationally)	Staff turnover not to exceed 15% per annum	Achieved (Turnover 10%)
9. OSH Reports	OSH Audit Reports satisfactory ACC discount rating not less than 15%	Not achieved



# Sustainable development reports

## Sustainable Well-being Statements

In addition to its role as a provider of public infrastructure and services, Council makes an important contribution to local development as a leader and an enabler. The Local Government Act 2002 requires Council to facilitate community discussions to identify a shared vision and priorities, and then over time to monitor progress towards improved community well-being.

*Ma te noho marama ki nga tumanakotanga  
mo inaianei ka taea e tatou te nuku whakamua*

*Only by having a clear understanding of where we are  
now can we hope to move forward to where we want  
to be in the future*

Over the past several years Council has developed baseline sets of indicators for each of four dimensions of well-being – social, economic, environmental and cultural. These indicator sets will be further developed during the coming years. They are aligned with the Community Outcomes Monitoring Programme that was undertaken for the first time in June 2007.

The reports that follow present up-to-date local information on:

- Social well-being
- Economic well-being
- Environmental well-being
- Cultural well-being

When interpreting this information it should be recognised that there are many influences on community well-being, including Council activities, Government policies and services, national and international economic conditions, technological advances, and many other factors.

## Social Well-being Report

Rotorua District Council (RDC) developed Bright Future Rotorua Community Outcomes in the latter part of 2003. This work focussed on identifying the Community Outcomes for the intermediate and long term future of the district. The outcomes related to Social well-being<sup>1</sup> are the four listed below.

- “A safe and caring community”
- “A healthy community”
- “A community with excellent facilities and services”
- “A learning community”

For a fuller understanding of what is included in each outcome please refer to Community Outcomes in this report.

There are nine aspects of social well-being which RDC supports through the work of its management and staff. RDC is but one of a number of organisations in our community who have staff working on these topics. The aspects are:

- Knowledge and skills
- Social connectedness
- Health – personal and public
- Civic and political rights
- Community safety
- Education
- Employment opportunities
- Support for families
- High standard of living

<sup>1</sup> Social Well-being – This encompasses factors that enable individuals, their families, hapu and communities to set goals and achieve them – these include factors such as education, health, the strength of the community networks and associations, financial and personal security, rights and freedoms and levels of equity. Local Government NZ [Local Government Act 2002: An Overview 2003 pg 5](#)

## Knowledge and skills

The level of knowledge and skills present in a community is important as it allows people to enhance their ability to meet their basic needs. They also widen the range of options available to people in every sphere of life, and enable them to influence the direction that their lives take. The skills people possess can also enhance people’s sense of self-worth, security and belonging. Knowledge and skills include education and training, alongside abilities gained through work and daily life.

During 2008/09, Council has contributed to this area by:

- Involvement with a collaborative project with a focus on young people in transition.
- Provision of recreational facilities and programmes for people to develop skills e.g. swimming, sports, arts, physical activity, reading.
- Hosting permanent and temporary exhibitions at the Rotorua Museum. These tell stories about the history of the district.
- Provision of regular media releases and District News updates to local media outlets to regularly update members of the community about its activities.
- Updating Good Health publication – a directory of local health and social service agencies.
- Co-ordinating civil defence initiatives which have focussed on preparedness for an emergency.
- Provision of information about processes for Maori Trusts with a focus on land use in the district.
- Building relationships between Maori focussed organisations and Council, in terms of buildings, planning and resource consents.
- Contracting with not-for-profit groups – supporting capacity/capability development of these organisations.

# Sustainable development reports cont.

- Funding for Enviro-Challenge, educational opportunity for high school students.
- Production of Social Monitor 2008.
- Providing skills training and development for young people within the district.
- Redevelopment and upgrade of services at the library.
- Growing, maintaining and providing access to a comprehensive collection of material pertaining to local history in the library.

## Education

Educational opportunities refers to formal education offered in Rotorua. These opportunities include pre-school, primary, secondary and Waiariki Institute of Technology. It is widely acknowledged that early and continued involvement with education, offers support to the standard of living people enjoy in later life.

During 2008/09, Council has contributed to this area by:

- Leading the Truancy Project which has been a focus within the Rotorua District Council Crime Prevention Plan.
- Hosting an artist to work with young students in Rotorua.
- Provision of school guest speaker providing presentations on drug and alcohol abuse and positive life choices.
- Providing special packs for all new entrants in every school in the district to encourage reading and membership of the library.
- Encouraging schools and other groups to participate in guided tours of the library.

## Social connectedness

Social connectedness refers to the relationships people have with others and their sense of belonging to their community. Everyone has a range of roles in the community. A person may be a partner, parent, friend, student, staff, or caregiver. The connections between people are important to each individual's well-being as they can offer support in hard times, belonging and contentment. Opportunities for social connectedness allow people in the Rotorua District to develop a sense of belonging and of working together to achieve shared goals.

During 2008/09, Council has contributed to this area by:

- Supporting eleven community halls in the district to ensure that there is a focal point for the local rural community.
- Offering a range of community assistance schemes through which local groups can gather financial resources for their work or projects. This funding supports arts, organisational running and capital projects.
- Oversight of contracts with a variety of not-for-profit groups to ensure their services are available to members of the community.
- Facilitating public activities e.g. the annual Santa Parade, Mardi Gras, Anzac Day and Armistice Day, and Children's Day celebrations.
- Provision of pensioner housing services.
- Utilising Marae as a place to engage and connect with local communities about various issues.
- Provision of a Settlement Support Officer to support new migrants to Rotorua.
- Review and maintenance of playgrounds within the district.
- Financial support of Rotorua ICT Trust.
- Developed the E OHO youth development project to support young people in high need communities.

- Supported community activities within Rotorua Safe Families campaign eg: street banners, Santa Parade float.
- Providing a welcoming environment in the library where people can meet and spend time together.

## Employment opportunities

Paid work allows people to meet their and their family's basic needs. Paid employment allows people more options in how they live their lives, and is important for the social contact and self esteem.

During 2008/09, Council has contributed to this area by:

- The engagement of several local artists in public art works through capital works projects.
- Support for Rotorua Careers Expo in May 2009. Held over two days the Expo provided both young people and those wanting a career change with information and advice from professionals.
- Facilitated activities to support Rotorua Strategy – Youth Transition.
- Support to Youth Projects Trust and Youth Centre to provide skills and training to young people to further their employment.

## Health – personal and public

Council acknowledges that health includes the dimensions of social, emotional, mental and spiritual well being. Good health is important for everyone. There are two core aspects: how long people live and the quality of their lives. Good health means ensuring that people living in Rotorua have access to health and social support services.

# Sustainable development reports cont.

During 2008/09, Council has contributed to this area by:

- Involvement in the Healthy Homes Project, which offers retrofitting of insulation to people who meet Energy Efficiency Conservation Authority criteria.
- Co-ordinating Bike Week in March 2008.
- Undertaking activities to improve community safety.
- Oversight of contracts with sports organisations to support the provision of healthy action options in the district.
- Hosting/oversight of a project focussed on Curbing Alcohol Related Violence (Project CARV).
- Provision of Get Active Stay Active brochures which are updated three monthly and publicise activity options within the district.
- Participation in Lakes District Health Board Healthy Eating Healthy Action group.
- Updating Good Health publication in 2009.

## Support for families

Groups of people, including family/whanau, social and health services and friends, provide support for children and young people in our communities. These groups provide opportunities for learning life and relationship skills.

During 2008/09, Council has contributed to this area by:

- Employment of a Settlement Support Officer to work with families from other countries in our district.
- Facilitating public activities e.g. the annual Santa Parade and Children's Day celebrations at the Redwoods.
- Providing programmes for children and families during the school holidays.
- Facilitating the activities of Rotorua Safe Families Leadership Group and Workstream A.

## Civic and political rights

Encouraging people to use their civil and political rights is one way for them to participate in society and to have a say in what happens in their local communities.

During 2008/09, Council has contributed to this area by:

- Hosting Youth Council with members drawn from local high schools.
- Supporting the Te Arawa Standing Committee.
- Undertaking community consultation processes eg: Safe Families Action Plan and Safe Communities designation project.
- Published Maori Committees and Advisory Groups – information about groups supporting the work of Rotorua District Council.
- Developing youth specific democracy workshops and supported youth input and submissions to the RDC Ten Year Plan.

## High standard of living

The standard of living of individuals and families refers to their ability to choose where they live, what to buy and whether they have money to spend. Food, clothing and housing are basic to social well being. Insufficient economic resources restrict people's quality of life. The presence of extremes of incomes can cause social disconnection across communities.

During 2008/09, Council has contributed to this area by:

- Undertaking a project to examine the revitalisation of the Central Business District.
- Supporting public art works.
- Provision of staff to maintain local parks and gardens.
- Rate rebates for older people in the city.
- Supporting the Rotorua Healthy Homes Project which oversaw the retrofitting of more homes with insulation to make them warmer.

- Oversight of contracts with organisations to support the provision of activities for young people, and people who work with young people in Rotorua.
- Provision of opportunities for economic growth through the work of the Economic Development Unit.
- Monitoring the indicators of well-being in the community and producing publications which outline the results eg: Social Monitor 2008.
- Providing free membership to a public library.

## Community Safety

The number one community outcome desired by the Rotorua community was a safe and caring community. The desired result is that all people enjoy physical safety and feel secure – free from the threat of fear of harm or danger.

During 2008/09, Council has contributed to this area by:

- Implementation of Rotorua Project CARV action plan focussing on community action around alcohol.
- Implementing activities through the Drivewise group.
- Undertaking a 2009 Perception of Safety telephone survey.
- Running education programmes with a civil defence focus for preschools and Kohanga Reos.
- Implementing Rotorua District Council Crime Prevention Plan which included a focus on school attendance.
- Co-ordinating one round of the Community Safety Projects Fund.
- Bi-monthly production of Safe Rotorua Newsletter.
- Provision of CPTED training to tourism industry members.
- Operation of City Assist programme over summer of 2008/09.
- Implementation of WHO Safe Community designation project.
- Development of a Safe Families Action Plan for Rotorua District.

# Sustainable development reports **cont.**

## Economic Wellbeing Report

This section presents available information on the Rotorua economy under the following headings:

- Economic overview
- Business confidence
- Agriculture
- Forestry
- Manufacturing
- Construction and real estate
- Transport
- Wholesale and retail
- Tourism and hospitality



### Economic overview

The Rotorua District has an estimated aggregate output of around \$2,900 million per annum with forestry and agriculture and their associated processing as well as tourism making the largest contributions.

Labour force participation in the District has increased substantially over the past decade, but has slowed and unemployment has increased over the past 12 months. Rotorua's occupational profile is gradually changing, with fewer agricultural workers and increased numbers of manufacturers, professionals, teachers, and other service occupations.

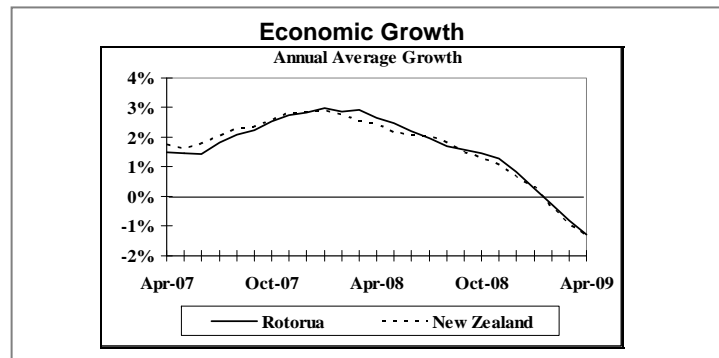
In Rotorua District, primary production (including farming and forestry but excluding related processing and manufacturing) generates 7.2% of total employment compared with 6.0% nationally and in 2008 contributed an estimated \$482 million (17%) towards Rotorua's total

economic output. Many manufacturers, service industries and contractors in Rotorua are directly affected by progress in the District's primary sector. Rotorua's soils are well suited for pastoral farming and forestry, and the District's average annual rainfall of 1,400mm is distributed evenly throughout the year. Rotorua also has a sunny climate and relatively little wind.

Major development projects have slowed with the economic downturn. However, there are plans to further develop the Rotorua Central Mall and there are plans to convert the old post office building to inner city apartments. The airport extension to enable trans-Tasman capability is well under way, as are the extensive additions to the Rotorua museum. These significant investments will all have a positive impact on the business confidence in the region.

There were a total of 94 houses sales, with a median sale price of around \$239,000, in Rotorua during May 2009. This trend in recovery in sales and average house prices over the last few months has seen the average annual growth rate improve from negative 34.4% for year ended April 2009 to negative 28.0% for the year ended May 2009.

There is also strong support for the tourism and screen production sectors with Rotorua being a major partner in the regional film office initiative known as Film Central, and the strong destination marketing program being implemented by Destination Rotorua Tourism Marketing.



### Business confidence

Council commissions a six monthly survey of Rotorua firms and consumers to assess trends in business confidence. The results are compared with those of a national survey undertaken by the National Bank. The most recent results for December 2008 show that the local business confidence indexes are slightly down, with a mix of positive and negative expectations.

The local confidence indexes are showing signs of increasing confidence, with many of the indexes moving back into positive territory.

On a positive note, Rotorua businesses expect local general business conditions to improve, while households expect it to remain at June 2009 levels. This was the same trend as for Rotorua economic activity. Personal income levels are expected to improve and profits for business are also expected to improve.

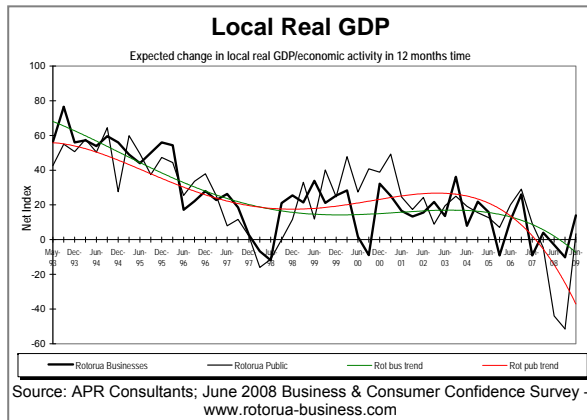
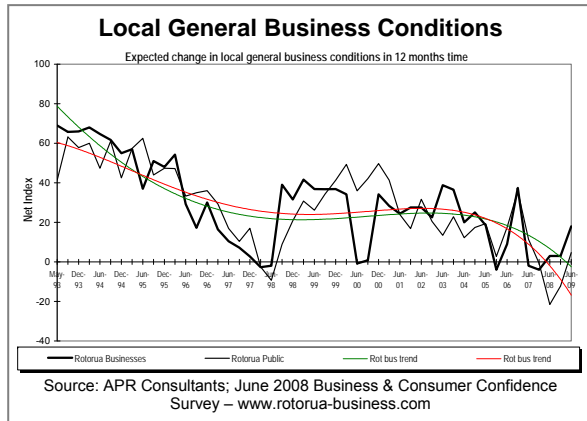
Businesses are planning to invest similar levels into their businesses and keep promotion at June 2009 levels.

Rotorua residents expect prices to increase and interest rates to rise. Local unemployment is also expected to increase.

Businesses involved in exporting reported an expectation of increasing export levels.

Construction businesses expected increasing volumes of construction.

# Sustainable development reports **cont.**



## Agriculture

Farming and its associated processing are estimated to contribute around 8% of Rotorua's total economic output in 2008. Most of the agricultural land in Rotorua is dedicated to dairy, beef, sheep and deer farming. There is an increasing number of smaller lifestyle blocks in the District, as well as rationalisation and

more intensive use of larger farming blocks. Dairy and deer farming have shown strong profitability in recent years.



## Forestry

Rotorua is at the heart of the dominant wood supply region in New Zealand. The Central North Island supply area produces nearly 50% of New Zealand's annual wood harvest, and is projected to remain the dominant wood producing region in New Zealand. Rotorua is located in close proximity to vast plantation forestry resources, including the extensive Kaingaroa Forest. Rotorua is also located halfway between Kawerau and Tokoroa, which have the two largest forestry processing sites in New Zealand, and is less than one hour's drive from the major forestry export port, Port of Tauranga. Red Stag's Waipa mill, located on the outskirts of Rotorua's



main urban area, is currently the largest sawmill in Australasia. Rotorua is the home of the internationally renowned New Zealand Crown Research Institute, Scion (formally New Zealand Forest Research Institute Ltd). Scion has expanded its research capabilities to meet

the growing consumer demand for renewable materials and products from plants offering wide ranging technical and scientific capability to anyone in the business of producing materials or creating products using renewable plant resources.

Rotorua's forestry sector directly and indirectly employs around 3,000 people, with forestry and first stage processing alone employing 2,275 people. Organisations based within the Rotorua District make a significant contribution to all aspects of national

forestry, including industry training and research. A depth of experience and expertise exists within the numerous engineering, manufacturing, harvesting, transport, and professional service businesses involved with forestry related activities in Rotorua. Many of these regularly service the Kawerau and Tokoroa based pulp and paper mills.

## Manufacturing

The manufacturing and construction sectors jointly account for 5,600 jobs in the Rotorua District. Around 40% of all manufacturing employment in Rotorua relates to wood and paper products manufacturing. Machinery and equipment manufacturing and food and beverage processing are also significant local employers.



## Construction and real estate

The construction sector includes residential, non-residential and civil construction, as well as building-related services such as plumbing and roofing. Around 56% of jobs in this sector in Rotorua are in construction trade services with the remainder in general construction. The fortunes of this sector are subject to greater variation in market activity than many other industry sectors.



The combined construction sector employs around 1,820 people in the Rotorua District.

# Sustainable development reports **cont.**



## Transport

The transport sector includes road freight, bus transport, taxis, rail transport, air transport, and services to the transport industry. As at February 2007 Rotorua's transport sector accounted for around 879 jobs in the District. The sector in Rotorua is dominated by road transport and related services, collectively accounting for around 820 jobs. This is a reflection of the strategic central North Island location of the Rotorua District, as well as the dominance of agriculture, forestry and tourism and the road cartage associated with these industries. The route from Rotorua to the Port of Tauranga is used intensively to carry wood and wood products, dairy industry products, and manufactured goods.



Rotorua Airport is in a stage of redevelopment to future-proof Rotorua's position as a premier visitor destination. Much of the infrastructure at the Rotorua Regional Airport (Rotorua Airport) has recently undergone a phase of redevelopment and the airport is planned to be fully trans-Tasman capable during 2009.

## Wholesale and Retail

Collectively the wholesale and retail sectors in Rotorua account for over 5,480 jobs. Major categories of wholesale and retail trade include personal and household goods, as well as machinery and motor vehicles. Rotorua has a diverse trade base, and is influenced by both domestic household spending and overseas visitors.



In recent years, the upgrade of the central business district (CBD) and the arrival of Rotorua Central has had a profound effect on some retail businesses, particularly around the City Focus and at the northern end of the city near the lakefront. The opening of major chains such as Rebel Sport, Glassons, Countdown, Harvey Norman and many national and international fast food chains has also increased the attractiveness of the city for both residents and out-of-town shoppers.

## Tourism and Hospitality

Rotorua is one of the leading visitor resort destinations in New Zealand. More than one third of all international visitors to New Zealand visit the Rotorua District. The Rotorua tourism industry is built on leading attractions including Maori culture and history, a unique natural environment including many lakes, parks, reserves and the geothermal experience, along



with an extensive adventure tourism product and growing events sector. Rotorua has a wide range of accommodation, from backpackers and major hotels to luxury lodges. Geothermal attractions remain a strong part of the District's tourism industry,

but the range of activities and attractions has diversified over recent years in order to remain competitive in the national marketplace. This reflects an ongoing shift in the focus of tourist demand away from passive attractions and towards more 'interactive' type attractions. The tourism industry in Rotorua is also a major contributor to the District's economy. The District attracts more than 1.7 million overnight visitors and 1.3 million day visitors annually. The 1.7 million overnight visitors spend an average of 1.9 nights each in Rotorua, which equates to approximately 3.3 million visitors nights. 20% of all jobs in Rotorua are within tourism businesses (that's one in five people employed in the tourism industry) and a further 5% of jobs are dependent on tourism by virtue of being in roles that service the tourism industry. The Ministry of Tourism Regional Tourism Forecast model estimates visitor expenditure in the Rotorua region was \$486 million for the year ending December 2008. This expenditure has a significant flow on effect into other business sectors that service the tourism industry, into the many Rotorua households that have members employed in the tourism industry and into the Rotorua community as wages and profits derived from visitor expenditure are spent by local residents and businesses. The Ministry of Tourism Regional Tourism Forecast 2009-2015 estimates visitor arrivals to increase 1.2% annually through until 2015. The tourism sector is guided by the Destination Rotorua Visitor Industry Strategic Plan, which maps out the development of the Rotorua Visitor industry product over the next 5 -10 years. The implementation of this plan is well supported by the Destination Rotorua Tourism Marketing section of council along with support and guidance from the Destination Rotorua Tourism Board.

# Sustainable development reports **cont.**

## Environmental Well-being Report

The Rotorua community has identified that the second most important community outcome is *A community that respects its environment*. Indicators have been developed to measure whether this is being achieved. Environmental reporting is required by both the Local Government Act 2002 and the Resource Management Act 1991. In addition, reporting of environmental trends helps to inform people about their local environment and inspire community action. To enable Council to respond to how we as a community are interacting with and affecting the resources of our District, Council has undertaken an Environmental Perceptions survey in 2006 of some 1000 residents. The results of this survey formed part of the 2007 Rotorua State of the Environment Report, which was published in February 2008.

The 2007 State of the Environment report presented data on 36 baseline indicators of environmental progress. The indicators are not just focused on the natural environment but also aim to provide a broader picture of how the Rotorua community interacts with the district's resources. The data in Council's environmental monitoring programme currently covers the following topics which are in line with Rotorua's environmental and cultural statements:

- Freshwater Sustainability
- Geothermal Resources
- Culture, Heritage and Tourism
- Biodiversity
- Open Spaces
- Rural Land
- Urban Design and Amenity
- Sustainable Waste Management
- Sustainable Infrastructure
- Transport
- Energy Resources
- The Global Environment

## Tangata whenua

Rotorua District Council has a legal and social responsibility to give consideration to Maori values in the environmental reporting programme. The District Plan lists 235 archaeological sites, 35 Marae and 27 other heritage sites or structures that have cultural or historical significance to Iwi. Iwi are the traditional kaitiaki (guardians) of the environment for future generations, and partnership with Iwi is a key principle in the management of the district's environment. Te Arawa hapu Ngati Whakaue contributed generously to the development of Rotorua's urban area through the gifting of more than 120 parcels of land for health and recreational purposes. These include Government Gardens, Kuirau Park, Pukeroa Hill, the Lakefront Reserve and many other reserves. Today, policy issues in respect of Rotorua's gifted reserves are discussed by a joint committee of the Pukeroa Oruawhata Trust and the District Council. The process of consultation with Maori is evolving as greater efforts are made for improved communication. An Iwi consultative committee meets to discuss consent applications received. This committee refers the applications to the relevant Iwi or hapu where further consultation is required. The 2006 Environmental Perceptions Survey showed 28% of respondents thought that the relationship between Tangata Whenua and Rotorua District Council had improved over the last five years, an increase of 9 percentage points from the 2002 survey. A major program of engagement with Iwi is also underway as part of the district plan review.

## Water

Water is an important resource for all people in Rotorua. The lakes and geysers of Rotorua are icons, recognised in this country and known throughout the world. Around 80% of Rotorua residents visit the District's lakes on at least a monthly basis. The

cultural, recreational, ecological and functional values of water directly influence the wellbeing of the community. Improving and protecting lake water quality is a priority issue for the community. In general, lake water quality has been declining over the long-term due to increased nutrient levels resulting in sporadic algal blooms on a number of lakes. The Joint Lakes Strategy Committee, a collaborative body made up of Environment Bay of Plenty, Te Arawa Lakes Trust and Rotorua District Council, oversees the work of the Rotorua Lakes Protection and Restoration Programme.

Significant short term solutions to the problems being experienced by some of the lakes are being progressed such as the Ohau Channel diversion, alum dosing and in-lake flocculant treatment. In tandem a significant programme of sewerage reticulation for lake side communities is underway with the Okawa Bay/Mourea stage completed in 2007 and Hinemoa Point sewerage scheme completed in 2008. The district council is presently in the process of reticulating other lakeside communities with Okere Falls, Okareka and Otaramarae scheme and Whangamarino scheme to be completed in late 2011. The Wastewater Treatment Plant has also undergone an upgrade to further reduce nutrient levels reaching Rotorua's lakes and streams. 77% of residents are provided with a sewerage system of these, 96% are satisfied with the service. Not only do nutrients from wastewater affect water quality but stormwater eventually ends up in our waterways. Currently 100% of urban stormwater receives at least primary treatment. In 2005 Rotorua District Council introduced the Water and Trade Wastes Bylaw. This bylaw assists in reducing contaminant runoff into the lakes of the district.

# Sustainable development reports cont.

In the longer term it is recognised that changes in land use and land management practices are required to better manage lake water quality. As each catchment is different, potential solutions need to be worked through to identify effective, innovative programmes that are acceptable and affordable to local communities. Council continues to support the retirement and replanting of pastoral land through Regional Council environmental programmes. Council has an annual budget allocation for this type of work to improve landscapes, protect lake margins and wetlands and conserve and increase biodiversity in the District.

Trend data shows that water levels in the Rotorua geothermal field have significantly recovered since the closure of many bores. The review of the Rotorua Geothermal Plan by Environment Bay of Plenty is progressing and may create opportunities to make use of the geothermal resource for community heating schemes. Regional councils Environment Bay of Plenty and Environment Waikato are working together for consistency in management of Rotorua's geothermal assets.

## Land

Rotorua District Council has a responsibility under the Resource Management Act 1991 to manage the effects of land use activities. Effective management of land use and subdivision is essential to ensure the sustainable development of our District. The landscape and its cover have been substantially altered over time by geological events and human activity. Original ecosystems have been predominantly replaced by forestry and pastoral farming. Land cover in the Rotorua District is now dominated by pasture (43%) and planted forest (25%), as well as indigenous forest and lakes. There are 170 Protected Natural Areas in the District, an increase from 137 in 2002 and covering more than 34,0110 ha. More than half of this area

comprises scenic reserves. Subdivision of rural land for residential purposes is occurring around the perimeter of Rotorua's urban area. There are District Plan provisions to maintain and enhance the outstanding natural features of the area centred around Lake Tarawera (known for planning purposes as the Lakes A Zone).

## Sustainable Waste Management

Up to 80% of Rotorua's current waste stream has potential to be recycled. The recycling centre at the landfill and the in-town recycling centre diverts more than 14,000 tonnes of material from the landfill each year. Figures show that household recycling has been increasing. Increased use of these recycling facilities would help to reduce Rotorua's waste to landfill. The current rate of waste to landfill is approximately 18kg per person per week compared to 21kg for 2008.

## Urban

More than 80% of Rotorua's population live in urban areas. Council has identified the potential for up to an additional 6,200 greenfield and 1,500 residential lots to be created within the existing urban fence. There are a wide range of living options available with 85% of residents stating that Rotorua has suitable housing. Over 90% of existing residents are satisfied with the accessibility of amenities such as health services, reserves and supermarkets. Some 89% of residents are satisfied with their level of privacy, and District Plan guidelines are largely being met with regard to noise levels. Over the past year there were 3,837 noise complaints received and 82% of residents are satisfied with Council's noise control activity. All residential dwellings within the Rotorua urban fence have access to reserve areas within a 500 metre radius. Council has invested significantly in improving public infrastructure in Rotorua, including upgrades of

the CBD. Council has also prepared a detailed design guide for development in the central business district. The CBD design guide includes suggestions on architectural and building treatments, colour and design principles. The guide complements Council's past achievements in winning New Zealand's Most Beautiful City awards.

Council is also progressing CBD Revitalisation Strategy. The purpose of this study is to provide a strategic framework for development over the next 15-20 years. The strategy is being considered as part of the district plan review.

## Transport

Land transport infrastructure plays an important part in the way people and communities provide for their wellbeing. Management of the environmental effects of land transport such as pollution, noise, congestion and accidents can have significant community benefits. Rotorua District Council manages approximately 1,000 km of road network and 200 km of state highway. Council has a rural seal extension programme of 7 km per year that equates to an annual spend of approximately \$1 million. Another \$700,000 per year is spent on urban and rural street improvements. A 2006 survey showed that 57% of residents feel there has been an improvement in the visual appearance of Rotorua's three main roadway entrances in recent years. However, more than half of surveyed residents (61%) believe that traffic in and around Rotorua has become worse in the last two years (although 64% also say that it is easy to drive in and around the city centre). NRB survey results show consistently low relative satisfaction with central city parking. Vehicle use and ownership has been steadily increasing over the past decade, placing increased pressures on the environment.



# Sustainable development reports **cont.**

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Almost half (47%) of residents say they have traffic issues in the area where they live. An improved bus service has recently been implemented, resulting in more frequent trips with a shorter duration. Since 2001 there has been almost 55% increase in the number of passenger kilometers traveled on the public bus service. There are more than 17 km of marked cycle ways within Rotorua's urban area, but currently less than 3% of working-age residents use a bicycle as their main mode of transport to work. Council has prepared a draft Transport Demand Management Strategy which aims to improve the efficiency of use of the transportation network. Potential benefits of the strategy include a reduced requirement to build more roads, less fuel use (and associated pollution), and fewer vehicles on the roads.

## **Climate Change**

The environmental wellbeing being of Rotorua District also contributes to the national and global environment. Increasingly climate change is being recognised as an environmental issue, with 96% of Rotorua residents stating they are aware of global warming. Rotorua District Council monitors its carbon emissions and is implementing its Corporate Sustainability Action Plan. The action plan addresses issues such as energy use, transport and waste. Council has recently employed a Business Manager with responsibility to oversee and facilitate ongoing corporate and community sustainability projects.

## **Air quality**

Monitoring of Rotorua's air quality has shown exceedances of the National Air Quality Standards set by Ministry for the Environment. Although air quality monitoring is a regional council function, Environment Bay of Plenty and Rotorua District Council have formed the Rotorua Air Quality Joint Committee for a joint approach to address the causes of poor air quality. The committee is also working with central government to find solutions to improve Rotorua's air.

# Sustainable development reports **cont.**

## Cultural Well-being Report

Rotorua District Council (RDC) developed Bright Futures Rotorua in the latter part of 2003. This work focussed on identifying the Community Outcomes for the intermediate and long term future of the district. The outcomes related to Cultural well-being<sup>1</sup> are the following three:

- “A community that values its living Maori heritage”
- “A community with excellent facilities and services”
- “A happening community”

For a fuller understanding of what is included in each outcome please refer to Community Outcomes, page 17 in this report.

There are eight aspects of cultural well-being which RDC supports through the work its management and staff. RDC is but one of a range of organisations in our community who have staff working on these topics. The aspects are:

- Leisure and recreation
- Support for arts and cultural expression
- Maori heritage
- Cultural tourism
- Cultural associations and open space planning
- Community that understands its place in the world
- Access to information through print and electronic resources
- Valuing diversity within our community

<sup>1</sup> Cultural Well-being encompasses the shared beliefs, values, customs, behaviours and identities reflected through language, stories, experiences, visual and performing arts, ceremonies and heritage.

[Local Government Act 2002: An Overview 2003 pg 15](#)

## Leisure and recreation

Both leisure and recreation activities support health and overall well-being by allowing time out from stress and anxiety, through opportunities to do different things and enjoy nature and new challenges. Leisure includes what people choose to do outside of work and recreation often involves physical activity or sport.

During 2008/09, Council has contributed to this area by:

- Co-ordinating the Magma Film Festival in 2009 which offered opportunities for local people to enter their films into the competition and to see both New Zealand and overseas sourced films.
- Provision of recreation programmes through the Rotorua Aquatic Centre.
- Maintaining sports fields and local parks and reserves for use by people as they walk, run, cycle or play sports to keep fit, and/or participate in team sports.
- Oversight of contracts with both Te Papa Takaro and Sport BOP, to support the provision of healthy action options in the district.
- Youth input into parks and reserves development.
- Facilitated and developed youth activities and event provider meetings to meet needs of young people in the district.
- Offered lakefront recreation - summer sports programme for young people.

## Support for arts and cultural expression

Many local people are involved in a range of artistic pursuits and cultural activities like kapa haka, and Maori performing arts. Participating in these activities offer many benefits. These include: enjoyment and entertainment, personal growth, a means of connecting with their cultural heritage, to learn new skills and to pass on traditions.

During 2008/09, Council has contributed to this area by:

- Oversight of a contract with Rotorua Arts Village Experiences (RAVE) to ensure that there are opportunities for people to work with the arts in this community.
- Oversight of the distribution of the Creative Communities Fund from Creative NZ.
- Support Te Pukenga Koeke o Te Whare Taonga o Te Arawa, the Maori advisory board to Rotorua Museum, which provides guidance regarding Te Arawa taonga and facilitates the relationships between the Museum and the hapu and whanau of Te Arawa.
- Implementing the Rotorua District Council Art in Public Places Policy and Art & Cultural Policy.
- Managing the content of Creative Rotorua website which identifies local artists, studios and events.
- Collaborating with Arts funders to host an Artist in Residence programme.
- Provision of arts opportunities as part of Children’s Day celebrations.
- Supporting local musical artists through Music at the Band Rotunda and during May 2009, NZ Music month.
- Hosting ArtsMAD in December 2008 and April 2009, bringing local artists, designers and architects together.

# Sustainable development reports **cont.**

## Maori heritage

A strong cultural identity can contribute to people's overall well-being. Identifying with a particular culture builds feelings of belonging and security. A shared heritage includes – shared support, values and aspirations and has positive impacts on health and education.

During 2008/09, Council has contributed to this area by:

- Engaging with the Office of Treaty Settlement, in relationship to Central North Island claim and lakes settlement.
- Repositioning Rangitahi in new Civic Centre Customer Service area.
- Holding Te Reo classes for staff employed by Rotorua District Council.
- Facilitating the Iwi Consultative Committee, who meet fortnightly to consider Resource Consent applications.
- Supporting the Te Arawa Standing Committee.
- Maori representation on the Youth Council.
- Hosting meetings on Marae.
- Providing funding for Maori land Trusts – Mana Whenua Fund.
- Workshops with schools on Te Arawa Tikanga.
- Establishing Inter-Agency Forum of Maori policy professionals from Councils, Department of Conservation, Historic Places Trust, Internal Affairs, NZ Fire Service and Te Puni Kokiri.

## Cultural tourism

Rotorua was founded in the early 1880's surrounding the shores of Lake Rotorua. The Maori people are an integral part of the history of Rotorua. They are also the original settlers in this area. The Te Arawa tribe has contributed greatly to the development of Rotorua as both a tourist destination and a great place to live.

Rotorua is reknown as the heartland of Maori culture in New Zealand and attracts thousands of visitors every year. Rotorua is world famous for the exciting geothermal features and friendly people.

During 2008/09, Council has contributed to this area by:

- Managing the content of Creative Toi website - Creative Rotorua website.
- Destination Rotorua's promotion of Rotorua as a desirable destination both nationally and internationally.
- Supporting Maori in Tourism organisations and Tourism Advisory Board activities.
- Oversight of central business district amenities by City Focus Manager.
- Hosting a variety of displays at the Rotorua Museum which tell the story of the area.
- Produced second print run of The Volcanic Heartland Guide to Public Art.

## Cultural associations and open space planning

As a well-known tourist and conference destination, there is a need for facilities that serve both members of the local community and visitors/tourists. Both the buildings and spaces of existing facilities are used for leisure, recreation, arts and tourism events/activities.

During 2008/09, Council has contributed to this area by:

- Oversight of the Ngati Whakaue Gifted Lands Protocol, which contributes to governance of public reserves that have been gifted in the past.
- Awarding Community Asset Development Funds.
- Maintaining the community halls in the district.
- Supporting the activities of Keep Rotorua Beautiful group.
- Working towards District Plan review.
- Developing relationships with Iwi through Memoranda of Understanding and protocols.

## Community that understands its place in the world

The Rotorua Museum of Art and History has won a number of NZ Tourism Awards. There has been ongoing redevelopment of areas within the building to allow a greater range of national/international exhibitions to visit Rotorua.

The Museum's education programmes offer lessons to classes/schools within Rotorua and across NZ using video-conferencing facilities.

During 2008/09, Council has contributed to this area by:

- Delegation to Wuzhong District of Suzhou in China and Beppu in Japan in May 2008.
- Supporting the Rotorua Museum redevelopment, to build the balance of the original Museum as designed at the turn of the century.
- Maintaining free entry into the Rotorua Museum for locals.
- Commissioned public art works at Ngongotaha and for the Civic Centre which tell our story.

# Sustainable development reports **cont.**

## Access to information through print and electronic resources

Rotorua District Library has one central city library and one mobile library bus providing library services to the Rotorua District. An excellent library service is maintained to enhance the lives of people in the community it serves.

During 2008/09, Council has contributed to this area by:

- Publishing a bi-monthly arts newsletter and maintaining an arts website – Toi Rotorua and Creative Rotorua.
- Maintaining the websites of a range of services provided by Council e.g. Aquatic Centre, Rotorua Museum, Rotorua District Library, Destination Tourism, Event Venues and City Focus.
- Publishing an updated Good Health (a directory of local health and social services).
- Printing Youth Cards for all young people. These list services which can support young people and offer discount vouchers with a range of retailers.
- Supporting the servicing of the Bay of Plenty by broadband.
- Funding the work of the Rotorua Information and Communications Technology Trust (ICT Trust).
- Redevelopment of Rotorua District Library facilities.
- Maintaining burial and cremation records for genealogical research.
- Youth websites maintained, [www.rotaz.co.nz](http://www.rotaz.co.nz) and [www.working4youth.com](http://www.working4youth.com).
- Maintaining Get Active Stay Active website which outlines physical activity options in the district.
- Providing public access to Fundview and Breakout funding databases at seven locations around Rotorua.
- Monthly contribution to Ohinemutu Informer.
- Kaupapa Maori page on RDC website and various links (>Youth Council>Kaupapa Maori).

## Valuing diversity within our community

In keeping with most areas of New Zealand, the Rotorua District is home to a number of people from other cultures. Some have been in the region/country for generations. Others have arrived recently. New immigrants to Rotorua come from a diverse range of countries, introducing new languages, religions and culture. All contribute to the social, cultural and economic wellbeing of our communities.

It is important that everyone in a community has opportunities to take part in the many aspects of life, to the best of their ability.

During 2008/09, Council has contributed to this area by:

- Hosting Citizenship Ceremonies to welcome new arrivals to the district.
- Hosting a People to People programme which welcomes young people from USA to Rotorua as part of their tour of New Zealand.
- Hosted visits from Beppu students studying in Rotorua and international students studying in Rotorua.
- Celebrated diversity of cultures amongst staff within RDC during Race Relations Week.
- Celebrating Maori Language Week activities in July 2008 (dual signage).
- Supporting the participation of cultural groups in public events like Santa Parade.
- Supporting Globalfest celebration.
- Supporting Youth Week and Children's Day.

# Employee relations report

## Introduction

The NRB survey for 2009 indicates that the performance of Council staff over the 2008/9 financial year has increased slightly by 1% in comparison with last years results. In comparison to their Peer Group and National average, Rotorua District Council rates 3% and 8% respectively above these groups making the Rotorua District Council one of the higher performing local authorities in New Zealand.

Maintaining a safe working environment, terms and conditions of employment and staff's physical well being continues to be of paramount importance to management. The commitment and professionalism displayed by staff throughout the year is one of the key reasons for the staff performance being rated so highly.

## Employment Situation

The Northern Amalgamated Workers Union and the Northern Distribution Union represent our wage worker employees in terms of the coverage clauses of the respective collective agreements whilst salaried staff are represented by the Public Service Association which includes some third tier managers.

Approximately 29% of salaried staff and 60.5% of waged staff employed by Council are union members and therefore employed under the respective negotiated collective agreement terms and conditions while the remainder are employed on individual employment agreements.

## Staff Turnover

The overall staff turnover for the year ending 30 June 2009 which includes both wages and salaried staff but excluding fixed term and casual employees was 10% compared with 14% in 2008 and 18% in 2007.

There has been a downward trend in staff turnover over the last two years with a 4% reduction for each of these years.

Although there is higher unemployment, the labour market still remains tight for some positions. The Council continues to explore and apply innovative solutions to attract and retain the best skills and experience available.

## Health and Safety Committee

We have an Employee Participation in Health and Safety Agreement with our site unions as required by the Health and Safety in Employment Act. Council has a Health and Safety Committee made up of 22 elected health and safety representatives whose responsibility it is to assist in the improvement of health and safety in the work place. These health and safety representatives represent 19 work sites throughout Council. We continue to be highly rated by Occupational Safety and Health inspectors which is a just reward for all our staff who constantly ensure that they work safely and that the work environment is safe.

During the year ended 30 June 2009 there were 104 reported accidents with the same number of accidents reported during the previous year. Time-off statistics have increased due to four staff members being off work long term as a result of accidents.

We have continued to provide flu vaccinations for staff during the year and 141 staff took up this opportunity in 2009 compared to 112 in 2007.

## Training and Development

The annual Performance Development review process for staff is used to identify training and development needs for individual staff. Human Resources arrange training by external providers to meet these training requirements

During 2008-09, 688 training courses, seminars, forums and conferences were attended by staff. Some of these courses were attended by reasonably high numbers of staff such as; attendance at Conferences/Seminars/Workshops/Forums/Symposiums (370), First Aid (85), Tertiary studies (36), Microsoft/job related Software Training (32); CDEM training (34); Customer Services training (21), to highlight a few. Following on from the introduction of the Performance Management System-Performance Plus+ last year, additional training for staff was also carried out across Council during the year.

Most training requirements for staff are identified through individual staff members' annual Performance Development Review.

# Employee relations report **cont.**

## Long Service

The Mayor and Chief Executive made formal presentations to 17 long serving staff members in recognition of loyal service to Council and the community. Three long serving staff members completed 30 years service, with two others having completed 25 years. In addition, 12 staff completed 20 years service. These 17 staff have a total accumulation of 380 years of service with Council. The loyalty of these staff to Council is commendable.

## Employee Assistance Programme/ Support Systems

An Employee Assistance Programme (EAP) is an independent, confidential, counselling service that is available to all staff. It provides professional and confidential assistance to staff that have personal problems and could potentially impact on their health and performance at work. A number of staff benefited from EAP assistance during the year.

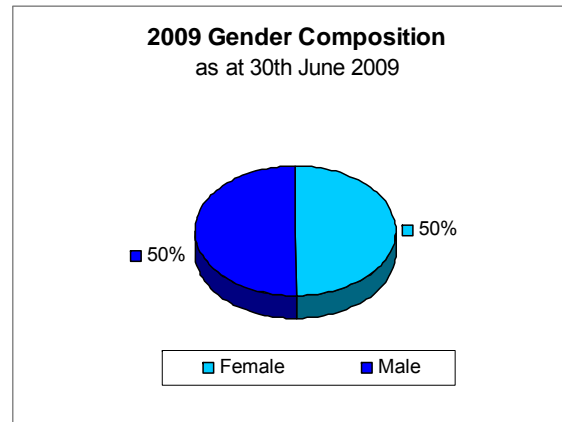
## Performance Management System - "Performance Plus"

The revised performance planning, review and reward system has now been in place for a year and is becoming ingrained in how we work. The system supports our vision to be an outstanding organisation with exceptional people and to be a workplace of choice. Council's mission is to shape a great future together through inspired leadership and superb services. Values have also been introduced that reinforce how people are expected to behave and will form 40% of all staff's performance reviews.

The Rotorua District Council is committed to enabling individuals to achieve high levels of performance and to have a culture that will attract and retain high performing staff within the organisation.

## Gender Composition of Council

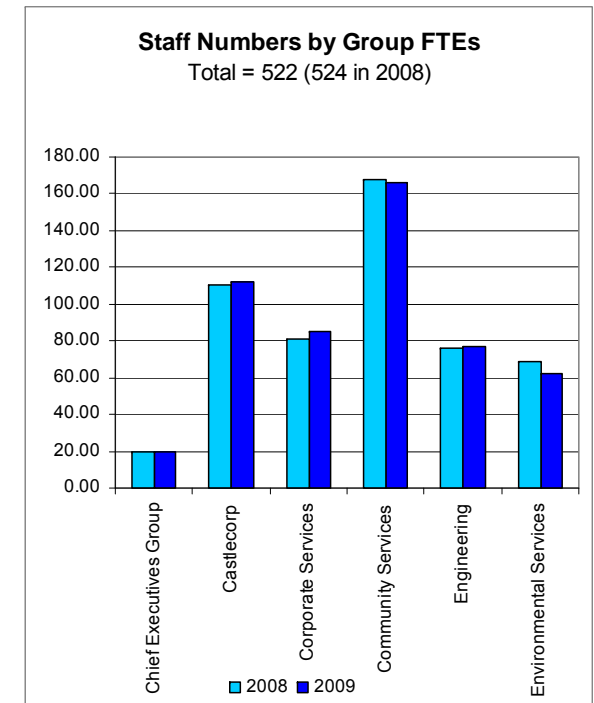
As at 30 June 2009, the gender composition of Council was 50% females and 50% males, whereas in 2008 there were 49% females and 51% males. These numbers include staff employed either in full time, part time or casual positions.



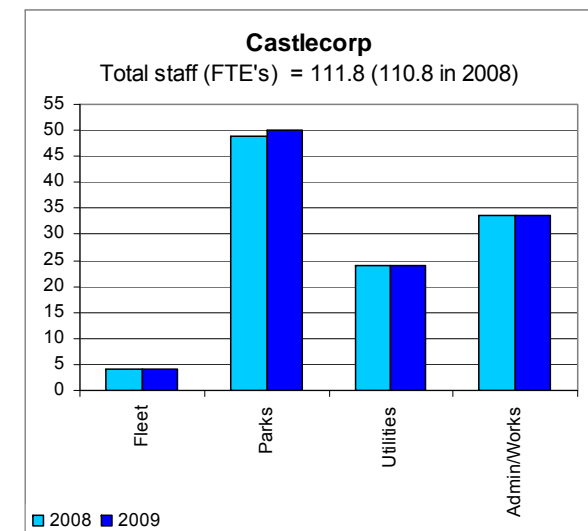
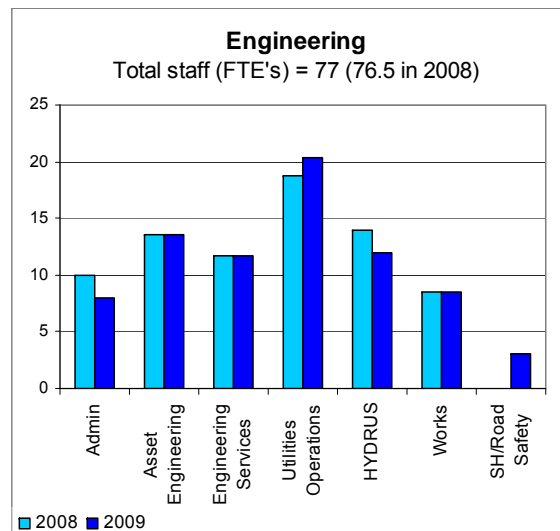
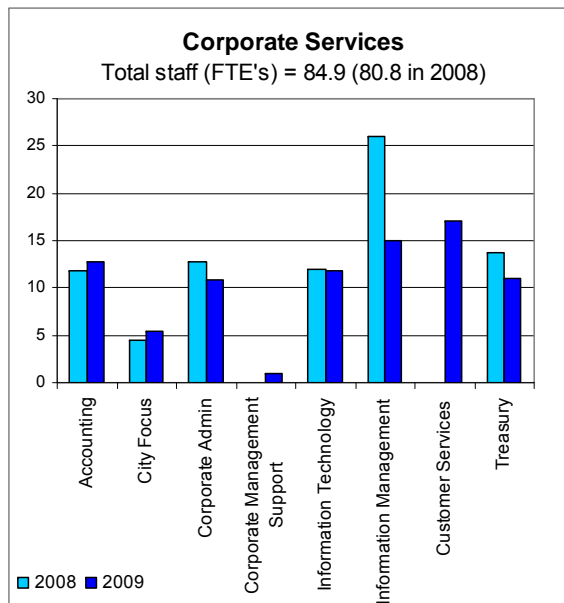
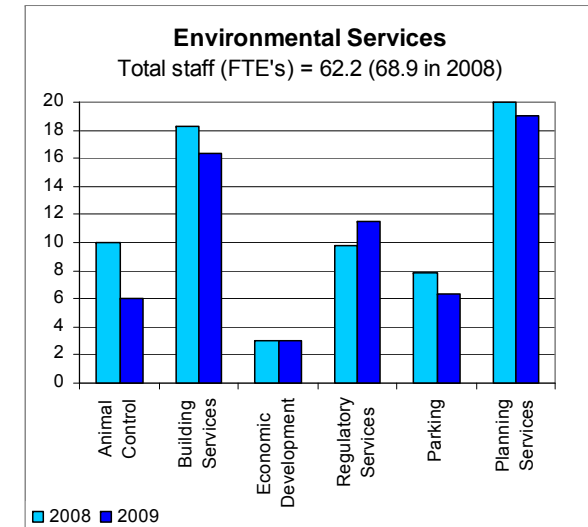
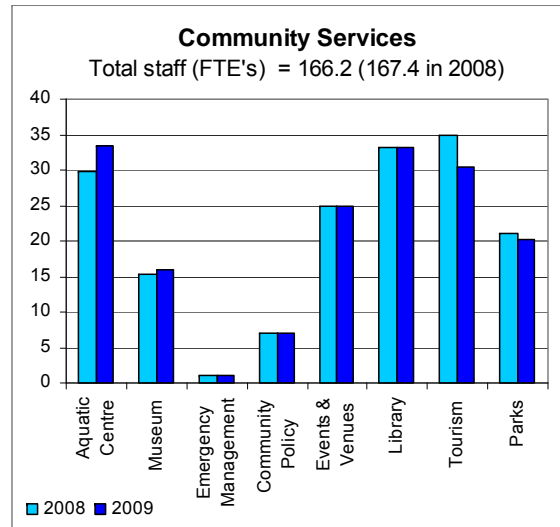
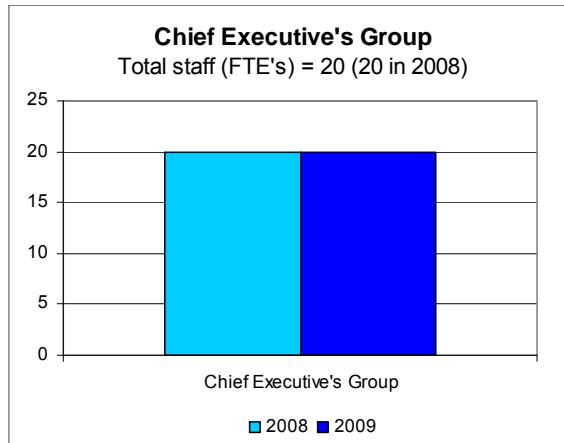
## Staff Numbers

The following graphs show staff numbers by department and by section within each department. Increase/decreases in some areas relates to structural changes and recording procedures.

The staff numbers represent fulltime equivalents (FTEs).



# Employee relations report cont.

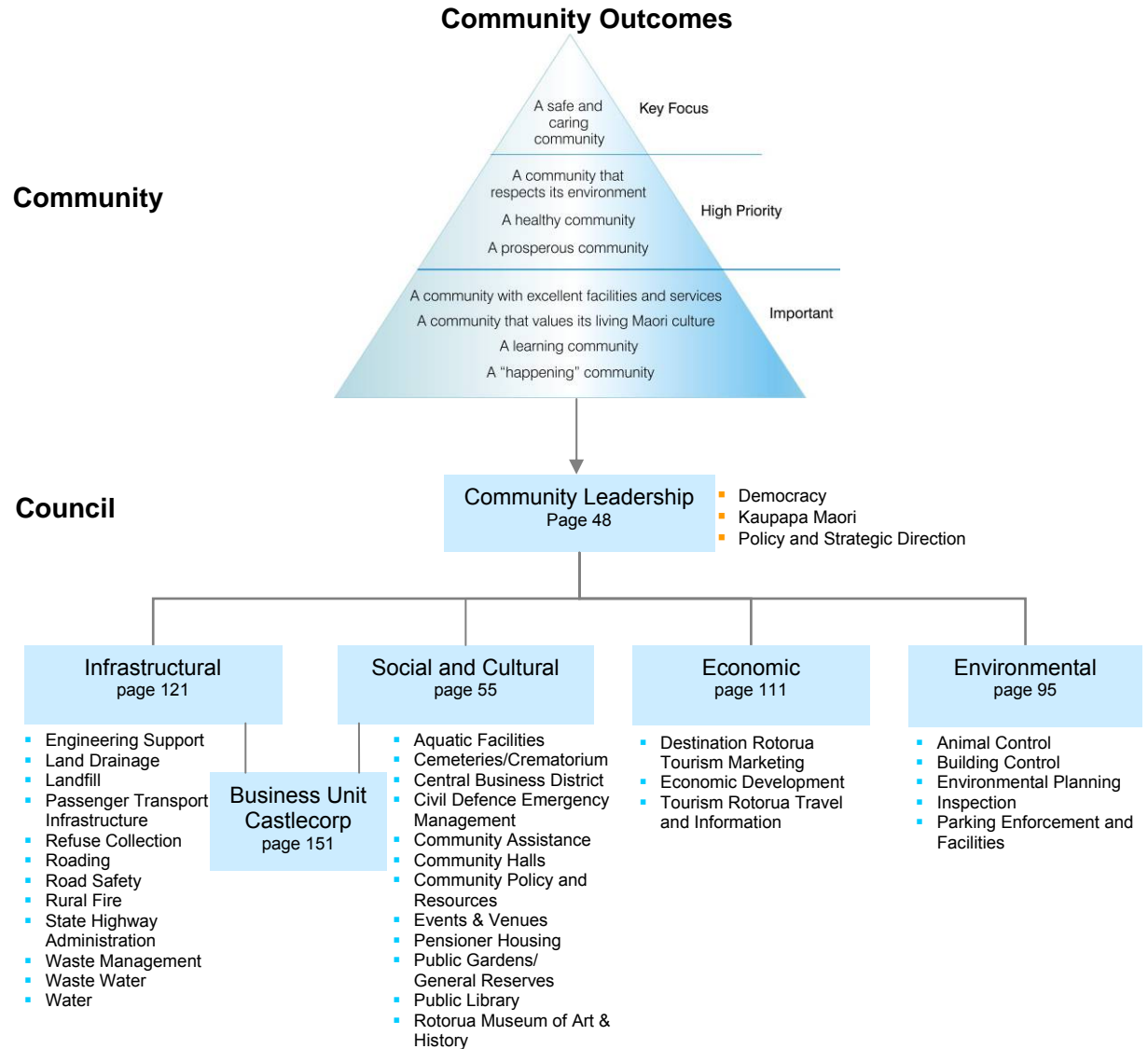


# Statements of service performance

Council is responsible and accountable for giving effect to community identified priorities and desired outcomes in an efficient and effective manner. Council operations have been divided into six key areas of responsibility (Activity Groups), which are linked back to the publicly consulted Rotorua community outcomes.

Each activity group has a limited amount of funding and resources to achieve priorities and identified outcomes. One way that Council is held accountable to the community is to initially consult on proposed plans and then report back on the achievements at the end of each financial year. This section of the Annual Report is the detailed reporting back to the community on:

- The achievement of both financial and performance targets of the activities and their respective functions.
- The effects of any activity on the social, environmental, economic or cultural well-being of the community.
- The reasons for any significant variance between actual service provision and expected service provision.
- The reasons for any significant changes in the capital acquisitions and replacement programmes.





## Statements of service performance **cont.**

### Further details

1. Council's Ten Year Plan, for the period from 1 July 2006 to 30 June 2016, outlined Council's intentions for the year according to each of its significant activities.

The significant activities were expressed in financial terms as 'Net Cost of Service' Statements and in non-financial terms as key result areas, performance measures and performance targets.

2. There is a statutory requirement to report on how well Council's significant activities have performed during the year, and specifically against its stated objectives.
3. Some performance targets refer to an NRB survey. This is an annual community satisfaction survey relating to Council, its policies, its operations, its levels of service and how well it is meeting the needs of the community. The survey was first conducted in 1991 by the National Research Bureau using a telephone poll of approximately 400 people selected at random with around 100 from each electoral ward. The survey has been conducted in subsequent years. The margin of error for the latest survey was  $\pm 4.9\%$ . The results obtained from the May 2009 survey are the ones used in this report.

4. NRB has defined the Peer Group as those Territorial Authorities where between 68% and 91% of meshblocks belong within an urban area, as classified by Statistics New Zealand's 2006 Census data.

In this group are:

Gisborne District Council  
 Gore District Council  
 Grey District Council  
 Hastings District Council  
 Horowhenua District Council  
 Marlborough District Council  
 Masterton District Council  
 New Plymouth District Council  
 Queenstown-Lakes District Council  
 Rodney District Council  
 South Waikato District Council  
 Taupo District Council  
 Timaru District Council  
 Waikato District Council  
 Waimakariri District Council  
 Waipa District Council  
 Wanganui District Council  
 Whakatane District Council  
 Whangarei District Council

5. Council employs a number of professional, qualified staff in such areas as water, sewerage, planning, inspection, roading and a range of other Council activities. They continually monitor and review the quality of processes and outputs in their respective areas to ensure the maintenance of professional and Council standards. A considerable amount of Council's operational work is carried out under contract either externally or by Council's Business Unit - Castlecop. These areas include roading, waste management, land drainage, janitorial and reserve maintenance. Council's professional staff are fully responsible for the planning, programming and total management of these contracts to ensure professional and council standards are maintained.

*Some performance targets refer to an NRB survey.  
 This is an annual community satisfaction survey relating to Council,  
 its policies, its operations, its levels of service and how well it is  
 meeting the needs of the community.*

# Community leadership group

## Contribution to Outcomes

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

## Overview of Group

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

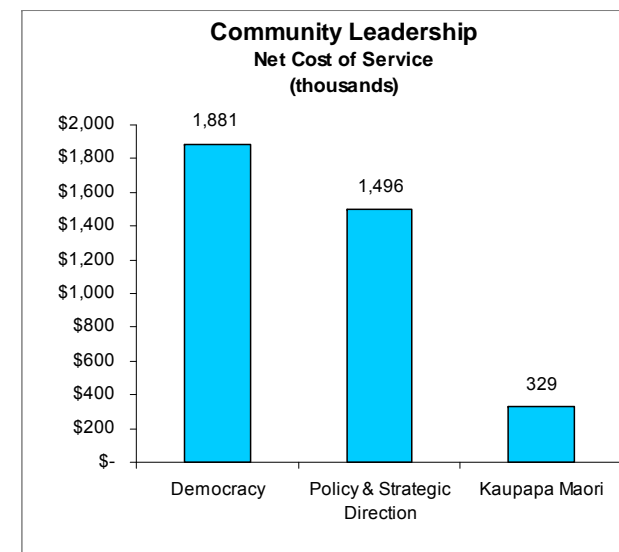
- Democracy
- Kaupapa Maori
- Policy and Strategic Direction

The Community Leadership Group activities underpins Council’s democratic processes and provides the policy and priorities for strategic direction, advocacy, and delivery of services to best meet the community’s need.

The activities in this group are central to ensuring that Rotorua District Council’s services are contribution towards the promotion of community outcomes and improving social, cultural, economic and environmental well-being for the people of the District.

## Potential Significant Negative Effects

No significant negative effects have been identified in relation to this activity group.



# Community leadership group cont.

## Democracy

### Overall aim of the activity

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

### This year's highlights and achievements included

- Hosted a number of overseas delegations.
- Undertook a review of representation for the 2010 Council elections.
- Reviewed Council's rating policy following the revaluation of the district's properties.

### Activity purpose – why we provide the service

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

The political structure which provides a representative local government for the people of the Rotorua District is a Council consisting of a mayor and 12 councillors, representing four wards. There is also a Rotorua Lakes Community Board comprising four elected members and two appointed members (Councillors). The community board represents residents who reside around Lakes Rotoiti, Rotoma, Okareka and Tarawera.

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

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

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

There are four fulltime equivalent staff employed in meeting the administrative and secretarial needs of the Mayor, elected members and Council

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

**A safe and caring community**

**A prosperous community**

**A community that respects its environment**

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

**A community with excellent facilities and services**

**A healthy community**

**A learning community**

**A “happening” community**

This activity provides the following:

- Governance structures to ensure that Council's decisions are made in relation to activities that are relevant to each of the community outcomes;
- High quality consultative leadership and advocacy for Rotorua residents to assist in achievement of desired outcomes will be provided;
- Good democratic and corporate governance;
- Forward thinking, outspoken, and focused on achieving Rotorua's communities' preferred future; and
- Conduct Council's business affairs openly and responsibly.

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	1,943	1,962	2,077
Financial Costs	0	0	0
Depreciation	6	8	8
Other	0	0	0
<b>Total Costs</b>	<b>1,949</b>	<b>1,970</b>	<b>2,085</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	18	21	119
Subsidies and Grants	6	0	0
Targeted Rates	44	50	48
<b>Total Revenue</b>	<b>68</b>	<b>71</b>	<b>167</b>
<b>Net Cost of Service</b>	<b>1,881</b>	<b>1,899</b>	<b>1,918</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	7	20	8
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>7</b>	<b>20</b>	<b>8</b>

# Community leadership group **cont.**

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	1,881	1,899	1,918
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(6)	(8)	(8)
Depreciation Funded by General Rates	7	20	8
<b>Total Rates for/(from) Operations</b>	<b>1,882</b>	<b>1,911</b>	<b>1,918</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	7	20	8
Loans from/(to) Corporate Fund	0	0	0
Capital Grants	0	0	0
<b>Total Capital</b>	<b>7</b>	<b>20</b>	<b>8</b>

## Performance for 2009

### Outcomes Promoted – All outcomes

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
All sub outcomes	Open and participative democracy	NRB Survey	60% of community finds Councillors approachable.	Not achieved. 39% found Councillors approachable and 42% found Councillors somewhere in between approachable and resistant.
	Governance, leadership and determination of policy	NRB Survey	90% of public approval for Council's policies and performance.	Not achieved. 66% approval of Council decisions/ actions.

# Community leadership group cont.

## Kaupapa Maori

### Overall aim of the activity

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

To manage Council's relationships with Te Arawa and Tangata Whenua.

To advise the organisation on Tikanga Maori.

Forging/creating a better relationship between the Mayor, Chief Executive, staff and Tangata Whenua.

### This year's highlights and achievements included

- Commenced Te Reo classes for staff to improve pronunciation and confidence in using Maori language.
- Commenced review of Te Arawa Standing Committee and how these members are appointed.

### Activity purpose - why we provide the service

This activity is managed by the Director Kaupapa Maori, and its operates around the following operational directions:

- Policy development which explicitly addresses issues of greatest importance for Tangata Whenua and Maori of the district.
- Enhancement of the social, cultural and economic well-being of Tangata Whenua and Maori in the district.
- Provision of expert advice and assistance in the development of appropriate policies to promote and enhance the efficient employment and management of Tangata Whenua resources, and consistent with the environmentally prudent development of all district resources.
- Ensuring that the specific interests of Tangata Whenua and Maori are included in relevant areas of the Council's core business.

- Ensuring that the specific needs and values of Tangata Whenua and Maori are taken into account in the formulation of Council policy.
- Fostering positive partnership between Tangata Whenua and Maori and the Council; and
- Encouraging and improving the awareness and understanding of appropriate Maori perspectives within Council.
- Assisting the facilitation of Council and Te Arawa relationships through appropriate protocols.
- Creation of Memorandum of Understanding and protocol agreements.

**The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes**

**A safe and caring community**

**A prosperous community**

**A community that respects its environment**

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

**A community with excellent facilities and services**

**A healthy community**

**A learning community**

**A "happening" community**

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	327	342	293
Financial Costs	0	0	0
Depreciation	2	1	1
Other	0	0	0
<b>Total Costs</b>	<b>329</b>	<b>343</b>	<b>294</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	0	0	0
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cost of Service</b>	<b>329</b>	<b>343</b>	<b>294</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	3	0	4
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>3</b>	<b>0</b>	<b>4</b>

# Community leadership group **cont.**

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	329	343	294
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(2)	(1)	(1)
Depreciation Funded by General Rates	3	0	4
<b>Total Rates for/(from) Operations</b>	<b>330</b>	<b>342</b>	<b>297</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	3	0	4
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>3</b>	<b>0</b>	<b>4</b>

## Performance for 2009

### Outcomes Promoted – A community that values its living Maori culture

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Preservation and sustainable development of Maori resources</li> <li>Improved opportunities</li> </ul>	To encourage the development of Iwi Management Plans.	Reported to Te Arawa Standing Committee.	Two new Mana Whenua plans per year.	Achieved. Mana Whenua Plans have been distributed and Kaupapa Maori Unit have approved five applications for funding.
A community that recognises the value of partnerships including the Treaty of Waitangi.	To hold workshops to foster partnership.	Number of workshops reported to Te Arawa Standing Committee.	One workshop per year.	Achieved and continuous updates to all committees on claims that are relevant to our district.
Fostering Maori cultural activities and expression	To hold Te Reo and Tikanga classes.	<ul style="list-style-type: none"> <li>Record of attendance.</li> <li>Beginners, advance programmes continue.</li> </ul>	<ul style="list-style-type: none"> <li>One Te Reo 2 month course.</li> <li>One Tikanga 2 month course.</li> </ul>	Achieved. Te Reo Maori Taketake classes have been organised and are currently running. Promoting of Te Reo Taketake by Waiariki Polytech has been achieved.
Respecting Te Arawa as part of the unique heritage of Rotorua District.	To conduct historical tours.	<ul style="list-style-type: none"> <li>Keep record of participants.</li> <li>Evaluation forms.</li> </ul>	12 historical tours per year.	Not achieved. Preparations for Historical Tours will happen in the summer period. Engage with Dr Don Stafford and Te Pumautanga for historical information. Invited also are EBOP staff, DHB, Rotorua Police, TALT, TPT.
Strengthen relationships between cultures.	Development and maintenance of relationships between Council and Maori.	<ul style="list-style-type: none"> <li>Database.</li> <li>Reporting/ reports.</li> </ul>	<ul style="list-style-type: none"> <li>Memorandum of Understanding</li> <li>Protocol Agreements</li> <li>Advisory Committee</li> <li>Consultation Committee</li> <li>Marae meetings</li> </ul>	Achieved. The Memorandum of Understanding, Protocol Agreements and Advisory Committee have been put in place to ensure a strong relationship is maintained between Council and Maori.

# Community leadership group cont.

## Policy and Strategic Direction

### Overall aim of the activity

To guide the organisation with inspiring competent leadership and direction.

### This year's highlights and achievements included

- Annual Report to 30 June 2008 adopted with clear audit opinion.
- Established Customer Centre which has significantly improved service to customers.
- Ten Year Plan 2009-19 adopted 29 June 2009 following consultation for which Council received 750 submissions.
- Corporate sustainability policy and action plan adopted in December 2008.
- Undertook a review of procurement and established targets for achieving savings.

### Activity purpose - why we provide the service

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

The Local Government Act (LGA 2002) requires rigorous decision-making processes for policy development. Coupled with this is policy that both Council and management have proposed.

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

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

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

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

The activity supports Council in promoting all community outcomes by providing strategic directions.

#### A safe and caring community

#### A prosperous community

#### A community that respects its environment

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

#### A community with excellent facilities and services

#### A healthy community

#### A learning community

#### A "happening" community

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	(166)	(1,477)	(490)
Financial Costs	311	254	61
Depreciation	2,339	2,649	2,016
Other	13	0	0
<b>Total Costs</b>	<b>2,497</b>	<b>1,426</b>	<b>1,588</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	731	545	665
Investment Income	109	20	(40)
Subsidies and Grants	110	0	29
Targeted Rates	51	0	0
<b>Total Revenue</b>	<b>1,001</b>	<b>565</b>	<b>653</b>
<b>Net Cost of Service</b>	<b>1,496</b>	<b>861</b>	<b>934</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	963	4,852	2,453
Growth	1,644	881	1,210
Backlog	0	0	0
Level of Service	2,583	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>5,189</b>	<b>5,733</b>	<b>3,663</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	1,496	861	934
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(2,339)	(2,649)	(2,016)
Depreciation Funded by General Rates	963	4,852	2,453
<b>Total Rates for/(from) Operations</b>	<b>120</b>	<b>3,064</b>	<b>1,371</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	963	4,852	2,453
Loans from/(to) Corporate Fund	4,226	881	1,198
Advances Net	0	0	7
Asset Sales	0	0	5
<b>Total Capital</b>	<b>5,189</b>	<b>5,733</b>	<b>3,663</b>

# Community leadership group **cont.**

## Capital Expenditure – Major Projects

for the year ended 30 June: (thousands)	2009 Actual
Computer Software / Hardware	2,253
Office Equipment	164
Vaughans Road Depot - Archive Area	127
Civic Building Customer Centre and Upgrade	2,301
Strategic Property Purchases	1,081
Less Transfer / Sale	(842)
Other	105
	<b>5,189</b>

## Variance from budget

*Operating Costs* - Primarily due to the restructure and setup of the Customer Service Centre; also costs associated with procurement initiatives (offset by savings across the organisation).

*Revenue* - Favourable variance due to commissions received higher than budget plus an unbudgeted wash-up from previous year.

*Capital Expenditure* - Variance primarily due to less strategic property purchases in 2008/09.

## Performance for 2009

### Outcomes Promoted – All outcomes

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
All sub outcomes	Community participation in setting strategic direction.	Link activities in LTCCP to prioritised Community Outcomes.	Identify and review Community Outcomes for inclusion in LTCCP.	Achieved. Ten Year Plan adopted 29.06.09.
		Question residents on approval/ disapproval of Council decisions/ actions.	Less than 35% of NRB respondees disapprove of recent decisions/ actions.	Achieved. Only 23% disapproved of Council actions/ decisions.
		SOPs summary for consultation minimum 1 month.	Consult with public on draft LTCCP or Annual Plan and any LTCCP amendments.	Achieved. Ten Year Plan (and Summary) was consulted on during April/May.
		Community engaged, informed and consulted on major policies, decisions, projects and activities.	Publication of at least 6 issues of District News for the year.	Achieved. There were 10 issues of the District News during the year.
		Report to community.	Report to community on progress towards Community outcomes.	N/A Measured every 3 years (for 30.06.10).
		NRB public perceptions survey.	69% of residents rate level of council information to be sufficient.	Not achieved. 61% considered the information provided by Council was sufficient.



# Social and cultural group

## Contribution to Outcomes

Page	Activities within this Group	Community Outcomes							
		A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
57	Aquatic Facilities			✓					✓
61	Cemeteries/Crematorium					✓			
63	City Services Operations	✓				✓			✓
66	Civil Defence Emergency Management	✓		✓					
68	Community Assistance	✓		✓			✓		✓
71	Community Halls	✓		✓			✓		✓
73	Community Policy and Resources	✓		✓			✓		✓
76	Events and Venues Rotorua			✓	✓				✓
80	Pensioner Housing	✓		✓					
82	Public Gardens/General Reserves	✓	✓			✓			
86	Public Library					✓	✓	✓	
91	Rotorua Museum of Art & History						✓	✓	✓

## Overview of Group

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

- Aquatic Facilities
- Cemeteries/Crematorium
- City Services Operations
- Civil Defence Emergency Management
- Community Assistance
- Community Halls
- Community Policy and Resources
- Event Venues

- Pensioner Housing
- Public Gardens/General Reserves
- Public Library
- Rotorua Museum of Art & History

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

## Potential Significant Negative Effects

### Event Venues

This activity has impacts on parking availability and roading infrastructure during significant events. Ongoing traffic management plans and infrastructure design will be required to allow Rotorua to deal with these heavy use events safely. These effects will be managed through infrastructure design and traffic management plans.

### City Services Operations

The only negative effects identified with this activity are:

- Cost of parking to residents and visitors.
- Impact on the environment (visual) of the meters.

### Civil Defence Emergency Management

Potential for a reduction in levels of self reliance if it is viewed as purely a local or central government responsibility.

### Community Assistance

#### *Social*

Inequities exist within the current community assistance policies.

#### *Economic*

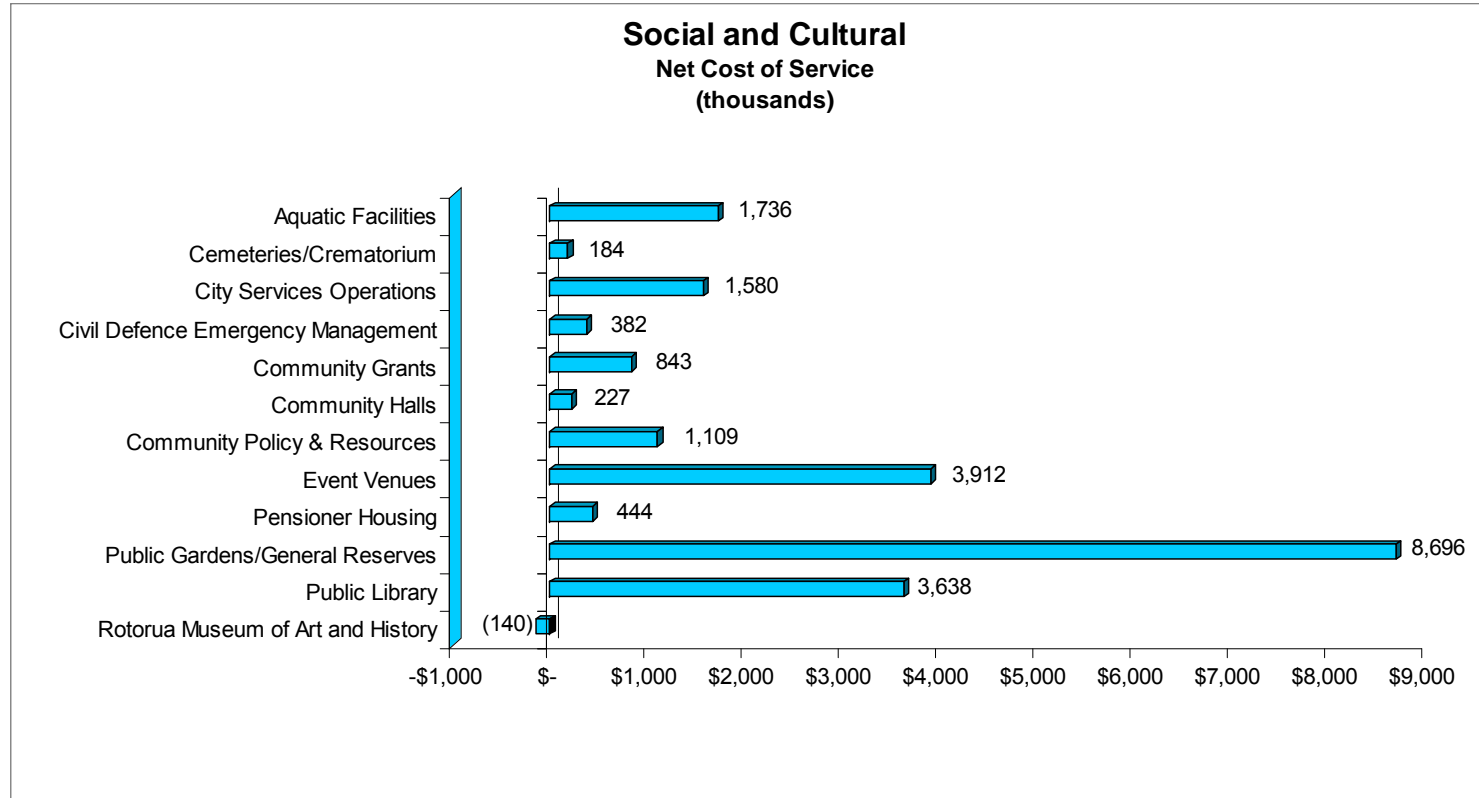
By providing community assistance opportunities it is possible for organisations to become reliant/dependant on Council /ratepayers funding to the exclusion of other possible funding options.

### Pensioner Housing

#### *Economic*

Targeting Central Government guideline that rents are less than 25% of an individual's income by access to accommodation allowance ex, WINZ, does restrict RDC's Pensioner Housing units ability to be self-funding.

# Social and cultural group cont.



# Social and cultural group cont.

## Aquatic Facilities

### Overall aim of the activity

To provide an affordable, safe, aquatic, fun facility that meets the needs and requirements of the local community. The Rotorua Aquatic Centre is proudly owned and operated by the Rotorua District Council.

### This year's highlights and achievements included

- **Qualmark**
  - 5 Star Rating – highest rating certified by NZ Tourism's official quality agency.
  - Silver Accreditation Enviro achieved.
- **Sustainability**
  - Energy savings of 138,700 kwh per annum (saving 1.5 months total energy out of every 12 months operation).
  - Water savings – reduced trade waste and water by meter from two main swimming pools (from April – June) by 49%.
  - Rotorua Sustainability Tourism Charter – continued membership.
  - Waste minimisation – 17% decrease in waste to landfill (October 2008 – June 2009 = 1,395kg).
- **Operations**
  - Rotorua Swimsation Instructor of the Year won by Jordan Bird. Awarded by Swimsation National Office 2009 in Auckland.
  - Hosted Swimming New Zealand Division 2 National Age Group Championships – March 2009 (first swim meet of its type in Rotorua in over 20 years with 1,000 participants).

### Activity purpose – why we provide the service

Council undertakes this activity because of community requirements for a multi-purpose swimming and aquatic leisure facility that is unlikely to be satisfied by the private sector. The activity provided is consistent

with the Rotorua District Recreation Strategy which promotes healthy communities through opportunities for physical activity.

The provision of affordable, safe, aquatic, fun is provided via a learn to Swim School (Swimsation – 'Where Families Learn to Swim') available to all members of the public. Council undertakes this activity because of a community need for swimming and water safety education, recreation and exercise and the increasing awareness of the need for healthy lifestyles.

The healthy lifestyles theme is further provided through the 'Get Active Stay Active' programmes and events. Programmes are developed to specifically target unhealthy and inactive participants, such as Elderly, Youth, Maori, Women, Pacific Islanders, and Persons with Disabilities, to get active and stay active and contribute to a healthy community.

The Rotorua Aquatic Centre fills an important niche for family and community in providing low cost leisure and recreation. Provision for this activity allows for lane swimming before and after work (peak periods), health and fitness, rehabilitation, relaxation and school swimming. These provisions target and increase opportunities for recreation, health and well-being and strengthening of families to work play and talk together. In order to meet these provisions the Rotorua Aquatic Centre is open 7 days per week from 6.00am to 9.00pm and operates over 364 days per year.

Included within this activity is the administration of the lease of the Waikite Valley Thermal Pools. This facility provides a hot geothermal bathing facility that offers a unique safe and enjoyable experience in a friendly rural environment. The original facility was built on Council reserve but is now managed by a private operator under a long term lease agreement. Council

is involved in this activity as a legal requirement of being the administering body for the reserve.

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A healthy community

- Increasing recreational opportunities
- Improving health status for all
- Improved youth health
- Partnerships to promote healthy living
- Healthy whanau, healthy communities

#### A happening community

- Lots of events including sporting, cultural, festivals, arts
- Leading edge activity events
- Great Facilities to visit
- Provision of good quality event, conference and tourism facilities

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	2,527	2,518	2,509
Financial Costs	46	35	69
Depreciation	292	273	285
Other	0	0	0
<b>Total Costs</b>	<b>2,865</b>	<b>2,826</b>	<b>2,863</b>
<b>REVENUE</b>			
Capital Revenue	90	76	74
Fees and Charges	1,026	1,226	1,043
Investment Income	10	0	4
Subsidies and Grants	3	6	9
<b>Total Revenue</b>	<b>1,129</b>	<b>1,308</b>	<b>1,130</b>
<b>Net Cost of Service</b>	<b>1,736</b>	<b>1,518</b>	<b>1,733</b>

# Social and cultural group cont.

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	46	26	40
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	70	89
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>46</b>	<b>96</b>	<b>129</b>

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	1,736	1,518	1,733
Plus Capital Revenue	90	76	74
Less Depreciation of General Rate Activities	(292)	(273)	(285)
Depreciation Funded by General Rates	46	26	40
Self Funding/DC Reserve Movements	100	0	0
<b>Total Rates for/(from) Operations</b>	<b>1,680</b>	<b>1,347</b>	<b>1,562</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	46	26	40
Loans from/(to) Corporate Fund	0	(6)	94
Development Contributions	0	76	74
Reserves Net	0	0	(79)
<b>Total Capital</b>	<b>46</b>	<b>96</b>	<b>129</b>

## Variance from budget

*Revenue* - Budgeted increase in admission volumes did not happen plus shop sales down on budget.

## Performance for 2009

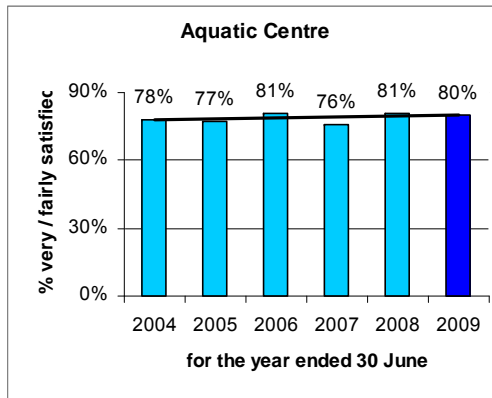
### Outcomes Promoted – A healthy community, A happening community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>■ Increasing recreational opportunities</li> <li>■ Improving health status for all</li> <li>■ Improved youth health</li> </ul>	Provide safe, excellent and affordable swimming pools for competitive sports, casual recreation and health and fitness training.	NRB Survey	Two thirds of Rotorua households will visit or use the Aquatic Centre each year.	Not achieved. 65% of households have used or visited the Aquatic Centre.
<ul style="list-style-type: none"> <li>■ Partnerships to promote healthy living</li> <li>■ Healthy whanau, healthy communities</li> <li>■ Lots of events including sporting, cultural, festivals, arts</li> <li>■ Leading edge activity events</li> <li>■ Great facilities to visit</li> <li>■ Provision of good quality event, conference and tourism facilities</li> </ul>		Operations log	Open the Aquatic Centre 364 days a year, open to the public 105 hours each week.	Achieved.

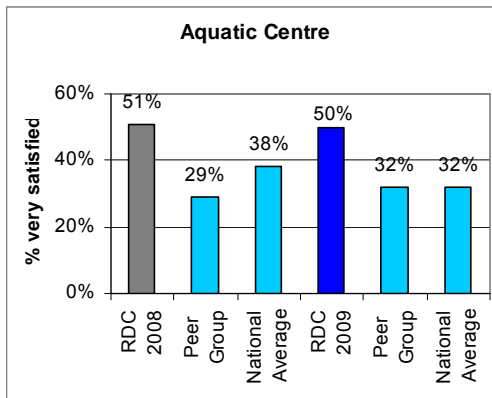
# Social and cultural group cont.

## NRB Community Survey

The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.

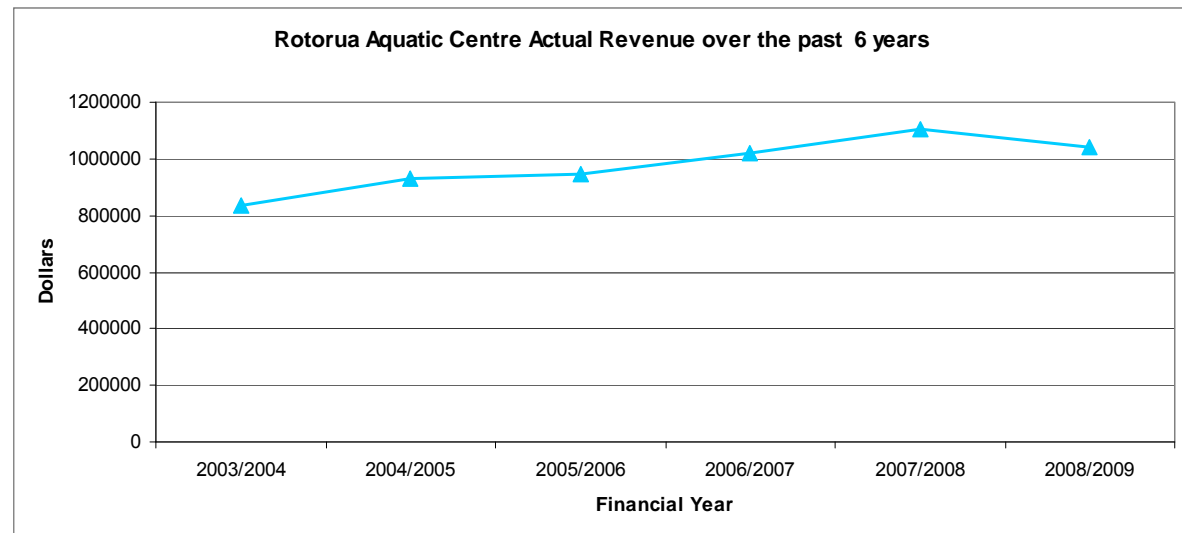
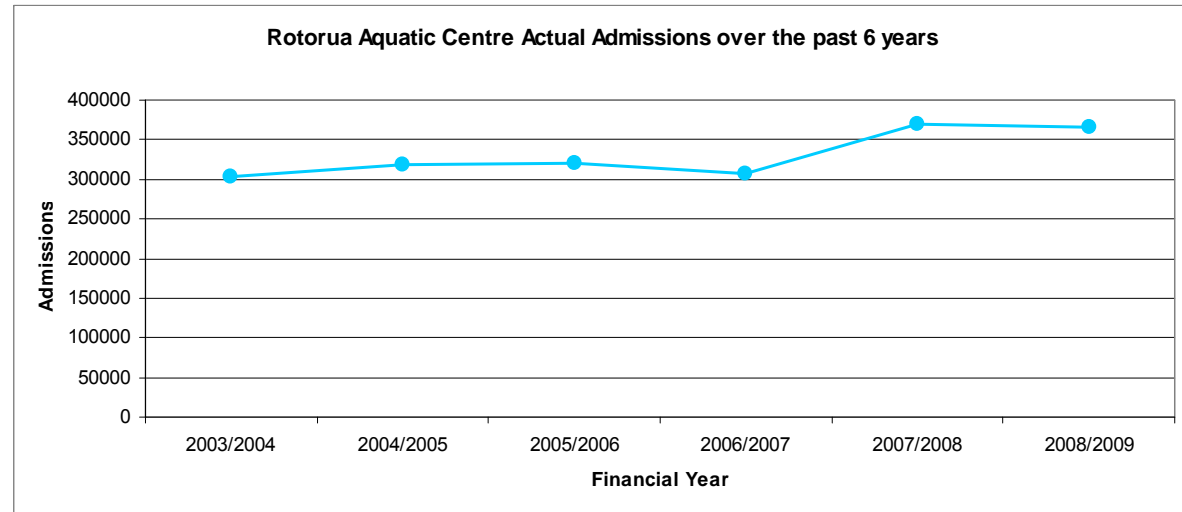


This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.

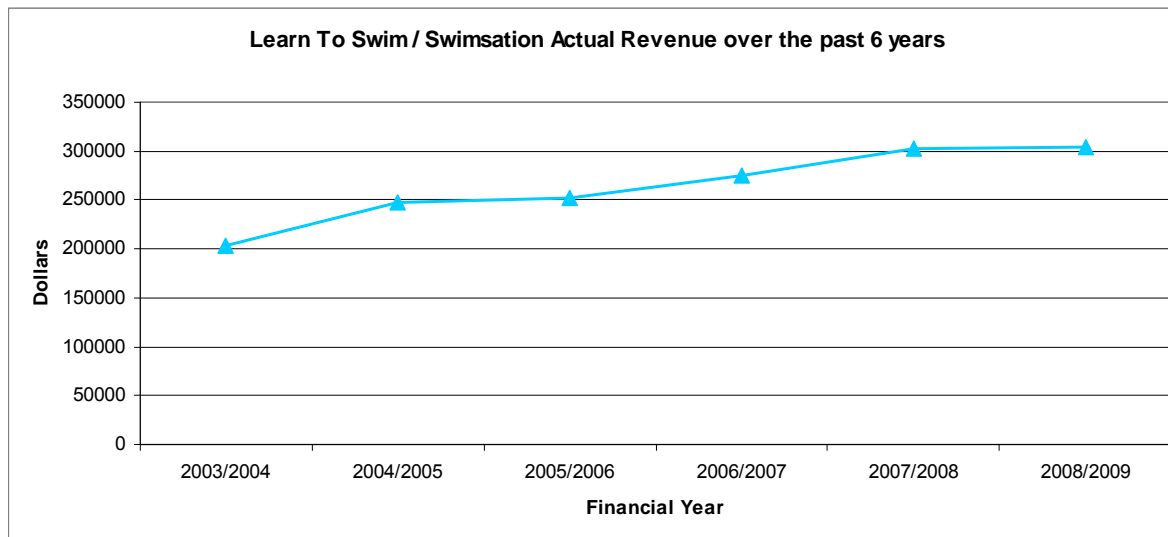
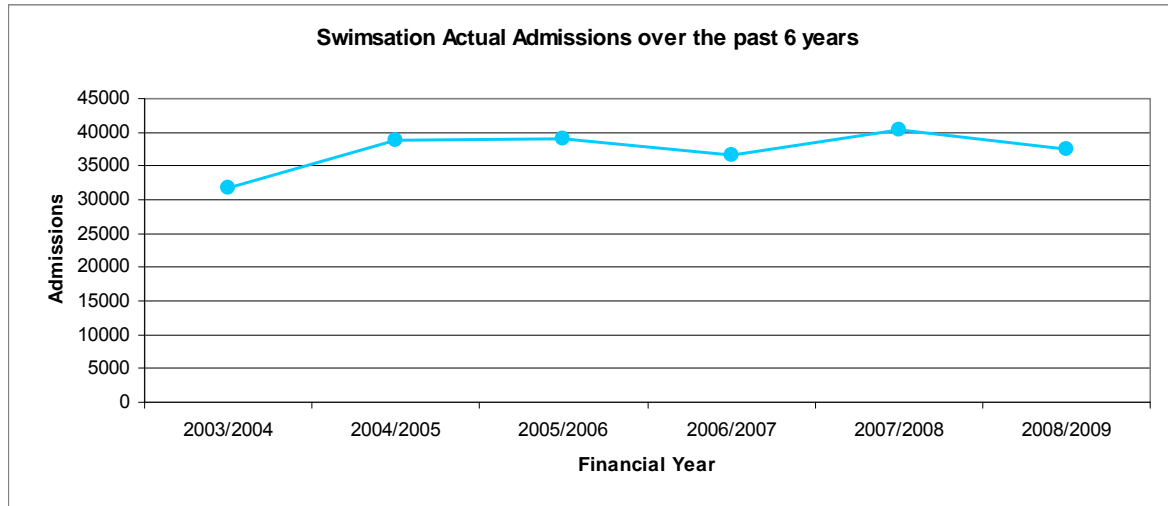


This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.

## Other Indicators



# Social and cultural group cont.



# Social and cultural group cont.

## Cemeteries/Crematorium

### Overall aim of the activity

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

### Activity purpose – why we provide the service

Council is the service provider and asset manager

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

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

**The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes**

### A community with excellent facilities and services

- Affordable facilities and reserves and services

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	369	347	318
Financial Costs	29	23	34
Depreciation	22	23	22
Other	0	0	0
<b>Total Costs</b>	<b>420</b>	<b>393</b>	<b>374</b>
<b>REVENUE</b>			
Capital Revenue	24	19	16
Fees and Charges	210	195	225
Investment Income	2	0	1
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>236</b>	<b>214</b>	<b>242</b>
<b>Net Cost of Service</b>	<b>184</b>	<b>179</b>	<b>132</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	4	4	10
Growth	0	507	0
Backlog	0	0	0
Level of Service	0	0	2
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>4</b>	<b>511</b>	<b>12</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	184	179	132
Plus Capital Revenue	24	19	16
Less Depreciation of General Rate Activities	(22)	(23)	(22)
Depreciation Funded by General Rates	4	4	10
Self Funding/DC Reserve Movements	21	0	0
<b>Total Rates for/(from) Operations</b>	<b>211</b>	<b>179</b>	<b>136</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	4	4	10
Loans from/(to) Corporate Fund	0	488	3
Capital Grants	0	3	0
Resource management fees	0	0	0
Development Contributions	0	16	16
Reserves Net	0	0	(17)
<b>Total Capital</b>	<b>4</b>	<b>511</b>	<b>12</b>

### Variance from budget

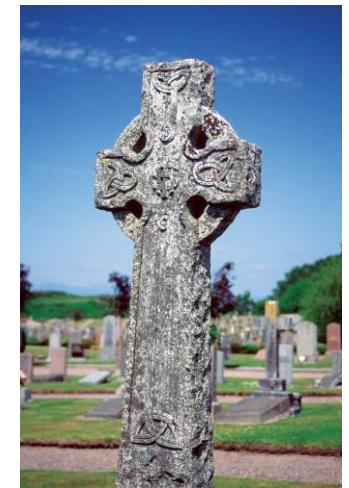
Capital Expenditure - Investigation, planning and development works for new cemetery not started in 2008/09.

# Social and cultural group **cont.**

## Performance for 2009

**Outcome Promoted** – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Affordable facilities and reserves and services	Ensure culturally appropriate, well designed, conveniently located cemeteries are available in the Rotorua District	Location maps of Rotorua Cemeteries.	Burial plots are available locally and cremation services are provided in the district.	Achieved.





# Social and cultural group cont.

## City Services Operations

### Overall aim of the activity

Rotorua District Council to provide and keep the central city and environs functioning and clean, tidy and welcoming in order to meet community expectations.

### This year's highlights and achievements included

- Progressed CCTV network in CBD (three cameras added to the network).

### Activity purpose – why we provide the service

Under Local Government Act 2002 part 2 the purpose of Local Government is to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

The New Zealand Bill of Rights Act 1990 sets out the rights of the public.

The Local Government Act 2002 gives Council the authority to make bylaws regulating the use of public places; thus the activities contemplated in this activity are regulated by both statute and bylaw. The Local Government Act 1974 part XXXIV public services section 591 – 591A makes provision for parking places, parking buildings and the like.

Council has adopted policies for this activity which include CBD, City Focus, public places, street appeals, provision and servicing of public conveniences, parking enforcement and CBD policies, lakefront and government gardens.

Council is the service provider, asset manager and provides regulatory assistance. This service is provided in order to meet community outcomes and expectations and involves keeping the central city and adjacent areas clean, safe and vibrant. It ensures efficient off and on street parking management and provision of a effective close circuit camera surveillance system. We provide management and maintenance of: -

- City Focus
- Central Business District
- Government Gardens
- Lake Front
- Off street parking building – Hinemoa Centre 244 spaces
- Off street Haupapa car park – Haupapa Street, 95 spaces
- On street parking 1200 metered and 2900 un-metered spaces
- Public conveniences – 12 facilities
- Tourism kiosks & signage
- Street banners, flags & decorative lighting
- Crime prevention camera network
- Promoting of City Focus/Centre as a vibrant, warm and welcoming community focal point
- Regulatory function (litter, dogs, liquor, hawkers, skateboard, etc.)
- Rotary time capsule – 25 year burial uplift in 2028
- Giant chess game
- Community policing & information centre
- Ngongotaha village
- Volunteer workers

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

### A safe and caring community

- Providing safe public spaces
- Safe public buildings and streets
- Working together with other agencies

### A community with excellent facilities and services

- Easy to get from place to place
- Good quality infrastructure for now and the future

### A happening community

- Lots of events (well managed & organised)
- Internal/external agencies working together to promote Bright future

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	2,572	2,724	2,434
Financial Costs	41	32	61
Depreciation	400	300	280
Other		0	0
<b>Total Costs</b>	<b>3,013</b>	<b>3,056</b>	<b>2,775</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	1,432	1,498	1,488
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>1,432</b>	<b>1,498</b>	<b>1,488</b>
<b>Net Cost of Service</b>	<b>1,581</b>	<b>1,558</b>	<b>1,287</b>

# Social and cultural group cont.

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	3	129	111
Growth	71	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>75</b>	<b>129</b>	<b>111</b>

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	1,581	1,558	1,287
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(400)	(300)	(280)
Depreciation Funded by General Rates	3	129	111
<b>Total Rates for/(from) Operations</b>	<b>1,184</b>	<b>1,387</b>	<b>1,118</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	3	129	111
Loans from/(to) Corporate Fund	71	0	0
<b>Total Capital</b>	<b>75</b>	<b>129</b>	<b>111</b>

## Variance from budget

*Operating Costs* - Staff vacancy savings plus other operational savings.

*Revenue* - Lower than budget due to a drop in parking revenue in the city.

## Performance for 2009

### Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Good, safe, maintained services and roads	High standards of CBD cleaning and maintenance	Reports (contractors) confirm that cleaning and maintenance completed to the required standards.	Ensure cleaning and maintenance is completed to 95% of the approved standards for: City Centre Lakefront Government Gardens Ngongotaha Village Whakarewarewa Village	Achieved.
Easy to get from place to place	Car parking available for "users" in the CBD	Random survey of car park usage.	Meters for car parks will be provided in the CBD where shown the availability of car a parks is less than 1 in 7 for the whole street.	Achieved.
Good quality infrastructure for future	High quality janitorial services for public conveniences in the City Centre and environs	Contractor reports and random inspections confirm required standards met.	Janitorial programme completed to standards required (100%).	Achieved.

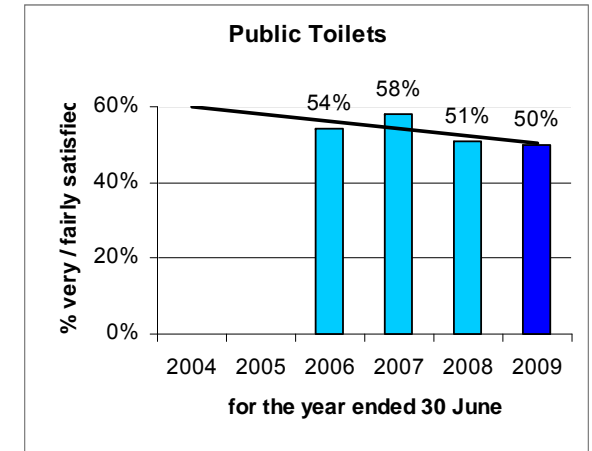
### Outcome Promoted – A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Providing safe public spaces	Contribution to crime prevention by provision of a crime prevention camera system	Record of crime prevention camera operation maintained.	Maintain the operation of the crime prevention camera system.	Achieved.

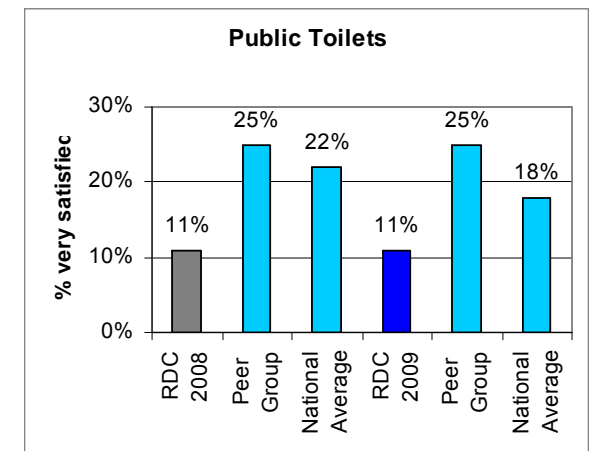
# Social and cultural group cont.

## NRB Community Survey

The two adjacent graphs have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last three years. There is a trend line which helps show the general direction of service satisfaction over time.



This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.

# Social and cultural group cont.

## Civil Defence Emergency Management

### Overall aim of the activity

To plan, train and educate for the response to, management of, and recovery from an emergency.

### This year's highlights and achievements included

- **Response Team Trailer** – The Rescue Team took possession of a brand new trailer that is bigger and braked which means improved, safer towing. More necessary equipment can be housed on board rather than loaded into accompanying vehicles. The next step in the process is to have it sign-written but this has yet to be 'designed'. The smaller existing trailer will be used as a support trailer.
- **Bunnings Fun Day** – A whole day of community awareness promotion at Bunnings displaying a range of Civil Defence information, from communications equipment to survival kit to children's computer activities. The display was very interactive with the CD officer and volunteers to answer questions. A good opportunity to present the "Be Prepared" message in an interesting way.
- **Kaharoa Sector Post** – Kaharoa School and Community Hall are the latest addition to our Civil Defence Sector Post sites. There are now a total of 14 Posts around the District, eight (including Kaharoa) with radio contact to the RDC communications room here in the Civic Centre.
- **Annual Exercise – "Ashfall"** – The scenario was written by John Thurston, Training Officer for BOP CDEM Group, with the aim of the exercise to test the new EOC facilities in Committee Room 2. The exercise was very successful – "300% better than last years!" according to District Engineer, Nico Claassen.

### Activity purpose – why we provide the service

The Civil Defence Emergency Management (CDEM) Act 2002 requires that Rotorua District Council be responsible for civil defence emergency management within its boundaries. Rotorua is a member of the BOP CDEM Group, the Plan for which was approved by the Ministry of CDEM in May 2005.

The local Rotorua District Council Plan meets with the obligations of the CDEM Act 2002 and is consistent with the BOP CDEM Group Plan.

The National Plan is currently open for public consultation.

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A safe and caring community

- Safe homes and streets
- Organisations working together on agreed priorities
- Providing safe public places

#### A healthy community

- Effective responses to developing health issues
- Partnerships to promote healthy living

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	383	343	306
Financial Costs	0	0	0
Depreciation	13	10	7
Other	0	0	0
<b>Total Costs</b>	<b>396</b>	<b>353</b>	<b>313</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Subsidies and Grants	14	14	13
<b>Total Revenue</b>	<b>14</b>	<b>14</b>	<b>13</b>
<b>Net Cost of Service</b>	<b>382</b>	<b>339</b>	<b>299</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	35	53	10
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>35</b>	<b>53</b>	<b>10</b>

## Social and cultural group cont.

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	382	339	299
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(13)	(10)	(7)
Depreciation Funded by General Rates	35	53	10
<b>Total Rates for/(from) Operations</b>	<b>404</b>	<b>382</b>	<b>302</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	35	53	10
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>35</b>	<b>53</b>	<b>10</b>

### Performance for 2009

#### Outcomes Promoted – A safe and caring community, A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Safe home and streets</li> <li>Organisations working together on agreed priorities</li> </ul>	Efficient operational capabilities for responding to an emergency.	NRB Survey.	A 5% increase in the number of households reporting to have an emergency plan and pack in place 30 June each year.	Achieved.
<ul style="list-style-type: none"> <li>Safe public places</li> <li>Partnerships to promote healthy living</li> <li>Effective responses to developing health issues</li> </ul>	Stabilise the affected community and assure that life support systems are operational.	Report prepared and reviewed by BOP CDEM Group.	Review Recovery Plan for Rotorua.	Not achieved.



# Social and cultural group cont.

## Community Assistance

### Overall aim of the activity

To foster social and cultural well-being by supporting communities to achieve their objectives, build their capacity and strengthen their identity.

### This year's highlights and achievements included

- Grants totalling \$545,662 were made to various community organisations and groups.

### Activity purpose – why we provide the service

Over many decades Council has developed a range of policies and processes through which to support the work of local not-for-profit organizations in addressing local needs and issues, and enhancing community well-being. Under the Local Government Act 2002 Territorial Local Authorities are required to address Social, Economic, Environmental and Cultural well-being in their communities.

Rotorua District Council (RDC) has provided Community Assistance as a way of supporting Community Development.

"In New Zealand, community development is recognised as a methodology utilised by a wide range of professions. Community Development practice is also set within a broader international context based on agreements our government has become signatory to and foundation agreements such as the Treaty of Waitangi. New Zealand definitions include one developed in 1997 by the Community Advisory Service of Internal Affairs.

Community development is:

Concerned with change and growth within communities, with giving people more power over the changes that are taking place around them, the policies which affect them and the services they use. Our ultimate concern is to help increase the well-

being of communities and takes place predominantly within those communities that have been most disadvantaged or discriminated against.

We choose community development methodologies as an approach to work with communities because these increase opportunities for participation, enable the transfer of skills between people, develop self reliance, build organisations capacity and networks of community groups, ensure local ownership of projects and decisions, utilize local resources to solve local problems and, in the end effectively increase the amount of social capital available within a community." - *Dept of Internal Affairs Community Development Resource Kit, July 2003, page 2*

There are five key principles:

1. People define their own problems and issues.
2. People work together as a group rather than as individuals.
3. Actions increase the self reliance of the community and its individuals rather than increase dependency on others.
4. The role of community development workers is to facilitate this process rather than to organize it on behalf of others.
5. Community development involves engagement in political processes and often negotiation between groups with conflicting interests. It also involves elements of social change whereby disadvantaged or minority groups provide challenges to the attitudes or power relations in society.

Community development is based on beliefs and values of social action, justice and equity. The focus is on participation, rights to employment and other key economic and social benefits, devolved local decision making, co-operation and equitable allocation of resources across groups or societies. This model

strives to attain social justice, particularly for those who are disadvantaged.

Community Assistance policies also acknowledge a sustainable development approach. The internationally recognised definition is:

".. development which meets the needs of the present without compromising the ability of future generations to meet their own needs."

RDC Community Assistance strategies are open to a wide-ranging cross section of - recreation and sports clubs, business networks, arts and cultural groups, environmental organisations, social services and community groups, as all of these organisations all make huge contributions to various aspects of local well-being.

1. The Community Assistance area includes a wide range of policies and functions including:
  - Facility provision and support through Community House, the Rotorua Arts Village, and Kuirau House.
  - Community Grants scheme.
  - Community Asset Development Fund.
  - Contracts with the not-for-profit sector – this includes with Sport Bay of Plenty, Te Papa Takaro, Citizens Advice Bureau, Rotorua Council of Social Services, Rotorua Community Youth Centre, and Rotorua Arts Village Experience. This supports groups providing social services, which cannot be provided by Council, to Rotorua communities.
  - Council's annual and rates grants.

## Social and cultural group cont.

- Creative Communities Fund (on behalf of Creative NZ).
- Community Safety Project Fund.
- Funding support for Neighbourhood Support increased to \$80,000 per annum for first three years of plan.
- Support for the Rotorua ICT Trust.

2. In May 2006, through the review of Community Assistance Policies, Council reconfirmed its intention to support local not for profit organisations to achieve their goals in sport and recreation, community, social service, art and cultural, youth and elderly services.

The Review of Community Assistance Policies Process forms a part of RDC's commitment to a six yearly policy review period.

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A safe and caring community

- Organisations working together on agreed priorities
- Safe homes and streets
- Less crime
- Fewer road accidents
- Providing safe public spaces
- Families and whanau work, play and talk together

#### A healthy community

- Partnerships to promote healthy living
- Healthy whanau, healthy communities

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

- A community that recognises the value of partnerships including the Treaty of Waitangi.

#### A happening community

- Great facilities to visit, e.g.: Museum, Arts Village, Aquatic Centre
- Celebrating and nurturing traditional Maori culture
- Foster artistic expression, art, music, dancing, public performances and exhibitions.

#### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	701	1,214	833
Financial Costs	11	9	3
Depreciation	237	247	239
Other	0	0	0
<b>Total Costs</b>	<b>949</b>	<b>1,470</b>	<b>1,075</b>
<b>REVENUE</b>			
Capital Revenue	0	0	44
Fees and Charges	62	64	63
Investment Income	2	0	1
Subsidies and Grants	44	43	1
<b>Total Revenue</b>	<b>108</b>	<b>107</b>	<b>109</b>
<b>Net Cost of Service</b>	<b>841</b>	<b>1,363</b>	<b>966</b>

#### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	0	0	61
Growth	193	0	0
Backlog	0	500	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>193</b>	<b>500</b>	<b>61</b>

#### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	841	1,363	966
Plus Capital Revenue	0	0	44
Less Depreciation of General Rate Activities	(237)	(247)	(239)
Depreciation Funded by General Rates	0	0	61
<b>Total Rates for/(from) Operations</b>	<b>604</b>	<b>1,116</b>	<b>832</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	0	0	61
Loans from/(to) Corporate Fund	193	936	157
Capital Grants	0	0	44
Reserves Net	0	0	(28)
Advances Net	0	0	5
Grants for community assets	0	(436)	(178)
<b>Total Capital</b>	<b>193</b>	<b>500</b>	<b>61</b>

#### Capital Expenditure – Major Projects

for the year ended 30 June: (thousands)	2009 Actual
Youth Centre	193
	<b>193</b>

#### Variance from budget

*Operating Costs* - Spend on Community Asset Development fund below budget, has been allowed for in 2009/10.

*Capital Expenditure* - Delay in purchase of youth centre. Only partly purchased, balance to go through in 2009/10.

# Social and cultural group cont.

## Performance for 2009

**Outcomes Promoted** - A safe and caring community, A healthy community, A community that values its living Maori culture, A “happening” community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Safe homes and streets</li> <li>▪ Organisations working together on agreed priorities</li> <li>▪ Less crime</li> <li>▪ Providing safe public spaces</li> <li>▪ Families and whanau work, play and talk together</li> <li>▪ Partnerships to promote healthy living</li> <li>▪ Healthy whanau, healthy communities</li> <li>▪ A community that recognises the value of partnerships including the Treaty of Waitangi</li> <li>▪ Strengthening relationships between cultures</li> <li>▪ Great facilities to visit, e.g. Museum, Arts Village, Aquatic Centre</li> <li>▪ Celebrating and nurturing traditional Maori culture</li> <li>▪ Foster artistic expression, art, music, dancing, public performances and exhibitions</li> </ul>	Directly and indirectly provide assistance to community groups to build their capacity and help them achieve their objectives.	Occupancy Logs	Provide accommodation to complying groups i.e.: Community House and other Council owned venues.	Achieved.
		RDC Annual Report	Provide rates relief to churches, sports clubs, arts and cultural organisations and community groups in terms of rating legislation and Council policy.	Achieved.
		RDC Annual Report	Provide annual grants to Community organisations and support projects in the arts and cultural areas.	Achieved.
		RDC Annual Report	Provide funding through the Community Asset Development Fund to enable community groups to invest in social and recreational capital for the benefit of the whole community.	Achieved.
		Twice yearly contract performance reports.	Contract NFP organisations to deliver outputs that support the community outcomes.	Achieved.



Western Heights redevelopment



Western Heights redevelopment



# Social and cultural group cont.

## Community Halls

### Overall aim of the activity

To foster social and cultural well-being in rural communities.

### This year's highlights and achievements included

- Repainted Kaharoa Hall.
- Maintained halls to standard expected by users.

### Activity purpose – why we provide the service

Rotorua District Council provides this service to ensure that there is a focal point for the local rural community to meet in, celebrate in and to join in activities in. Such a facility is an aid to fostering community cohesion.

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

RDC owns nine community centres and halls in the rural district. Council assists the management committee of each hall by way of maintenance and on-going liaison in respect of operational matters. These are sited at Waikite Valley, Kaharoa, Broadlands, Okareka, Mamaku, Reporoa, Rerewhakaaitu, Ngakuru and Ngongotaha.

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

In total Council supports 11 facilities in rural communities.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

### A safe and caring community

- Organisations working together on agreed priorities
- Safe homes and streets
- Less crime
- Providing safe public spaces
- Families and whanau work, play and talk together

### A healthy community

- Partnerships to promote healthy living
- Healthy whanau, healthy communities

### A community that values its living Maori culture

- A community that recognises the value of partnerships including the Treaty of Waitangi.
- Strengthening relationships between cultures.

### A happening community

- Great facilities to visit, e.g.: Museum, Arts Village, Aquatic Centre
- Celebrating and nurturing traditional Maori culture
- Foster artistic expression, art, music, dancing, public performances and exhibitions.

## Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	145	198	185
Financial Costs	0	15	27
Depreciation	97	95	96
Other	0	0	0
<b>Total Costs</b>	<b>242</b>	<b>308</b>	<b>309</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	14	17	17
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>14</b>	<b>17</b>	<b>17</b>
<b>Net Cost of Service</b>	<b>228</b>	<b>291</b>	<b>293</b>

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	0	0	11
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>11</b>

# Social and cultural group cont.

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	228	291	293
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(97)	(95)	(96)
Depreciation Funded by General Rates	0	0	11
<b>Total Rates for/(from) Operations</b>	<b>131</b>	<b>196</b>	<b>207</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	0	0	11
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>11</b>

## Performance for 2009

**Outcomes Promoted** - A safe and caring community, A healthy community,  
A community that values its living Maori culture, A “happening” community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Safe homes and streets</li> <li>▪ Organisations working together on agreed priorities</li> <li>▪ Less crime</li> <li>▪ Providing safe public spaces</li> <li>▪ Families and whanau work, play and talk together</li> <li>▪ Partnerships to promote healthy living</li> <li>▪ Healthy whanau, healthy communities</li> <li>▪ A community that recognises the value of partnerships including the Treaty of Waitangi</li> <li>▪ Strengthening relationships between cultures</li> <li>▪ Great facilities to visit, eg Museum, Arts Village, Aquatic Centre</li> <li>▪ Celebrating and nurturing traditional Maori culture</li> <li>▪ Foster artistic expression, art, music, dancing, public performances and exhibitions</li> </ul>	Directly and indirectly provide assistance to community groups to build their capacity and help them achieve their objectives.	RDC Annual Report	Provide and maintain a facility in rural communities to foster community cohesion.	Achieved.

# Social and cultural group cont.

## Community Policy and Resources

### Overall aim of the activity

*To foster social and cultural well-being by supporting communities to achieve their objectives, build their capacity and strengthen their identity.*

### This year's highlights and achievements included

- **RDC Youth Councillors** – presentation by Youth Councillors at the Youth in Local Government Conference in October 2008.
- **Ngongotaha redevelopment** – installation of artworks as part of the redevelopment. These included works by artists Jane Matua, Martin Tissink, Jamie Pickernell and Paul Nicolai.
- **Western Heights redevelopment** – integration of artwork on Brookland Road.
- **Safe Communities designation** – project commenced in February 2009 and is progressing well.
- **Project CARV** – completion of this project in February 2009 with many strands of work being continued in other organisations as “business as usual”.
- **Kaingaroa street lighting** – safety projects fund grant made it possible to have 60 functioning street lights reinstated in Kaingaroa Forest Village.
- **RDCs Community Safety Officer** – acceptance of invitation to present on Project Papa Waka at the International CPTED Regional Forum in Ipswich, Australia.
- **Good Health 2009** – publication of updated document as an on-line resource for agencies working in the Rotorua district.
- **Social Monitor 2008** – updated indicators of social well-being information published.

- **Rotorua Safe Families Action Plan** – implementation of the plan as a collaborative project which was developed by the community.
- **National Forum on Family Violence** – presentation to Forum in Waitakere, April 2009, by members of Rotorua Safe Families.
- **Healthy Homes Project** – retrofitted a further 128 homes (May 2009) and hosted the second National Healthy Homes Hui in Rotorua in November 2008.

### Activity purpose – why we provide the service

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

These include:

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

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

# Social and cultural group cont.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

## A safe and caring community

- Organisations working together on agreed priorities
- Safe homes and streets
- Less crime
- Providing safe public spaces
- Families and whanau work, play and talk together

## A healthy community

- Partnerships to promote healthy living
- Healthy whanau, healthy communities

## A community that values its living Maori culture

- A community that recognises the value of partnerships including the Treaty of Waitangi.
- Strengthening relationships between cultures.

## A happening community

- Great facilities to visit, e.g.: Museum, Arts Village, Aquatic Centre
- Celebrating and nurturing traditional Maori culture
- Foster artistic expression, art, music, dancing, public performances and exhibitions.

## Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	1,228	1,389	1,193
Financial Costs	35	12	23
Depreciation	46	47	45
Other	0	0	0
<b>Total Costs</b>	<b>1,309</b>	<b>1,448</b>	<b>1,261</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	0	0	1
Subsidies and Grants	201	207	251
<b>Total Revenue</b>	<b>201</b>	<b>207</b>	<b>252</b>
<b>Net Cost of Service</b>	<b>1,108</b>	<b>1,241</b>	<b>1,009</b>

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	3	6	7
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>3</b>	<b>6</b>	<b>7</b>

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	1,108	1,241	1,009
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(46)	(47)	(45)
Depreciation Funded by General Rates	3	6	7
<b>Total Rates for/(from) Operations</b>	<b>1,065</b>	<b>1,200</b>	<b>971</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	3	6	7
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>3</b>	<b>6</b>	<b>7</b>

## Variance from budget

*Operating Costs* - Savings primarily due to underspend in community project - sister city.

# Social and cultural group cont.

## Performance for 2009

**Outcomes Promoted** – A safe and caring community, A healthy community,  
A community that values its living Maori culture, A “happening” community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Safe homes and streets</li> <li>▪ Organisations working together on agreed priorities</li> <li>▪ Less crime</li> <li>▪ Providing safe public spaces</li> <li>▪ Families and whanau work, play and talk together</li> </ul>	Advocate social and cultural issues on behalf of community groups within the Rotorua district and on behalf of the Rotorua district to Regional and Central Government	RDC Annual Report	Ensure significant proposed social and/or cultural legislation and policies are reviewed and if appropriate, a Rotorua perspective submitted as part of the consultation process.	Achieved.
<ul style="list-style-type: none"> <li>▪ Partnerships to promote healthy living</li> <li>▪ Healthy whanau, healthy communities</li> <li>▪ A community that recognises the value of partnerships including the Treaty of Waitangi</li> </ul>	Ensure quality information on the social and cultural composition and trends of the community are available and used in the direct setting of Rotorua	RDC Annual Report	Produce and update reports on Rotorua's demographic profiles – Social Monitor - Youth - Elderly - Ethnicity - Good Health - Youth Services Directory	Achieved.
<ul style="list-style-type: none"> <li>▪ Strengthening relationships between cultures</li> <li>▪ Great facilities to visit, e.g. Museum, Arts Village, Aquatic Centre</li> <li>▪ Celebrating and nurturing traditional Maori culture</li> <li>▪ Foster artistic expression, art, music, dancing, public performances and exhibitions.</li> </ul>	Facilitate specific programmes and foster partnerships that contribute to social and cultural wellbeing	Report to CP & Rec Committee on the results of the safety perceptions survey.	Contribute to an increase in the perception of safety in the community to 78%.	Not achieved.

# Social and cultural group cont.

## Events and Venues Rotorua

### Overall aim of the activity

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

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

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

### This year's highlights and achievements included

- **Major events** – major event highlights for the year included the celebration of the 45<sup>th</sup> running of the Rotorua Marathon which attracted record numbers; securing of the Dragon Boat National Championships for the first time; hosting of the World Blind Sailing Championships; National Netball Championships; and Indo Pacific Trampoline Championships.
- **Rugby World Cup** – the securing of three matches for the Rotorua International Stadium for the 2011 Rugby World Cup with decisions on possible team hosting awaited.
- **Upcoming major events secured** – the 2009 Mountain Bike Trials World Cup round; the first International Netball Test in the Energy Events Centre for August 2009; the 2010 National Marching Championships; and the 2013 Te Matatini Kapahaka Championships.

- **Rotorua International Stadium** – the upgrade of the sand carpeting at the Rotorua International Stadium in preparation for Rugby World Cup 2011.
- **Business levels** – retaining business levels at our core venues, the Energy Events Centre and Convention Centre in the face of the economic recession.
- **Civic Theatre redevelopment** – good progress in securing funding for the Civic Theatre redevelopment, the completion of the stagehouse designs, appointment of a preferred contractor and commencement of the tendering process in preparation for Council's approval to proceed.
- **Increased sporting activity** – in addition to the above there was a substantial increase in sporting use of the Energy Events Centre and we have steadily increased the allocation of major fixtures from the BOPRU with three games in the Air NZ Championship secured for the 2009 season.
- **Energy Events Centre** – use and income continues to be very significantly ahead of the original business projections upon which the decision to develop the centre was based.
- **Venue for winter entertainment** – the establishment of the Energy Events Centre as a venue for international touring shows allowing Rotorua to host winter entertainment. The highlight of the past year was the sold out Billy Connolly concert.
- **New annual events** – the consolidation of the success of two newly introduced events for the International Stadium – the Raggamuffin Festival and the multi ethnic Globalfest.

### Activity purpose – why we provide the service

Council provides the Event Venues facilities and services in order to meet residents' expectations and to assist Rotorua District Council's proactive approach creating employment opportunities within the tourism sector, for the citizens of Rotorua.

This activity covers the operation of the Rotorua Convention Centre, Civic Theatre, Ticketek, Te Runanga Tea House, Soundshell and Sportsdrome, the development of the Energy Events Centre, International Stadium (including Number 2 field) and community sports and events in terms of Council policy. Funding is required to cover operations, maintenance and caretaking costs for the buildings in order to obtain optimum return. Current usage varies for each centre.

# Social and cultural group cont.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

## A healthy community

- Increasing recreational opportunities
- Improving health status for all
- Improve youth health
- Effective responses to developing health issues
- Partnerships to promote healthy living
- Healthy whanau and healthy communities

## A prosperous community

- Raising average incomes
- Reducing unemployment rate
- More employment opportunities
- Celebrating and promoting our districts unique qualities
- Encouraging growth

## A happening community

- Lots of events including sporting cultural festivals arts
- Leading edge activity events
- Provision of good quality events, conference and tourism facilities
- Celebrating and nurturing traditional Maori Culture
- Foster artistic expression, art, music, dancing, public performance and exhibitions

## Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	4,003	4,011	3,707
Financial Costs	660	659	602
Depreciation	1,684	1,804	1,618
Other	0	0	0
<b>Total Costs</b>	<b>6,347</b>	<b>6,474</b>	<b>5,927</b>
<b>REVENUE</b>			
Capital Revenue	316	977	2,039
Fees and Charges	2,062	1,892	1,997
Investment Income	0	0	34
Subsidies and Grants	58	36	100
<b>Total Revenue</b>	<b>2,436</b>	<b>2,905</b>	<b>4,170</b>
<b>Net Cost of Service</b>	<b>3,911</b>	<b>3,569</b>	<b>1,757</b>

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	535	1,098	151
Growth	0	0	574
Backlog	0	0	0
Level of Service	8	2	5
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>543</b>	<b>1,100</b>	<b>730</b>

## Variance from budget

*Revenue* - Lower than expected capital revenue for Energy Events Centre project (timing); partly offset by higher operating revenue due to more events.

*Capital Expenditure* - Civic Theatre redevelopment delays; to be spent in 2009/10.

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	3,911	3,569	1,757
Plus Capital Revenue	316	977	2,039
Less Depreciation of General Rate Activities	(1,684)	(1,804)	(1,618)
Depreciation Funded by General Rates	535	1,098	151
Self Funding/DC Reserve Movements	(283)	0	0
<b>Total Rates for/(from) Operations</b>	<b>2,795</b>	<b>3,840</b>	<b>2,329</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	535	1,098	151
Loans from/(to) Corporate Fund	8	2	(2,703)
Capital Grants	0	0	1,986
Development Contributions	0	0	53
Reserves Net	0	0	1,226
Asset Sales	0	0	17
<b>Total Capital</b>	<b>543</b>	<b>1,100</b>	<b>730</b>

## Capital Expenditure – Major Projects

for the year ended 30 June: (thousands)	2009 Actual
Theatre Redevelopment	367
StadiumTurf	77
Other Renewals	99
	<b>543</b>

# Social and cultural group cont.

## Performance for 2009

### Outcome Promoted – A “happening community”

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Lots of events including Sporting, cultural, festivals, arts</li> <li>▪ Leading edge activity events</li> <li>▪ Provision of good quality event, conference and tourism facilities</li> <li>▪ Celebrating and nurturing traditional Maori Culture</li> <li>▪ Foster artistic expression, art, music, dancing, public performances and exhibitions.</li> </ul>	<p>Excellent well maintained and well used venues</p> <p>To encourage a wide range of events with high levels of local participation that add to the appeal of Rotorua for its citizens and visitors.</p>	NRB (new question).	2/3 of Rotorua residents will use an Event Venues facility during the year.	Achieved.
		Analysis of bookings through Scheduler.	40% of hirers are from community groups at community hire rates.	Achieved – 69.7%.
		Hire customer satisfaction surveys.	90% customer satisfaction.	Achieved.
		Financial performance of Event Venues Rotorua.	Charges to meet 25% operating costs.	Achieved.
		Analyse economic impact from events facilitated by Event Venues and reset targets.	Contribute prior year's figure plus 5% growth to the local economy by way of delegate and visitor spend.	Achieved.
		A calendar of 1 major event per week average.	A calendar of 1 major event per week average.	Achieved.



## Social and cultural group cont.

### Performance for 2009

#### Outcome Promoted – A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Rising average incomes</li> <li>▪ Reducing unemployment rate</li> <li>▪ More employment opportunities</li> <li>▪ Encouraging growth</li> </ul>	Attract significant events and conferences to Rotorua.	Analysis of bookings.	25 conferences with over 11,000 delegates attending each year.	Achieved.

#### Outcome Promoted – A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Increasing recreational opportunities</li> <li>▪ Improving health status for all</li> <li>▪ Improve youth health</li> <li>▪ Effective responses to developing health issues</li> <li>▪ Partnerships to promote healthy living</li> <li>▪ Healthy whanau and healthy communities</li> </ul>	To increase and develop recreational event opportunities and to develop partnerships to deliver those opportunities.	Calendar of events.	A calendar of local recreational events.	Achieved.

# Social and cultural group **cont.**

## Pensioner Housing

### Overall aim of the activity

*To contribute to the community's social well-being by ensuring safe accessible and affordable housing is available for elderly people.*

### This year's highlights and achievements included

- Continued high occupancy of Council's pensioner units.
- Upgrading of the bathrooms (older units) at Rawhiti Flats.

### Activity purpose – why we provide the service

Why does RDC provide social housing?

1. In 1997 Council formally confirmed its intention to remain in the business of supplying a limited number of dwelling units for elderly people on fixed incomes.
2. The provision of affordable pensioner housing contributes towards several Community Outcomes for the Rotorua District including:
  - A healthy community
  - A safe and caring community
3. The provision of pensioner housing is specified in Council's Older Persons Policy, one specific goal of which is "a District that offers a range of affordable, accessible and safe housing options for older people".

4. Rotorua's population profile is ageing and demand for pensioner housing is expected to increase in the future. As at Census night 2001 there were an estimated 6,822 residents aged 65-plus years in the Rotorua District, of whom at least 40% were not partnered (e.g. widowed). According to official forecasts, by the year 2021 there will be 12,200 people aged 65 and over in the District. In 2001, around 20% of people aged 65-plus did not own their own home, giving an estimated 960 rental homes occupied by older people in Rotorua. Council's housing stock is therefore approximately 15% of the market for rental homes occupied by older people in Rotorua.

5. Council's pensioner housing stock is listed as a Strategic Asset in its Long Term Council Community Plan 2006-16.

For over four decades Council has provided housing for older people within a "social housing" philosophy. As at May 2005 there were 146 units owned and managed by Council. Of these 20 were double units having one separate bedroom and there are 126 single units, 105 of which were bed-sits with remaining 21 having one separate bedroom. From August 2006 there will be 152 units in total of which 81 will be of a bed/sitting room style, 51 will be single units a separate bedroom and 20 units with a separate bedroom will be for couples.

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

There is recognition that housing plays a crucial role in community health and well-being and that councils play an important role in shaping housing outcomes at a community level.

### Social Housing

Social housing in broad terms is housing provided for the primary purpose of meeting the needs of occupiers, rather than solely returning an investment to the owner, i.e. primarily not-for-profit, and with social rather than commercial objectives. It covers a range of housing types that have in common that some form of public support and/or support from community service providers is a necessary part of putting it in place. This will be true whether the need is assisting people into home ownership, or into rental housing.

The traditional emphasis has been on affordability, with housing policy focused on how to enable provision of physically adequate housing for households, which lack the financial means to meet their needs through the market. This is changing.

### Social Housing and social services

Today the term social housing means more than just housing which targets affordability; now it typically means housing that is provided in a way that meets an identifiable social need or needs across a range of welfare and health issues.

Social housing treats the home as the nexus in a complex web of relationships which together contribute to the stability and well-being of individual households. The emphasis is on housing that is stable in the sense that the individual household(er) is able to utilise it long term and thus develop enduring relationships with other social service providers such as health, education, employment and welfare services.

Local Government and community involvement in Management and Ownership of Social Housing.

A report for Local Government NZ and the Ministry of Social Policy Dec 2000

# Social and cultural group cont.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

## A safe and caring community

- Safe homes & streets
- Organisation's working together on agreed priorities

## A healthy community

- Partnerships to promote healthy living

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	445	474	441
Plus Capital Revenue	0	0	0
Less Depreciation	(408)	(408)	(407)
Depreciation Funded by General Rates	0	0	18
Self Funding/DC Reserve Movements	(37)	(66)	(52)
<b>Total Rates for/(from) Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	0	0	0
Loans from/(to) Corporate Fund	0	0	0
Reserves Net	84	240	21
<b>Total Capital</b>	<b>84</b>	<b>240</b>	<b>21</b>

## Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	621	572	560
Financial Costs	52	113	85
Depreciation	408	408	407
Other	0	0	0
<b>Total Costs</b>	<b>1,081</b>	<b>1,093</b>	<b>1,052</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	636	619	611
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>636</b>	<b>619</b>	<b>611</b>
<b>Net Cost of Service</b>	<b>445</b>	<b>474</b>	<b>441</b>

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	0	0	18
Growth	0	0	0
Backlog	0	0	0
Level of Service	84	240	3
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>84</b>	<b>240</b>	<b>21</b>

## Performance for 2009

### Outcome Promoted – A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Safe homes and streets</li> <li>Organisation's working together on agreed priorities</li> </ul>	Sensitively manage tenancies whilst achieving financial and occupancy objectives.	Tenancy Records	Provide accommodation for a maximum of 172 elderly people with limited assets.	Achieved.

### Outcome Promoted – A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Partnerships to promote healthy living	Maintain the Pensioner houses and their environs as sustainable community assets.	Maintenance Logs/Calls	Respond to maintenance requests within 10 working days if non-urgent or 1 working day if it is an urgent issue.	Achieved.

# Social and cultural group **cont.**

## Public Gardens/General Reserves

### Overall aim of the activity

*To provide a network of parks and reserves at a neighbourhood and district level for casual and organised recreation, environmental and urban enhancement which contributes to the shape and form of the places in which we live.*

*To enhance the urban and rural environment with excellent open space, design, planting and interpretation.*

### This year's highlights and achievements included

- **Playgrounds** – 7 playground renovations, one new (Werrina Crescent) playground completed and one relocation in Fordlands.
- **Otautu Bay, Lake Rotoehu** – development of a new boatramp and jetty.
- **Westbrook fields** – purchase of Rotorua Rugby Sub-Union land, removal of old concrete bunker, development of new carpark.
- **NRB Survey** – Beautification & Landscaping 96%, Parks Reserves & Playgrounds 92%, Sportsfields 83%.
- **Boyes Beach Reserve** – redevelopment of grass beach area.
- **Smoke Free Policy** – introduced no smoking policy for all of Tokorangi Forest and Council playgrounds.
- **Bellingham Crescent Reserve** – new carpark development and relocation of playground to Wrigley Road Reserve.
- **Castlecorp savings** – 5% savings made in six months.
- **Lakefront development** – concept plan out for public consultation.
- **Rotorua Community Youth Centre Trust** – purchase of YWCA building for conversion to Youth Centre.

- **Grants** - \$100,000 from Francis Moss Boord Trust for Maple grove gully development at Centennial Park.
- **Smallbone Park** – installation of second water hockey turf in conjunction with Hockey Trust.

### Activity purpose – why we provide the service

The provision of parks, reserves and public gardens contributes towards the protection and enhancement of ecological, heritage, recreation and landscape values in the Rotorua District. The provision of parks, reserves and public gardens also contributes directly and indirectly to the physical, mental and spiritual health of Rotorua people, and to the social, cultural, economic and environmental well-being of the Rotorua community.

Many of the most significant parks and reserves in Rotorua city were gifted to the Crown by Ngati Whakaue at the time Rotorua was first developed. Council has taken over responsibility for these areas from the Crown, and cares for them on behalf of current and future generations of Rotorua residents.

The Rotorua community has over a long period of time been active partners with Council and the Crown in development of reserves for sporting, community and environmental purposes. The community has played a significant role in developing the assets that Council now maintains on their behalf.

The way we present our District to our community and visitors demonstrates the pride that we have in our community. It also provides a welcome to our visitors that is part of what makes Rotorua special. This has additional economic benefits for the community in the form of higher visitor numbers.

Council provides services that meet the needs of the community for access to recreational opportunities on

our lakes, such as boat ramps and jetties, carparks, walkways, public toilets etc.

The activity contributes to improved water quality in our lakes through protection and enhancement of the ecological wetlands on Council reserve land.

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

### Activities include:

- Legislative compliance in development and management of parks assets.
- Policy implementation, compliance and review.
- Planning and implementation of parks' capital works and replacement of parks' assets.
- Scheduling and implementation of parks maintenance and capital works contracts.
- The maintenance of high profile parks, gardens and lawns.
- The maintenance of all sports fields, urban and rural reserves, street trees, local purpose reserves, drainage easements and traffic islands
- The maintenance of structures on and bordering reserves including buildings, fences, playgrounds, jetties, boat ramps, furniture.
- Reserves amenity lighting and water supply to reserves.
- Janitorial services for reserves' amenities.
- The management of the Tokorangi forest ensuring continued public access to at least the current level.

# Social and cultural group cont.

Council provides the Nursery activity in order to:

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

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

**The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes**

#### A safe and caring community

- Providing safe public spaces
- Family & whanau work, play and talk together

#### A community that respects its environment

- Improved lake water quality
- People using and enjoying our natural environment
- Kaitiakitanga (guardianship)
- Managing and protecting geothermal resources and our springs, trout, lakes, forests, geysers
- Looking after our air, land and water resources.
- People using and enjoying our natural environment

#### A community with excellent facilities and services

- Affordable facilities and reserves and services

#### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	8,282	8,243	8,053
Financial Costs	748	516	1,064
Depreciation	1,381	1,148	1,076
Other	0	0	0
<b>Total Costs</b>	<b>10,411</b>	<b>9,907</b>	<b>10,193</b>
<b>REVENUE</b>			
Capital Revenue	465	861	1,418
Fees and Charges	1,139	828	1,119
Investment Income	115	32	121
Subsidies and Grants	0	7	9
<b>Total Revenue</b>	<b>1,719</b>	<b>1,728</b>	<b>2,667</b>
<b>Net Cost of Service</b>	<b>8,692</b>	<b>8,179</b>	<b>7,526</b>

#### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	1,546	1,479	465
Growth	24	221	596
Backlog	0	0	0
Level of Service	2,166	897	642
Other Capital Expenditure	0		0
<b>Total Capital</b>	<b>3,736</b>	<b>2,597</b>	<b>1,703</b>

#### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	8,692	8,179	7,526
Plus Capital Revenue	465	861	1,418
Less Depreciation of General Rate Activities	(1,381)	(1,148)	(1,076)
Depreciation Funded by General Rates	1,546	1,479	465
Self Funding/DC Reserve Movements	24	0	0
<b>Total Rates for/(from) Operations</b>	<b>9,346</b>	<b>9,371</b>	<b>8,333</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	1,546	1,479	465
Loans from/(to) Corporate Fund	171	890	50
Capital Grants	0	150	128
Resource management fees	0	624	1,223
Development Contributions	215	86	66
Reserves Net	1,804	(632)	(229)
<b>Total Capital</b>	<b>3,736</b>	<b>2,597</b>	<b>1,703</b>

# Social and cultural group cont.

## Capital Expenditure – Major Projects

for the year ended 30 June:	2009 Actual
(thousands)	
Hockey Improvements	1,052
Replacement Fences	64
Playgrounds Replacement	193
Signage Replacement	96
Westbrook Park Land Purchase and Development	1,851
Westbrook Playing Fields	128
Government Gardens Backup Bore	76
Other	276
	<b>3,736</b>

### Variance from budget

*Operating Costs* - Unfavourable variance in depreciation and interest due to a higher than budget increase in assets and an increase in the value of the assets (revaluation done).

*Revenue* - Lower than budgeted financial contributions (capital revenue) due to slower economy and less development, offset by higher rental/lease revenue for parks and reserves.

*Capital expenditure* - Purchase of Westbrook sports field was meant to happen in 2006/07, but happened at the beginning of 2008/09.

## Performance for 2009

### Outcomes Promoted – A safe and caring community, A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Providing safe public spaces</li> <li>Families and whanau work, play and talk together</li> <li>Increasing recreational opportunities</li> </ul>	Provide and maintain safe accessible parks and reserves, play areas, wetlands, gardens and walkways	Spatial analysis using GIS maps.	A children's play area within 500m of 90% of dwellings in the urban area.	Achieved.
		Safety audit completed annually and reported to Council through CPR Committee.	97% of safety audits comply with NZ Safety Standards.	Achieved.
	Form and function of play areas/locations reviewed.	Review completed and report presented to Council through CPR Committee.	Play areas/ locations reviewed every 5 years.	Achieved.
	Provide and maintain sportsfields for local, regional, national competitions and participation	NRB Survey and Summer and Winter booking form analysis.	Grassed sportsfields for all summer and winter codes as demonstrated by an overall satisfaction level of 91% in the NRB Survey.	Not achieved - 83% satisfaction.

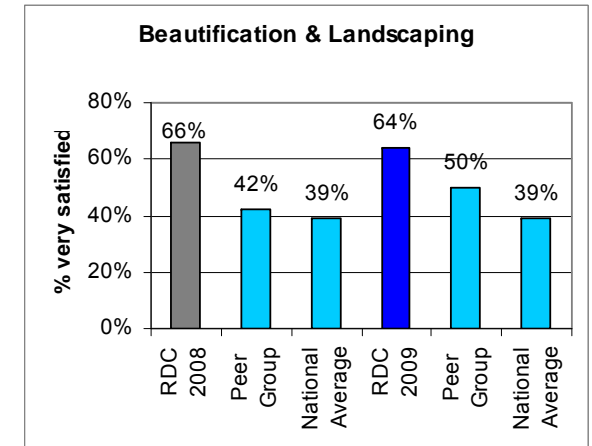
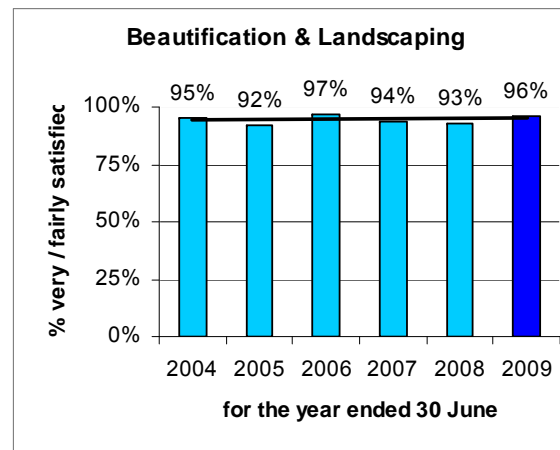
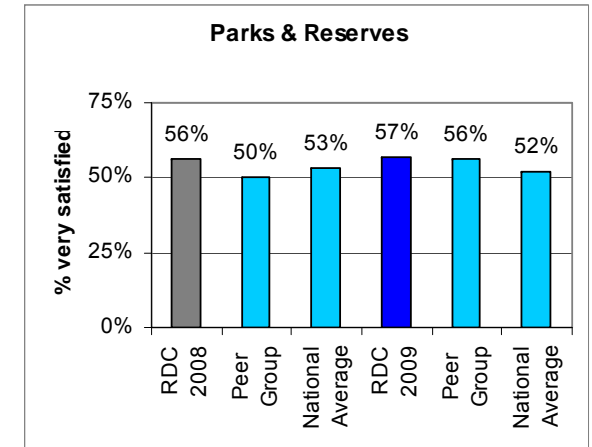
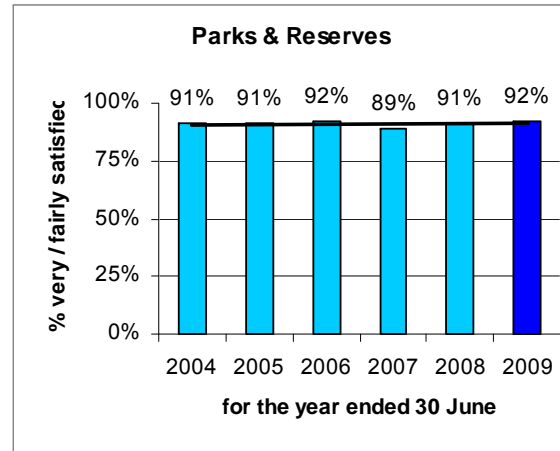
### Outcome Promoted – A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Improved lake water quality</li> <li>People using and enjoying our natural environment</li> <li>Kaitiakitanga (guardianship)</li> <li>Managing and protecting geothermal resources and our springs, trout, lakes, forests, geysers</li> </ul>	Enhance the urban and rural environment with excellent open space design, planting and interpretation	NRB Survey	Stunning floral displays, amenity plantings and street trees in public gardens within the CBD, suburban streets and rural and lakeside reserves as demonstrated by an overall satisfaction of 92% in the NRB Survey.	Achieved – 96% satisfaction.

# Social and cultural group cont.

## NRB Community Survey

The four adjacent graphs have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



These graphs show the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.

These graphs show the percentage of survey respondents that are "very" satisfied with these services over the last two years and compares it with our peer group and the national average.

# Social and cultural group cont.

## Public Library

### Overall aim of the activity

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

### This year's highlights and achievements included

- **Library Upgrade** – contract awarded in August 2008 and the official opening/celebration was held on 1 April. The project was completed on time and within budget. Highlights include:
  - **Entranceway** – library is now accessible from Haupapa Street and the entrance is attractive and visible with clear, bright signage. Inside the library on the ground floor are lots of spaces for people to sit and enjoy.
  - **Café** – opened on 1 April and has fulfilled one of the improvements most requested by customers. Situated at the main entrance it adds to the ambience of the library.
  - **Service desk/self issue/RFID** – new issues/help desk in conjunction with two self issue points has streamlined services for customers and the RFID has improved security. A drive-by returns box was installed and automated returns slots.
  - **Teens Library** – three times the space; \$20,000 received from Rotorua Energy Trust for extras such as Wii games and console, funky furniture, study carrels, art work and a neon sign.
  - **Children's Library** – slightly more space; \$20,000 received from Lion Foundation and \$25,000 from the Friends of the Library for new shelving, Wii games and console, giant chess set, soccer table, a recreational room for games

and crafts, murals and new furniture, and the Bridgeman Hattaway Trust has part funded a carved story chair. The Toy Library obtained funding for special shelving for the toys.

- **Friends of the Library Lounge** – a lounge area established on the first floor and funded by the Friends of the Library includes couches, coffee tables and television.
- **Living Rooms** – non fiction is now divided into 'living rooms' which link similar subjects that were previously divided by Dewey. Spaces have opened up for couches, chairs and tables to be introduced among the stacks.
- **Don Stafford Room** – now a place for serious researchers where they can browse through collections previously in locked cabinets and kept safe with a separate security system funded by the Francis Moss Board Trust. NZ Services, where this room is situated, provides a quiet area for customers to read or work undisturbed.
- **Meeting Rooms** – several of these are now available for the use of Council and community.
- **Wireless internet** – much requested by customers this was made available in June.
- **Art Space** – begun in June – an area of wall space, locked cabinets and display stands where members of the community can display their work for free.
- **Monthly reading rounds** – an interest group for adults which covered a wide range of topics and some guest speakers.
- **Children's programmes** – four very successful programmes – "Be a Super Reader and Conquer the World", "the Library Challenge", a summer programme – "Talespin" and "Star Search" – a talent contest, and a Halloween Fright Night.

- **Teens programmes** – preparation for and performance of a modern day version of MacBeth and Wii Games competitions.
- **Author nights** – Jackie Evans, Maureen Doherty, Steve Gurney and Rob Tucker.
- **Poetry competition** – Haiku competition for Montana Poetry Day.
- **Friends of the Library Quiz Night** – held in the library but organised and run by the Friends committee.
- **Library Week** – theme was "What's your korero?" and featured authors Leilani Rickards, Jack Stafford and Joyce Irving.

### Activity purpose – why we provide the service

The public library was first established in 1889 and is a very popular and well used civic amenity. Although there is no legislation or government policy for the provision of library service it is expected by the community. The library provides access to information for all residents and plays an important role in improving the standard and quality of life for residents by providing the means for lifelong learning, independent decision-making and cultural development of the individual and social groups.

The library is staffed for 62 hours per week, Monday to Saturday and is open for 55.5 of those hours as follows:

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



## Social and cultural group cont.

65% of the population belongs to the library and statistics show an average of 7,500 users per week. Services available to library users include a lending range of children's and adults' fiction and non-fiction books in normal and large print, magazines, not for loan reference books, special collections of NZ books, an historical collection of local newspapers on microfiche, (for which an index is being developed), talking books, music cassettes, CDs, CD-ROMs, videos and DVDs. The library houses the Community Toy Library, a collection of material belonging to the Rotorua Branch NZ Society of Genealogists, the Te Rangikaheke Papers (which are held in trust for Ngati Rangiwewehi) and a variety of Maori Land Court minute books. All of these are available to the public. The library created and now maintains the Community Contacts Database which contains information on more than 1,000 clubs and organisations.

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

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

reading initiative. Space is provided for exhibitions and displays.

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A community with excellent facilities and services

- Affordable facilities and reserves and services

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

- Improved opportunities
- Fostering Maori cultural activities and expression
- Respecting Te Arawa as part of the unique heritage of Rotorua District

#### A learning community

- Learning activities accessible for everyone
- Excellent pre-school/infant facilities
- Whanaus supported learning

#### A "happening" community

- Lots of events including sporting, cultural, festivals, arts
- Leading edge activity events
- Foster artistic expression, art, music, dancing, public performances and exhibitions
- Great facilities to visit

### Variance from budget

*Operating Costs* - Increases in depreciation and interest costs related to renovation of Library.

*Revenue* - Unbudgeted donations towards building of library \$87k offset by lower than budgeted operating revenue due to numbers down during renovation.

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	2,812	2,813	2,627
Financial Costs	169	88	74
Depreciation	1,110	921	741
Other	0	0	0
<b>Total Costs</b>	<b>4,091</b>	<b>3,822</b>	<b>3,443</b>
<b>REVENUE</b>			
Capital Revenue	104	14	13
Fees and Charges	332	420	318
Investment Income	12	0	23
Subsidies and Grants	5	5	11
<b>Total Revenue</b>	<b>453</b>	<b>439</b>	<b>364</b>
<b>Net Cost of Service</b>	<b>3,638</b>	<b>3,383</b>	<b>3,079</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	656	867	611
Growth	51	70	1
Backlog	0	0	0
Level of Service	1,957	1,845	150
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>2,663</b>	<b>2,782</b>	<b>762</b>

# Social and cultural group cont.

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	3,638	3,383	3,079
Plus Capital Revenue	104	14	13
Less Depreciation of General Rate Activities	(1,110)	(921)	(741)
Depreciation Funded by General Rates	656	867	611
Self Funding/DC Reserve Movements	(38)	0	0
<b>Total Rates for/(from) Operations</b>	<b>3,250</b>	<b>3,343</b>	<b>2,962</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	656	867	611
Loans from/(to) Corporate Fund	245	1,561	71
Capital Grants	0	0	8
Development Contributions	1,407	14	5
Reserves Net	355	340	67
<b>Total Capital</b>	<b>2,663</b>	<b>2,782</b>	<b>762</b>

## Capital Expenditure – Major Projects

for the year ended 30 June: (thousands)	2009 Actual
Buildings Upgrade	1,821
Book Purchases	569
Security System	52
Plant and Equipment	147
Other	74
	<b>2,663</b>

## Performance for 2009

### Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Affordable facilities and reserves and services.	Outstanding library freely accessible to Rotorua residents and visitors.	NRB Survey.	Four out of every five households use the District Library service.	Achieved.
		Horizon database of library numbers.	65% of population are members of the library.	Not achieved - 60%.
		Log of opening hours.	Library open to the public Monday-Friday 9.30am-8.00pm, Saturday 9.30am- 4.00pm.	Achieved.



# Social and cultural group cont.

## Performance for 2009

### Outcome Promoted – A community that values its living Maori culture



Giant Mural on children's wall by Marc Spijkerbosch

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Improved opportunities.</li> <li>Fostering Maori cultural activities and expression.</li> <li>Respecting Te Arawa as part of the unique heritage of Rotorua District.</li> </ul>	Collection of local Maori and European print resources for reference and study.	Catalogue and index.	100% of all published and unpublished print material reflecting Rotorua's heritage and culture is purchased each year for maintaining and protecting for present and future generations.	Achieved.
		Internet service logs.	Provide 24 hour 7 day access to the local history catalogue or index through the internet.	Not achieved (available for approximately 97% of the time).
		Log of opening hours.	Physical secure access to items in the local history collection Monday-Friday 9.30am-8.00pm Saturday 9.30am-4.00pm	Achieved.

### Outcome Promoted – A learning community



Entrance to the Teens Library, teenZown

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Learning activities accessible for everyone.</li> <li>Excellent pre-school/infants facilities.</li> <li>Whanau supported learning.</li> </ul>	Collections of fiction and non fiction for information, education and recreation.	NRB Survey.	A range of educational levels including primary, secondary, tertiary and adult learning as demonstrated by an overall satisfaction rating of 85% in the NRB Survey.	Achieved. 85% satisfaction.
		Record of school and organisations taking the tours are noted in the Library operations log.	Instruction will be provided in library use and resources to no fewer than 75 groups per year.	Not achieved. 62 groups were provided instruction.
		Log of classes and packs delivered.	New Entrant packs will be delivered to every 5 year old starting school in the district.	Achieved.

# Social and cultural group cont.

## Performance for 2009 Outcome Promoted – A “happening” community

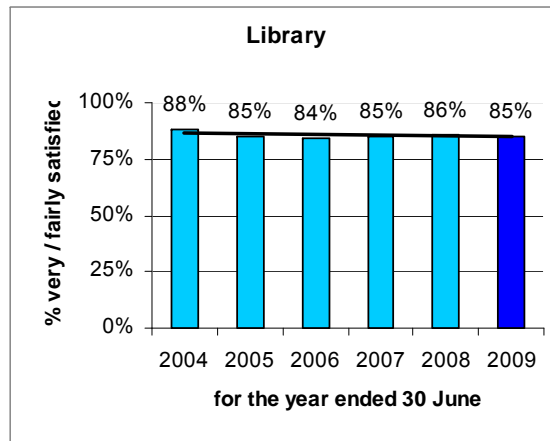
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Lots of events including sporting, cultural, festivals, arts.</li> <li>Leading edge activity events.</li> <li>Foster artistic expression, art, music, dancing, public performances and exhibitions.</li> <li>Great facilities to visit.</li> </ul>	Events that reflect the art and cultural interest of the community with a specific focus on literacy.	Programme logs.	During school terms: 4 children's programmes per year. 2 teens programmes per year.  Toddler Time 2 times a week.	Achieved.
		Noticeboard utilisation logs.	Noticeboards showcasing various community group/ individual work or activities for no fewer than 50 weeks per year.	Achieved.



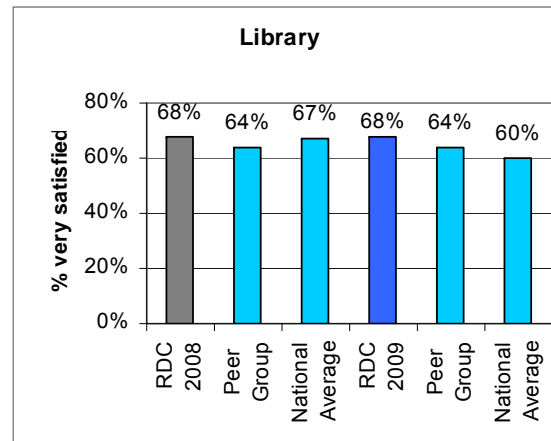
Using the new, automated return slots

### NRB Community Survey

The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.



This graphs shows the percentage of survey respondents that are “very” satisfied with this service over the last two years and compares it with our peer group and the national average.



Customer relaxing in one of the lounge areas

## Social and cultural group cont.

### Rotorua Museum of Art and History

#### Overall aim of the activity

*To provide an outstanding museum for the benefit of the Rotorua community and its visitors; to collect, preserve and interpret the material cultural heritage of the District for the benefit of future generations; to maintain the integrity of the Bathhouse as an iconic building for Rotorua and New Zealand.*

#### This year's highlights and achievements included

- **Centennial Project** – Rotorua Museum Centennial Trust continued fundraising efforts for the Centennial Project to complete the Bathhouse building. By year end almost \$22 million had been committed. Highlights during the year included securing donations of \$500,000 from the NZ Lotteries Grants Board (bringing the total from this source to \$1.2 million); and the announcement by Prime Minister Helen Clark on 4 July 2008 of funding of \$7.5 million from the Regional Museums Fund for Capital Projects. In April 2009 the contract for the construction of Stage III of the project was let to Watts and Hughes Limited, with construction beginning in June.
- **Exhibitions and Public Programmes** – staged 25 exhibitions during the year, and 23 public programmes. Many attracted over 100 people and some people were turned away due to overcrowding. Floor talks proved extremely popular.
- **Education Programme** – a total of 9,125 school students visited to participate in curriculum-linked learning opportunities conducted by the Museum's two fulltime teachers. The programme is funded largely by the Ministry of Education and is now in its tenth year. The current three year contract runs until 30 June 2010 and an application for a new contract will be prepared towards the end of 2009.
- **Visitor numbers and admissions revenue** – a total of 99,466 visitors came to the museum during

the year. Admissions revenue of \$686,751 was earned, while \$263,687 in retail sales were made.

- **Visitor spend** – total spend for the year averaged \$9.55 per visitor, a 4.7% increase from the previous year. This remains one of the highest spends per visitor of any museum in New Zealand and is especially notable as local residents do not pay any admission at all.
- **2008 INTERCOM Conference** – Rotorua Museum hosted this conference in November 2008 with over 170 delegates from around New Zealand and 18 countries around the world. The conference was a huge success, being described by INTERCOM President Dr David Fleming, Director of the National Museums Liverpool, as the best international conference he has ever attended. Delegates particularly enjoyed the compact size of Rotorua and the abundance of cultural and other activities available.

#### Activity purpose – why we provide the service

The purpose of the Museum activity can be summarized:

- *To collect and preserve the material heritage of the District for the benefit of current and future generations of citizens;*
- *To interpret, through exhibitions and public programmes, the Great Stories of Rotorua for local residents and visitors to the District;*
- *To maintain and enhance the Bath House building as a nationally important heritage building;*
- *To contribute to the tourism industry in the Rotorua District by providing a high quality visitor experience that enhances the overall tourist product of the District.*

The Rotorua Museum of Art & History, Te Whare Taonga O Te Arawa, is situated in the Bath House, an historic landmark building sited strategically in the Government Gardens. This activity also includes a

small museum area in the Blue Baths complex, also located in the Government Gardens and other heritage features in the District.

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

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

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

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

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

The museum's collections are housed off site in a customised building where they are stored in an optimum environment, thereby protecting the community's cultural heritage for future generations. A long term project to catalogue collection items aims to have every item recorded and stored on a computerised collection management system.

## Social and cultural group cont.

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

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

**The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes**

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

- Preservation and sustainable development of Maori resources.

**A learning community**

- Learning activities accessible for everyone.
- Quality educational institutions.

**A happening community**

- Great facilities to visit.
- Foster artistic expression, art, music, dance, public performances and exhibitions.

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	2,589	2,549	2,468
Financial Costs	80	55	132
Depreciation	425	489	406
Other	0	0	0
<b>Total Costs</b>	<b>3,094</b>	<b>3,093</b>	<b>3,006</b>
<b>REVENUE</b>			
Capital Revenue	2,144	1,298	2,113
Fees and Charges	1,083	1,141	960
Subsidies and Grants	6	112	0
<b>Total Revenue</b>	<b>3,233</b>	<b>2,551</b>	<b>3,073</b>
<b>Net Cost of Service</b>	<b>(139)</b>	<b>542</b>	<b>(67)</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	419	566	48
Growth	2,458	1,418	2,246
Backlog	0	0	0
Level of Service	0	12	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>2,877</b>	<b>1,996</b>	<b>2,294</b>

### Variance from budget

*Revenue* - Museum upgrade ahead of schedule resulting in increased capital revenue (offset by increase in capital expenditure).

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	(139)	542	(67)
Plus Capital Revenue	2,144	1,298	2,113
Less Depreciation of General Rate Activities	(425)	(489)	(406)
Depreciation Funded by General Rates	419	566	48
Self Funding/DC Reserve Movements	7	0	0
<b>Total Rates for/(from) Operations</b>	<b>2,006</b>	<b>1,917</b>	<b>1,688</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	331	566	48
Loans from/(to) Corporate Fund	10	132	55
Capital Grants	2,448	1,286	2,102
Development Contributions	88	12	11
Reserves Net	0	0	78
<b>Total Capital</b>	<b>2,877</b>	<b>1,996</b>	<b>2,294</b>

### Capital Expenditure – Major Projects

for the year ended 30 June: (thousands)	2009 Actual
Rotorua Moving Stories	377
Centennial Development	2,481
Other	19
	<b>2,877</b>

# Social and cultural group cont.

## Performance for 2009

### Outcome Promoted – A “happening” community



Museum Centennial development

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Great facilities to visit</li> <li>▪ Foster artistic expression, art, music, dancing, public performances and exhibitions</li> </ul>	An outstanding museum experience free to local residents of Rotorua	NRB Survey	More than half the households in Rotorua will visit the Museum each year.	Achieved. Actual = 60%.
		NRB Survey	At least 70% of local residents are very satisfied with the Museum and its services.	Achieved. Actual = 80%.
		Weekly Reporting Log	Open the museum 364 days a year, open to the public during advertised opening hours.	Achieved.
		Exhibition Programme as presented to Council.	No fewer than 20 touring and specially curated exhibitions from other parts of NZ and overseas per year.	Achieved. 25 completed to 30.06.09.

### Outcome Promoted – A community that values its living Maori culture

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Preservation and sustainable development of Maori resources	Collect, preserve, catalogue and conserve the community's cultural heritage.	Collection database records.	Provide at least 7 collections of approximately 100,000-125,000 items.	Achieved.
	Interpret and display the art, culture and stories of Rotorua and Te Arawa via a number of permanent exhibitions.	Exhibition log.	Provide and maintain at least 7 permanent exhibitions 364 days of the year.	Not achieved.

# Social and cultural group cont.

## Performance for 2009

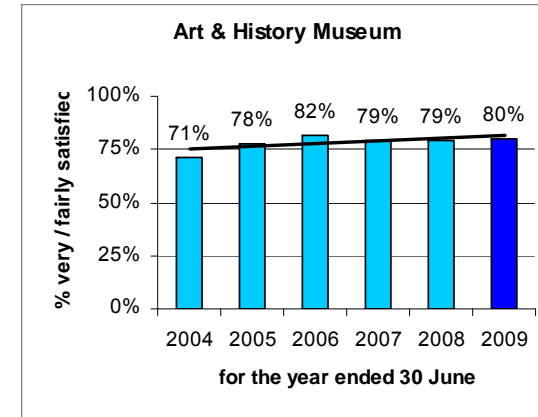
### Outcome Promoted – A learning community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Learning activities accessible for everyone Quality educational institutions.	A range of educational levels including primary, secondary, tertiary and adult learning.	Annual public programmes log.	Provide at least 20 Public Programmes (workshops/ lectures) per year.	Achieved. 23 completed as at 30.06.09.
		LEOTC Contract Milestone Reports.	Provide curriculum based learning programmes to at least 12,000 students/year.	Not achieved. 9,125 students participated in LEOTC programmes.
		Daily check of information displays.	Provide at least 14 different language based navigational maps so that museum visitors can self guide themselves around the museum.	Achieved.
		Daily reporting log and customer surveys.	Provide a minimum of 4 guided tours per day by trained docents.	Achieved. 6-8 guided tours a day by trained docents as from October 2008.

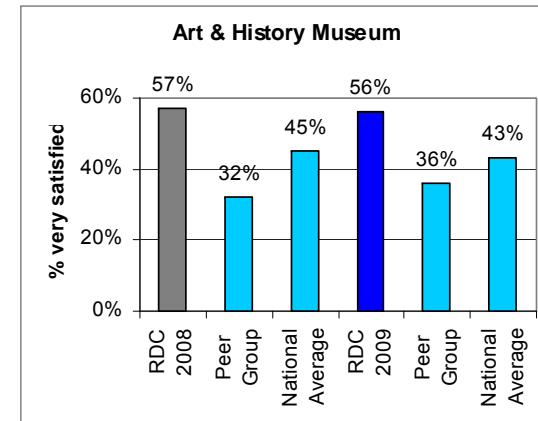


## NRB Community Survey

The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.



This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.



# Environmental group

## Contribution to Outcomes

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

## Overview of Group

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

- Animal Control
- Building Control
- Environmental Planning
- Inspection
- Parking Enforcement

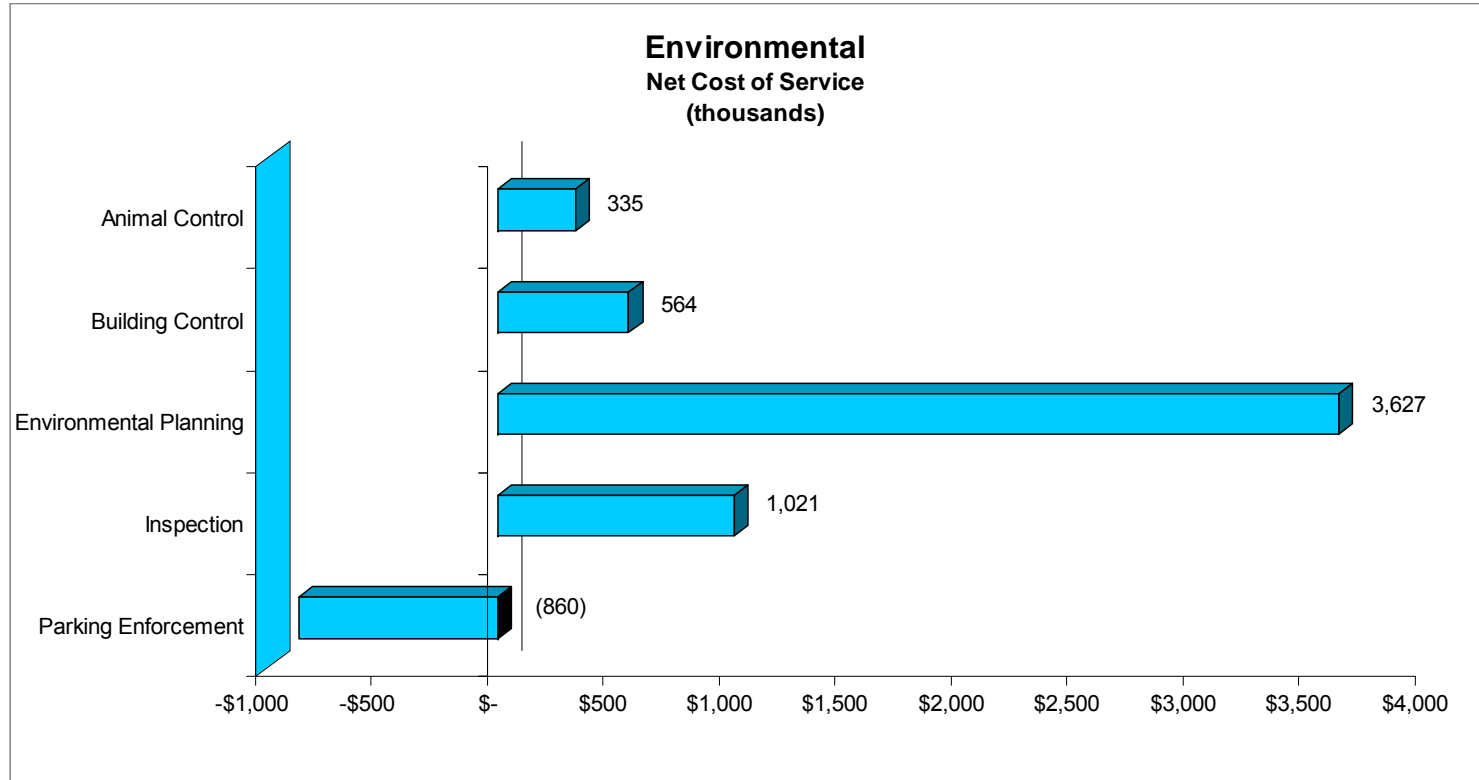
The Environmental Group activities reflect Council's role in natural resources management and regulation. The activities help us to plan for the future and make sure that everyone gets a fair deal, often having to balance competing rights of individuals and groups in the community to do different things.

## Potential Significant Negative Effects

Potential negative effects may include:

- Statutory processes take time and can be lengthy, community aspirations for the environment can alter over this time.
- Possible judicial review of exercising statutory authority and processes.
- Appeals lodged against decisions to the Environment Court.
- Changes in legislation that will have resultant effects on Levels of Services provided.
- Expenses associated with the high degree of consultation that must be undertaken for policy development projects.

# Environmental group cont.



# Environmental group cont.

## Animal Control

### Overall aim of the activity

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

### This year's highlights and achievements included

- 103 dogs were re-homed from the pound during the year.

### Activity purpose – why we provide the service

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

#### Control Function

This involves registration of dogs and the development and implementation of a Council policy on dog control. This activity is undertaken because it is required by statute. The activity further involves the inspection of kennelling standards and the investigation/resolution of nuisances/complaints. Also provided is an educational programme on dog control available on a demand basis to primary and intermediate schools in the Rotorua District.

#### Pound Keeping Function

Dogs are impounded so they do not continue to be a nuisance and a risk to the public. They are kept in humane conditions. Those dogs not claimed by their owners after seven days from the date of impounding are disposed of.

Stray stock are impounded so they do not continue to be a nuisance and a public safety risk on roads and in other public places. They are kept with ample sustenance until their disposal to owners, or by way of public auction.

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A safe and caring community.

- Providing safe public places.

#### A community that respects its environment

- People using and enjoying natural environment.

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	847	903	850
Financial Costs	1	0	1
Depreciation	8	8	6
Other	0	0	0
<b>Total Costs</b>	<b>856</b>	<b>911</b>	<b>856</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	520	546	533
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>520</b>	<b>546</b>	<b>533</b>
<b>Net Cost of Service</b>	<b>336</b>	<b>365</b>	<b>323</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	2	2	11
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>2</b>	<b>2</b>	<b>11</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	336	365	323
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(8)	(8)	(6)
Depreciation Funded by General Rates	2	2	11
<b>Total Rates for/(from) Operations</b>	<b>330</b>	<b>359</b>	<b>329</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	2	2	11
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>2</b>	<b>2</b>	<b>11</b>

# Environmental group **cont.**

## Performance for 2009

### Outcome Promoted – A safe and caring community

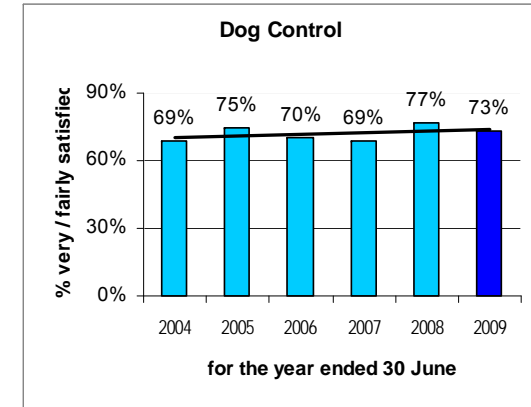
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Providing safe public places	Complaint investigation/ resolution.	Monitoring and auditing of complaints register.	Respond to complaints within 1½ days.	97% response rate.
	Impounding wandering dogs.	Monitoring and auditing of register of dogs.	Achieve registration of known dogs by 30 June.	Achieved. 10,407 dogs registered.
	Impounding wandering stock.	Monitoring and auditing of complaints register.	Respond to all complaints immediately upon receipt.	Achieved. 100% immediate response.

### Outcome Promoted – A community that respects its environment

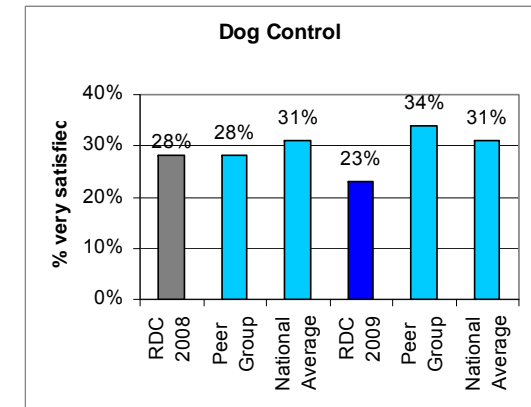
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
People using and enjoying our natural environment	Provision of dog exercise areas.	NRB survey.	Maintain 66% level of satisfaction in NRB survey.	Achieved. 77% level of satisfaction.

## NRB Community Survey

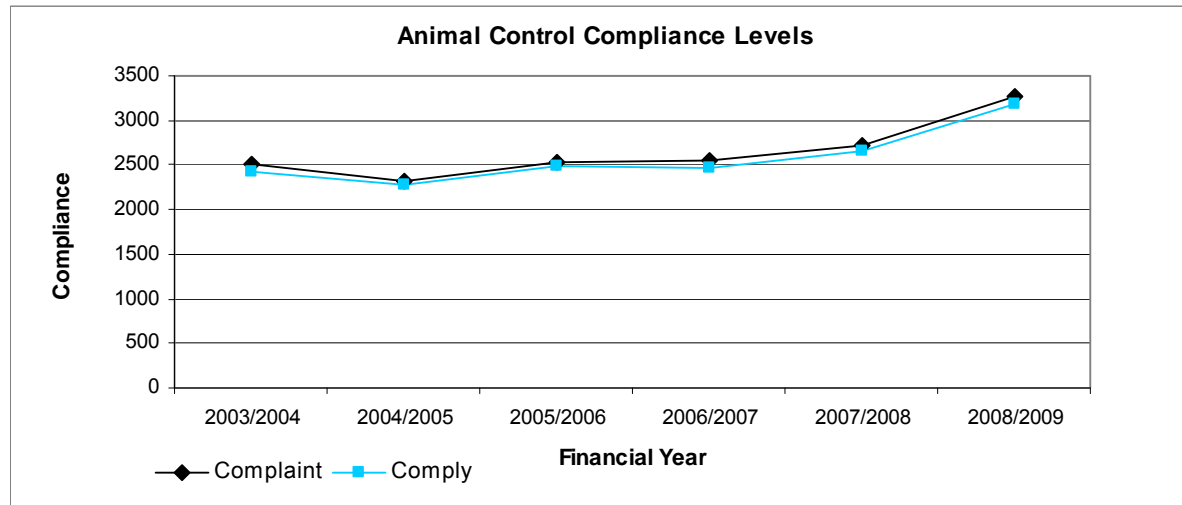
The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.



This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.



# Environmental group cont.

## Building Control

### Overall aim of the activity

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

### This year's highlights and achievements included

- Processing 98.5% of all building consent applications within the statutory timeframes.
- Audit undertaken of building control processes which resulted in accreditation being retained.
- Audited 30% of buildings with a warrant of fitness.

### Activity purpose – why we provide the service

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

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

Workload is dependent upon public generated demand.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

### A safe and caring community

- Safe homes and streets.
- Organisations working together on agreed priorities.
- Providing safe public spaces.

### A community that respects its environment

- Historical sites and buildings are protected and promoted.

### A healthy community

- Safe drinking water.
- Improving health status for all.
- Partnerships to promote healthy living.

### A community with excellent facilities and services

- Easy to get from place to place.
- Good, safe, maintained services and roads.
- Good quality infrastructure for future.

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	2,073	2,375	2,225
Financial Costs	0	0	0
Depreciation	10	11	7
Other	0	0	0
<b>Total Costs</b>	<b>2,083</b>	<b>2,386</b>	<b>2,232</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	1,520	1,796	1,817
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>1,520</b>	<b>1,796</b>	<b>1,817</b>
<b>Net Cost of Service</b>	<b>563</b>	<b>590</b>	<b>415</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	30	35	9
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>30</b>	<b>35</b>	<b>9</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	563	590	415
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(10)	(11)	(7)
Depreciation Funded by General Rates	30	35	9
<b>Total Rates for/(from) Operations</b>	<b>583</b>	<b>614</b>	<b>417</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	30	35	9
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>30</b>	<b>35</b>	<b>9</b>

### Variance from budget

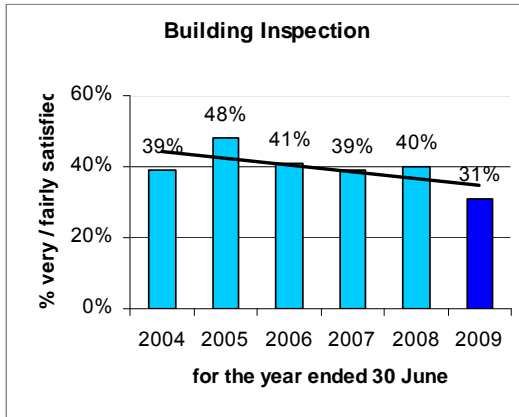
*Operating Costs* - Savings primarily in staff costs with change to staffing levels and mix (offset by lower revenue).

*Revenue* - Lower volume of consents then budgeted (offset by savings in operating costs).

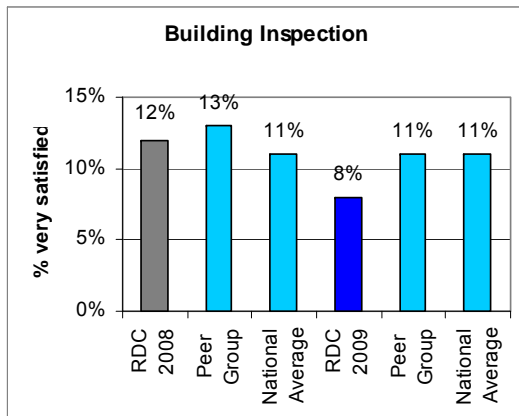
# Environmental group **cont.**

## NRB Community Survey

The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.



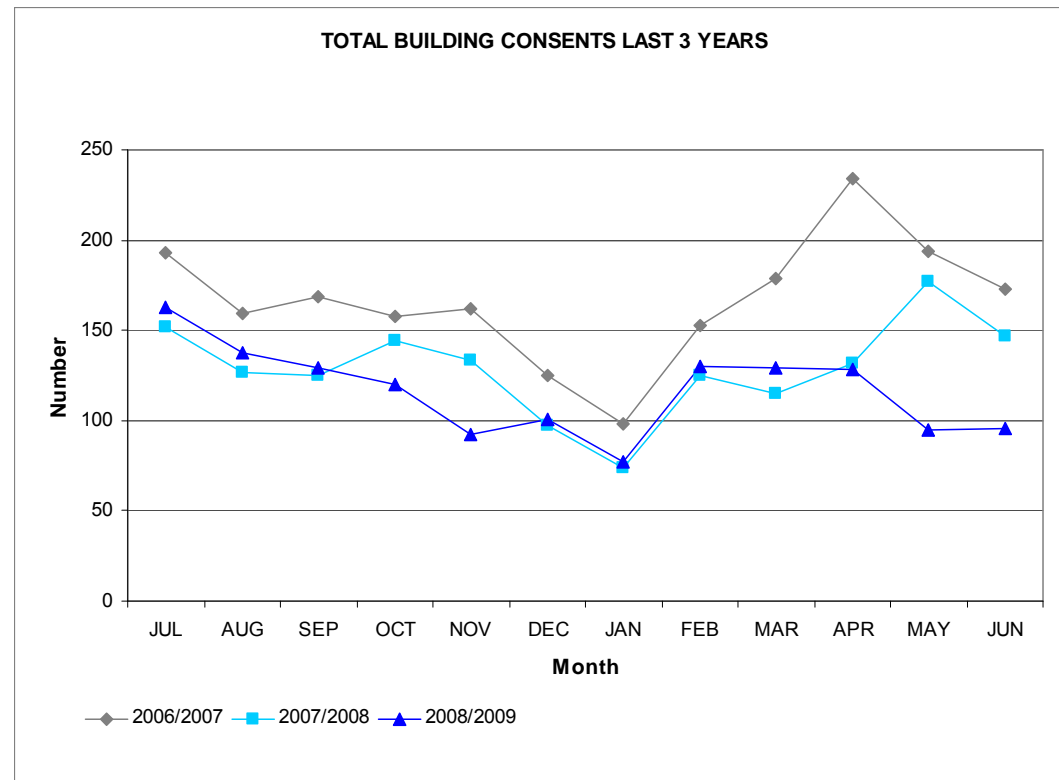
This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.

## Performance for 2009

## Outcome Promoted – A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Safe homes and streets	Buildings are constructed according to the Building Codes.	Department of Building and Housing audits.	Building consents are issued within the legislative timeframes.	98.5% issued within legislative timeframes.

## Building Consent Levels



# Environmental group cont.

## Environmental Planning

### Overall aim of the activity

To develop, manage, implement and monitor primary environmental and land use policies to maintain or improve the quality of the district's environment for current and future generations.

### This year's highlights and achievements included

- Exceeded Annual Plan consent processing targets for land use consents, subdivision consents, section 223 and 224 applications, and all other planning applications.
- Increased 31 places in the bi-annual Ministry for the Environment Survey of Local Authorities, moving from position 47 to position 16.
- Successful round of Councillor workshops to set the policy foundation for the District Plan review.
- Completed hearing process and decision of Council issued in respect of the Victoria Street Arterial project.
- Recipients of the NZ Post Local Governance Excellence Award, Community Engagement, for 'FRESH IDEAS' community engagement phase of the District Plan.

### Activity purpose – why we provide the service

Council provides this service in order to comply with its statutory responsibility. Functions of Environmental Planning are derived primarily from the Resource Management Act 1991(RMA). Council's policies on the environment are set out in the Rotorua District Plan. The Council also provides input into Regional and National environmental planning documents, and acts as a community advocate. A growing focus is the need to monitor changes in the environment and to identify where changes in environmental policy may have merit. Implementation of current policy remains a key function.

Policy activities include:

- Progressive development of the Council's District Plan. The District Plan review cycle begins in 2005/06 with a target date for notification being 2008.
- Monitoring the state of the environment and reporting of environmental outcomes in the Council Long Term Community Plan (Ten Year Plan).
- Facilitation of input and data collection for the Rotorua Growth Model.
- Advice to Council on environmental issues.
- Consultation with the public, interest groups and affected parties where changes to policy are contemplated.
- Collaborative approach to environmental issues through strategic partnerships with other resource management agencies.
- Responding to central and regional government policy proposals where these affect land use and resource management within the District.

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

- Receiving, assessing, processing, and making recommendations on land use and subdivision resource consents
- Providing an integral customer service function through the provision of information about the District Plan in response to public enquiries
- Regular monitoring of compliance with conditions attached to approved land use and subdivision consents.
- Where necessary undertake enforcement actions in accordance with the provisions of the District Plan and RMA.

**The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes**

### A safe and caring community

Families and whanau are safe and strong, people are considerate and respect cultural diversity

- Safe homes and streets
- Providing safe public spaces

### A community that respects its environment

A District that values and protects its uniqueness as the world's premier geothermal wonderland and looks after its lakes, forests, rivers and historic places.

- Looking after our air, land, and water resources
- Managing and protection geothermal resources and our springs, trout, lakes, forests, and geysers
- Historical sites and buildings are protected and promoted
- People using and enjoying our natural environment
- Improved lake water quality

### A prosperous community

A District where planned growth ensures sensitive development within the natural environment and easy access to and from the District as well as within.

- More investment in our district
- Encouraging growth
- Celebrating and promoting our district's unique qualities

### A community that values its living Maori culture

The history of Te Arawa in the district and the value of Maori culture are recognised and fostered.

- A community that recognises the value of partnerships including the Treaty of Waitangi
- Respecting Te Arawa as part of the unique heritage of the Rotorua district
- Preservation and sustainable development of Maori resources

# Environmental group cont.

## Cost of Service – Planning Policy

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	1,594	1,834	1,765
Financial Costs	0	0	0
Depreciation	4	9	6
Other	0	0	0
<b>Total Costs</b>	<b>1,598</b>	<b>1,843</b>	<b>1,771</b>
<b>REVENUE</b>			
Capital Revenue	11	0	0
Fees and Charges	8	3	4
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>19</b>	<b>3</b>	<b>4</b>
<b>Net Cost of Service</b>	<b>1,579</b>	<b>1,840</b>	<b>1,767</b>

## Cost of Service – Planning Implementation

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	2,253	2,237	2,044
Financial Costs	0	0	0
Depreciation	12	12	9
Other	0	0	0
<b>Total Costs</b>	<b>2,265</b>	<b>2,249</b>	<b>2,053</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	217	331	340
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>217</b>	<b>331</b>	<b>340</b>
<b>Net Cost of Service</b>	<b>2,048</b>	<b>1,918</b>	<b>1,713</b>

## Capital Expenditure – Planning Policy

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	9	18	7
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>9</b>	<b>18</b>	<b>7</b>

## Capital Expenditure – Planning Implementation

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	10	26	13
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>10</b>	<b>26</b>	<b>13</b>

## How we pay for this activity – Planning Policy

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	1,579	1,840	1,767
Plus Capital Revenue	11	0	0
Less Depreciation of General Rate Activities	(4)	(9)	(6)
Depreciation Funded by General Rates	9	18	7
<b>Total Rates for/(from) Operations</b>	<b>1,595</b>	<b>1,849</b>	<b>1,768</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	9	18	7
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>9</b>	<b>18</b>	<b>7</b>

## How we pay for this activity – Planning Implementation

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	2,048	1,918	1,713
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(12)	(12)	(9)
Depreciation Funded by General Rates	10	26	13
<b>Total Rates for/(from) Operations</b>	<b>2,046</b>	<b>1,932</b>	<b>1,717</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	10	26	13
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>10</b>	<b>26</b>	<b>13</b>

### Variance from budget – Planning Policy

*Operating Costs* - Favourable variance in consultants due to cost savings initiatives.

### Variance from budget – Planning Implementation

*Operating Costs* - Staff costs higher than budget due to market movements and an unfavourable variance in consultants due to additional projects.



# Environmental group cont.

## Performance for 2009 – Planning Policy

### Outcome Promoted – A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Looking after our air, land and water resources.</li> <li>▪ Managing and protecting geothermal resources and our springs, trout, lakes, forests, geysers.</li> <li>▪ Historical sites and buildings are protected and promoted.</li> <li>▪ Kaitiakitanga (guardianship)</li> </ul>	Operative District Plan that is updated regularly through changes and reviews responsive to the district's environmental issues.	<ul style="list-style-type: none"> <li>▪ Keep web based Plan Change Update page current (www.rdc.govt.nz)</li> <li>▪ Report Plan Changes to Planning and Bylaws Committee regularly.</li> <li>▪ Monthly update of web Plan Change schedule.</li> </ul>	Maintain Operative District Plan that is regularly updated.	Achieved.
People using and enjoying our natural environment.	From an environmental perspective advocate on behalf of the community to national and regional environmental on documents that will impact Rotorua.	<ul style="list-style-type: none"> <li>▪ Submissions prepared and presented in accordance with standard template and procedure.</li> <li>▪ Project Plan reporting of key steps and milestones in process.</li> <li>▪ Yearly matrix of community advocacy projects.</li> </ul>	Submissions lodged on time, and successful representation at national and local hearings.	Achieved.

### Outcome Promoted – A community that values its living Maori culture

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ A community that recognises the value of partnerships including the Treaty of Waitangi.</li> <li>▪ Respecting Te Arawa as part of the unique heritage of Rotorua District.</li> <li>▪ Preservation and sustainable development of Maori resources.</li> </ul>	Tangata whenua input into decision making where activities impact Maori values.	<ul style="list-style-type: none"> <li>▪ Maori input into policy development included in accompanying plan change Section 32 documentation.</li> <li>▪ Policy Project Plan input checklist annual review.</li> </ul>	Maori input is sought into the development of environmental policy.	Achieved.

# Environmental group cont.

## Performance for 2009 – Planning Implementation

### Outcome Promoted – A community that respects its environment

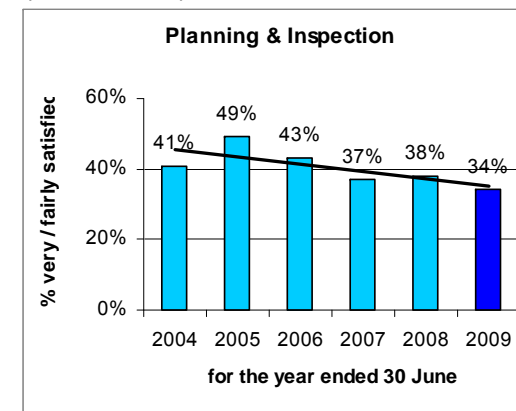
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Looking after our air, land and water resources.</li> <li>Managing and protecting geothermal resources and our springs, trout, lakes, forests, geysers.</li> </ul>	Timely and consistent consent decisions that minimise impacts on the environment.	Quarterly report on consent processing figures forwarded to Council.	Non-notified consent applications processed within 20 working days of receipt of adequate information.	Land Use – 95% Subdivision – 95% 223/224 – 97% Other – 95%
<ul style="list-style-type: none"> <li>Historical sites and buildings are protected and promoted.</li> <li>Kaitiakitanga (guardianship).</li> </ul>	Appropriate community input sought for more complex applications.	Quarterly report on consent processing figures forwarded to Council.	Notified resource consents processed within statutory timeframes.	Achieved.
	Compliance with consent conditions monitored.	Monthly consent monitoring report.	All consent conditions monitored to ensure compliance.	Achieved.
	Prompt response to complaints about planning and environmental issues.	Monthly complaints monitoring response report.	Complaints received responded to in 24 hours.	Achieved.

### Outcome Promoted – A community that values its living Maori culture

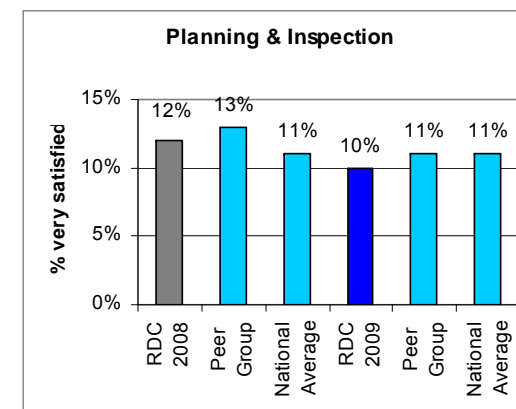
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>A community that recognises the value of partnerships including the Treaty of Waitangi.</li> <li>Respecting Te Arawa as part of the unique heritage of Rotorua District.</li> </ul>	Tangata whenua input into decision making where activities impact Maori values.	Monthly update of Iwi Consultative Committee Register.	<ul style="list-style-type: none"> <li>Regular meetings of the Iwi Consultative Committee.</li> <li>Consent applicants are aware of tangata whenua contacts for consultation purposes.</li> </ul>	Achieved.

## NRB Community Survey

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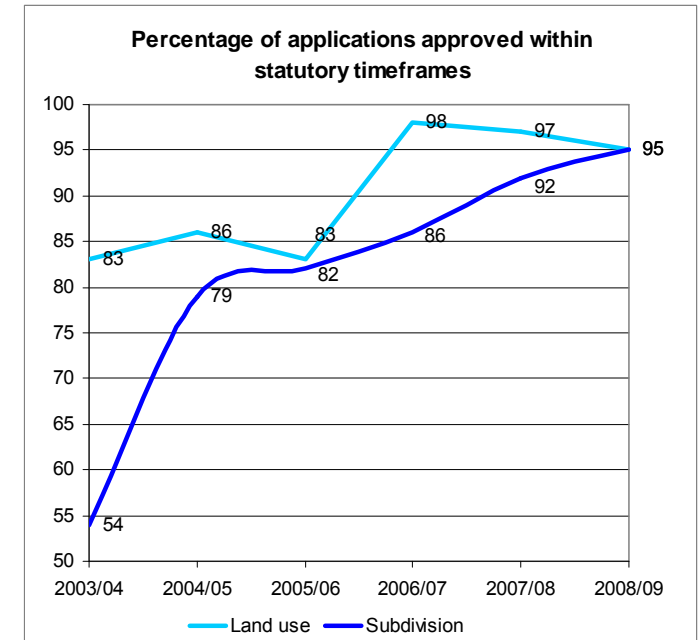
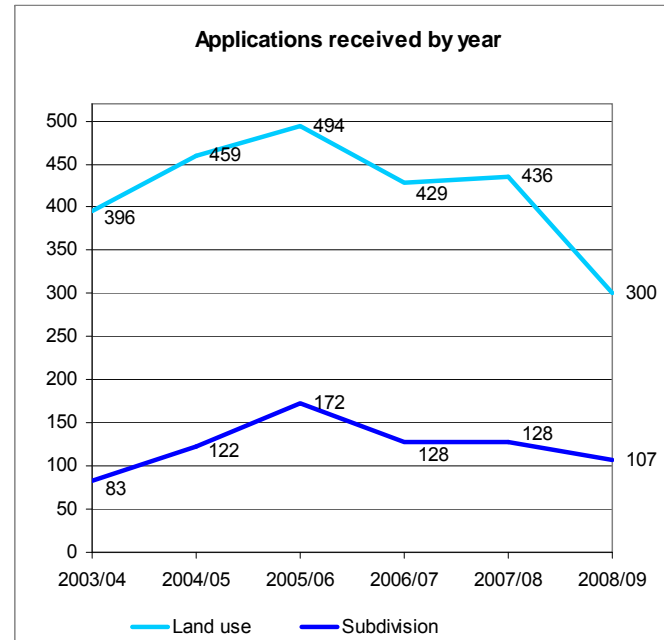
This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.



This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.

# Environmental group cont.

## Other indicators



# Environmental group **cont.**

## Inspection

### Overall aim of the activity

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

### This year's highlights and achievements included

- High (82%) level of satisfaction with Noise Control from NRB Survey.
- Traffic Bylaw review completed.
- Redefined "Liquor Licences" for premises serving liquor in "The Street".

### Activity purpose – why we provide the service

Council provides this service to meet its statutory responsibilities and to enhance community health and safety.

This activity employs inspectors in the following activities:

#### i) Lakewaters Control

The role is confined to the administration of foreshore structures, during a period of transition of control from Council to Environment BOP. The activity is undertaken to ensure that foreshore structures are located, constructed and used in a safe manner that does not cause a nuisance to the public.

#### ii) Hazardous Substances

To ensure public safety in the handling and storage of hazardous substances by the enforcement of the Hazardous Substances and New Organisms Act and Regulations, in public places and private dwellings.

#### iii) Geothermal

The geothermal inspection function is limited to health and safety issues in an advisory role and includes undertaking testing for the emission of hydrogen sulphide gas. The purpose is to keep the public safe from geothermal activity.

#### iv) General

The purpose of administering and enforcing the General Bylaws is to ensure there is a response capacity to deal with various things that can cause a nuisance to people. A diverse range of activities is involved including licensing signs and hoardings, obstruction of public property, and disposal of abandoned vehicles.

#### v) District Licensing Agency

The activity involves the management of the District Licensing Agency as required by the Sale of Liquor Act. The purpose of this activity is to administer and enforce the Act, Regulations and Council's Liquor Policy to ensure managers and premises hold the appropriate liquor licence and to work towards a reduction of liquor abuse in the community.

#### vi) Environmental Health

The purpose of this activity is the promotion and conservation of public health. This is achieved by the enforcement of the provisions of the Health Act, Resource Management Act and bylaws. Activities include inspection of food premises, hairdressers and camping grounds, investigation of noise and health complaints, and monitoring of water supplies and swimming pools.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

### A safe and caring community.

- Safe homes and streets.
- Providing safe public places.
- Organisations working together on agreed priorities.

### A community that respects its environment

- Looking after our air, land and water resources.
- People using and enjoying our natural environment.
- Managing and protecting geothermal resources and our springs, trout, lakes, forests and geysers.

### A healthy community

- Good access to health services.
- Safe drinking water.
- Improving health status for all.
- Improved youth health.
- Effective responses to developing health issues.
- Partnerships to promote healthy living.
- Healthy whanau, healthy communities.

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	1,384	1,486	1,336
Financial Costs	0	0	0
Depreciation	16	19	19
Other	0	0	0
<b>Total Costs</b>	<b>1,400</b>	<b>1,505</b>	<b>1,356</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	380	368	355
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>380</b>	<b>368</b>	<b>355</b>
<b>Net Cost of Service</b>	<b>1,020</b>	<b>1,137</b>	<b>1,001</b>

# Environmental group cont.

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	8	27	11
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>8</b>	<b>27</b>	<b>11</b>

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	1,020	1,137	1,001
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(16)	(19)	(33)
Depreciation Funded by General Rates	8	27	11
<b>Total Rates for/(from) Operations</b>	<b>1,012</b>	<b>1,145</b>	<b>979</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	8	27	11
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>8</b>	<b>27</b>	<b>11</b>

## Variance from budget

*Operating Costs* - Favourable variance primarily due to reduction in security contract, abandoned vehicles and printing savings.

## Performance for 2009

### Outcome Promoted – A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Providing safe public spaces	General complaint investigation/ resolution.	Complaint response time analysis report.	To respond to general complaints within 1 working day.	96% responded to within 1 working day.
Organisations working together on agreed priorities	Ensure compliance by liquor licensees with condition of liquor licences.	Inspection frequency tracing report.	Inspect every premise licensed under Sale of Liquor Act at least once every 12 months.	283 of 296 (95%) of premises inspected.

### Outcome Promoted – A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Looking after our air, land and water resources	Litter complaint investigation/ resolution.	Complaint response time analysis report.	To respond to litter complaints within 1 working day.	96% responded to within 1 working day.
People using and enjoying our natural environment	Geothermal gas level monitoring service.	Complaint response time analysis report.	To respond to geothermal gas complaints within 1 working day.	96% responded to within 1 working day.
	Noise complaint investigation/ resolution.	NRB survey.	Respond to noise complaints within 2 hours.	82% level of satisfaction.

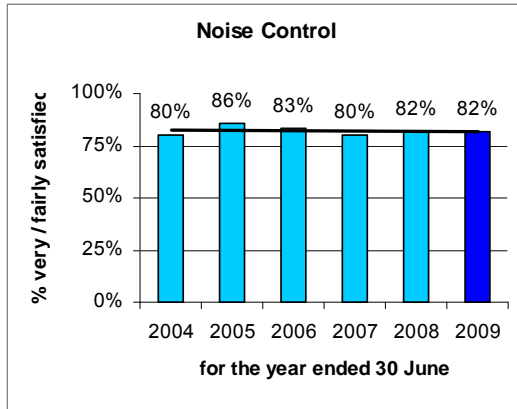
### Outcome Promoted – A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Partnerships to promote healthy living	Health complaint investigation/ resolution.	Complaint response analysis report.	Respond to health complaints within 1.5 working days.	99.5% of complaints responded to within 1.5 working days..
Improving health status for all	Food inspection/ registration of food premises	Premises inspection status report.	Register food premises.	Achieved. 100% of premises registered.

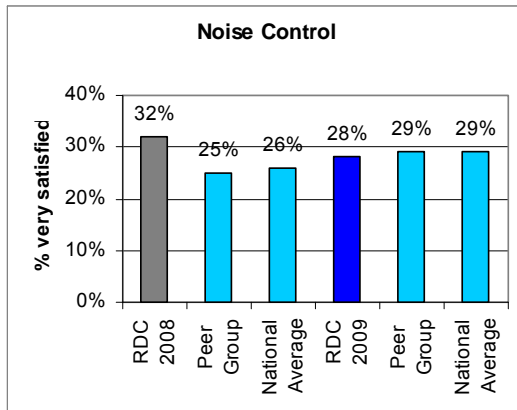
# Environmental group **cont.**

## NRB Community Survey

The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.

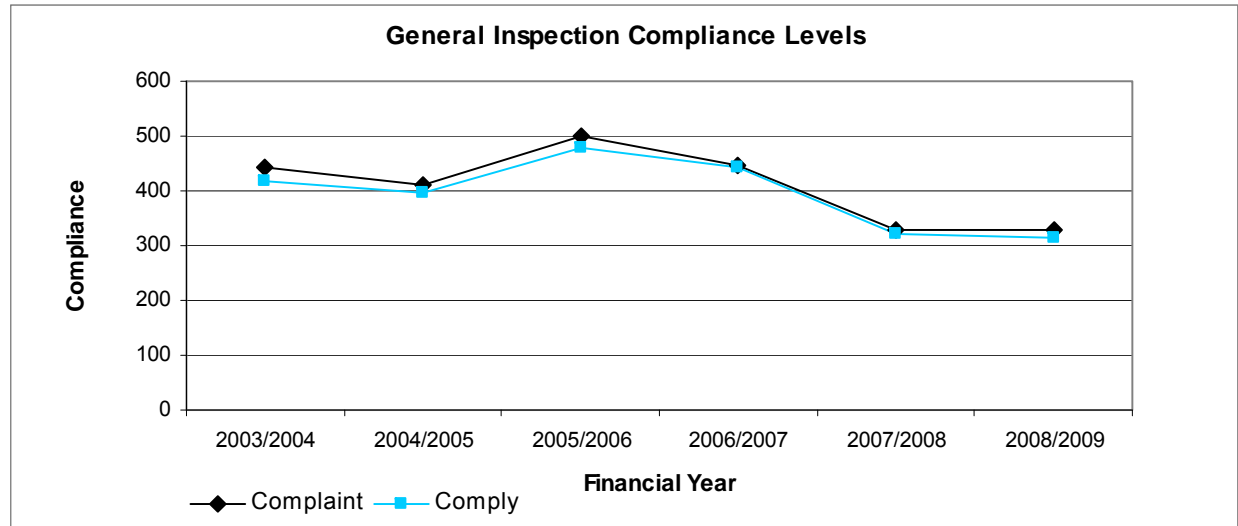


This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.

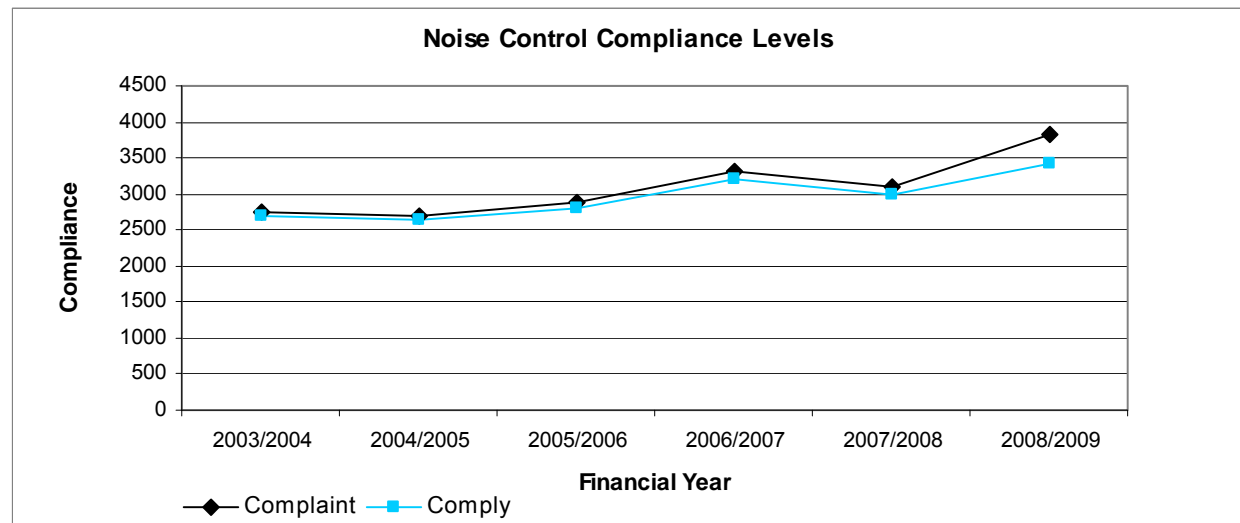
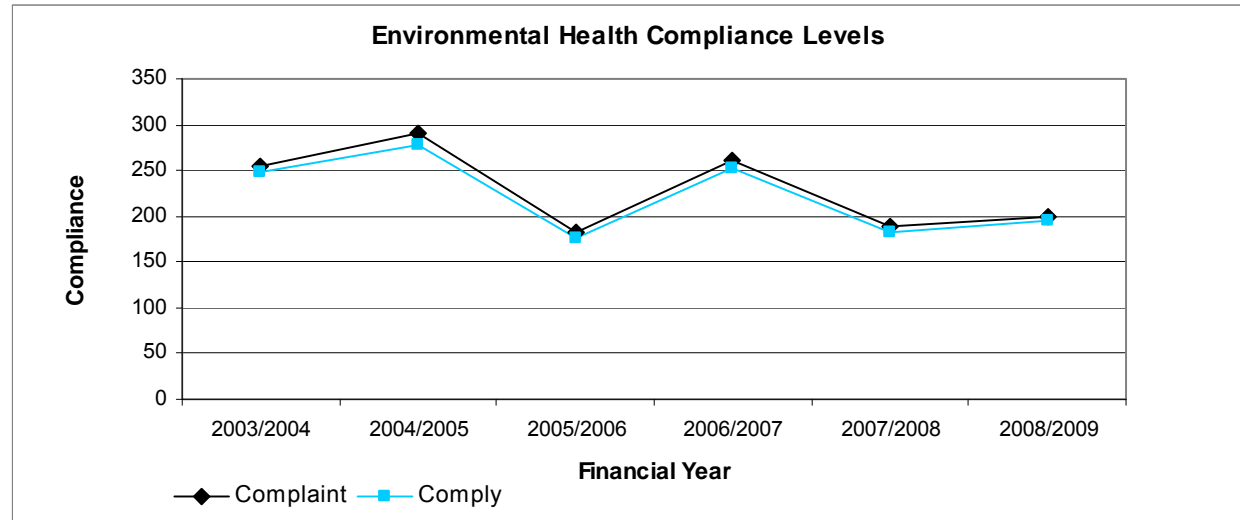


This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.

## Other indicators



# Environmental group cont.



# Environmental group cont.

## Parking Enforcement and Facilities

### Overall aim of the Activity

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

To check Warrants of Fitness to ensure safety of vehicles.

### Activity purpose – why we provide the service

This activity is undertaken to ensure CBD retailing is provided with a regular turnover of parking spaces available for potential customers and to ensure safety of vehicles.

Enforcement is undertaken during the following hours:

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

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

### A safe and caring community.

- Safe homes and streets.
- Fewer road accidents.

### A prosperous community:

- More investment in our district.
- More new business.

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	901	988	989
Financial Costs	0	0	0
Depreciation	13	15	13
Other	0	0	0
<b>Total Costs</b>	<b>914</b>	<b>1,003</b>	<b>1,002</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	1,775	1,486	1,691
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>1,775</b>	<b>1,486</b>	<b>1,691</b>
<b>Net Cost of Service</b>	<b>(861)</b>	<b>(483)</b>	<b>(689)</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	1	0	3
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>1</b>	<b>0</b>	<b>3</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	(861)	(483)	(689)
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(13)	(15)	(13)
Depreciation Funded by General Rates	1	0	3
<b>Total Rates for/(from) Operations</b>	<b>(873)</b>	<b>(498)</b>	<b>(699)</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	1	0	3
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>1</b>	<b>0</b>	<b>3</b>

### Variance from budget

*Operating Costs* - Favourable variance due to various procurement savings.

*Revenue* - Favourable collections from persecutions through the courts.

## Performance for 2009

**Outcomes Promoted** – A safe and caring community, A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Safe homes and streets</li> <li>Fewer road accidents</li> <li>More investment in our district</li> <li>More new business</li> </ul>	Enforce parking regime and vehicle roadworthiness.	1 in 7 parking spaces available.	Provide enforcement service 5½ days per week.	Achieved.



# Economy group

## Contribution to Outcomes

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

## Overview of Group

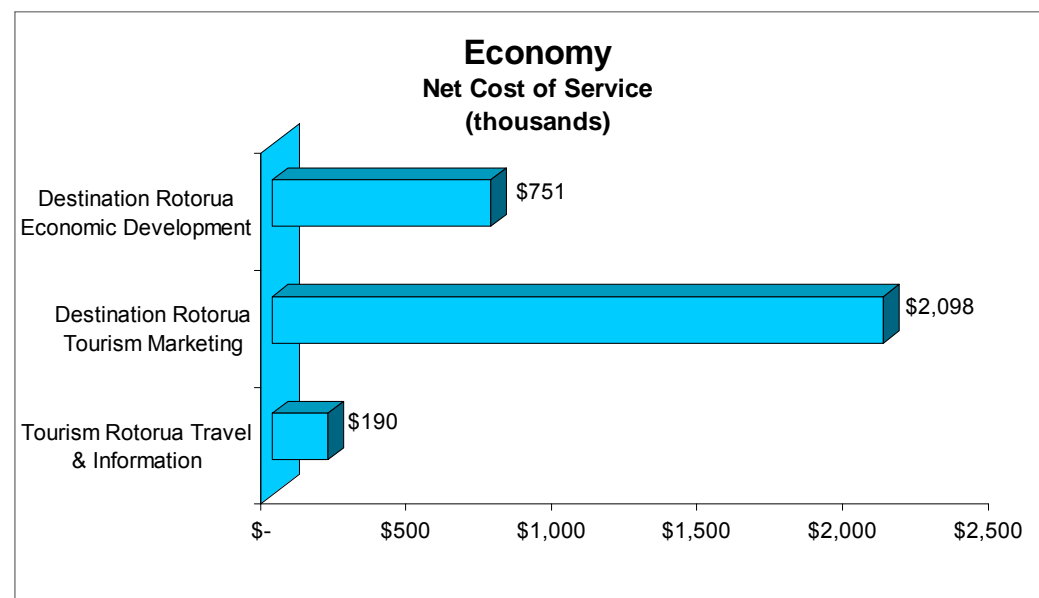
This group is made up of the following activities of Council:

- Destination Rotorua Economic Development
- Destination Rotorua Tourism Marketing
- Tourism Rotorua Travel and Information

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

## Potential Significant Negative Effects

This group of activities has not identified any significant negative effects.



# Economy group cont.

## Destination Rotorua Economic Development

### Overall aim of the activity

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

### This year's highlights and achievements included

- **Alfresco dining public private partnership (CBD Revitalisation)** – facilitated the development of the alfresco dining area in 'Eat Street' which resulted in the coming together of retailers/restaurateurs to development a marketing committee to promote the area.
- **Rotorua migrant attraction program**
  - development and distribution of over 500 Live, Work, Invest and Play DVDs in the UK market as part of a four city public speaking roadshow. As a result we are seeing workforce gaps being filled by migrants in health and education.
  - Migrant attraction program is also targeting the business and investment migrant market in 2009 as part of the Grow Rotorua strategy.
- **Retail Strategy Shop Rotorua** – facilitated development of a new retail strategy for Rotorua's CBD retail community focusing on measurable promotions and physical improvements in the CBD, such as Christmas decorations.
- **Film Central** – Film Volcanic model was disestablished late 2008 in favour of development of industry led public private partnership to establish charitable status as a film trust. Film Central is a Rotorua only initiative aiming to facilitate, promote and support a film friendly environment for the screen production industry while in our region.

- **Settlement Support** – DoL have again committed to the Settlement Support function managed by the Economic Development Unit. This important interface with the migrant community will ensure migrants' needs are met and we can ensure they settle into our community.
- **Marketing Rotorua as the place to live, work, invest and play** – a number of activities including weekly articles, interviews, speaking engagements, trade shows, forums and publications have continued to highlight the city, its culture, environment, developments and economy over the last year.

### Activity purpose – why we provide the service

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

The operations of Destination Rotorua Economic Development are guided by the Rotorua BrightEconomy strategy, which is the Rotorua regional economic development strategy developed through a comprehensive programme of research and consultation with key Rotorua business people and organisations. The strategy was prepared to provide a framework from an economic perspective, to create future wealth and prosperity for the people of Rotorua.

The primary purpose of the activity is to facilitate and encourage sustainable economic development since this will lead to a prosperous Rotorua community. This activity stimulates sound investments, encourages and embraces economic growth, more employment opportunities, higher incomes and a greater lifestyle quality for residents.

**The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes**

### A safe and caring community

- Aims to increase employment opportunities as a result of working with key sectors and enhancing business capability.

### A community that respects its environment

- Helps develop and promote sustainable business opportunities that benefit the economic, cultural and environmental aspects of the District.

### A prosperous community

Destination Rotorua Economic Development focuses on:

- Providing public access to timely, accurate and relevant Rotorua economic information.
- Facilitating private sector access to economic development initiatives, networks and activity within Rotorua.
- Marketing Rotorua as a great place to live, work, invest and do business nationally and internationally.
- Working with the key economic sector groups to develop an environment that will stimulate growth.
- Ensuring that the private sector has a key role in advising Council on business and economic development related issues.
- Working with local industry to minimise the impact of skill shortages on their business and the Rotorua economy.
- Facilitating the opening up of more business land in the Rotorua District.
- Building partnerships between key local, regional and central government agencies and the Rotorua business community.

# Economy group cont.

## A community with excellent facilities and services

- Develops networks and produces information to the business community.
- Works with key industry sectors to assess and develop key infrastructure needs in relation to providing a business growth environment.

## A community that values its living Maori culture

- Helps develop and promote business opportunities that benefit the cultural and environmental aspects of the District.
- Provides assistance to Maori economic development initiatives and networks.

## A learning community

- Works with the local industry and education providers to try and minimise the impact of skill shortages on their businesses and the wider Rotorua community.

## A “happening” community

- Promoting and facilitating the Central North Island as a world class screen production location.
- Facilitation of the promotion and revitalisation of the Rotorua CBD.

## Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	945	1,297	1,012
Financial Costs	0	0	0
Depreciation	6	8	5
Other	0	0	0
<b>Total Costs</b>	<b>951</b>	<b>1,305</b>	<b>1,017</b>
<b>REVENUE</b>			
Capital Revenue	24	0	0
Fees and Charges	32	60	7
Subsidies and Grants	144	330	185
<b>Total Revenue</b>	<b>200</b>	<b>390</b>	<b>191</b>
<b>Net Cost of Service</b>	<b>751</b>	<b>915</b>	<b>826</b>

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	96	7	4
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>96</b>	<b>7</b>	<b>4</b>

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	751	915	826
Plus Capital Revenue	24	0	0
Less Depreciation of General Rate Activities	(6)	(8)	(5)
Depreciation Funded by General Rates	96	7	4
<b>Total Rates for/(from) Operations</b>	<b>865</b>	<b>914</b>	<b>825</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	96	7	4
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>96</b>	<b>7</b>	<b>4</b>

## Capital Expenditure – Major Projects

for the year ended 30 June: (thousands)	2009 Actual
Eat Street	96
	<b>96</b>

## Variance from budget

*Operating Costs* - Favourable savings in bright economy, skills development and facilitation.

*Revenue* - Reduced subsidies and grants offsetting reduced spend.

# Economy group cont.

## Performance for 2009

### Outcome Promoted – A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>More investment in our district</li> <li>More new business</li> </ul>	Provide public access to timely, accurate and relevant Rotorua economic information.	Website statistics.	<ul style="list-style-type: none"> <li>Website visits to reach 15,000 per month by June 2009.</li> </ul>	Achieved.
<ul style="list-style-type: none"> <li>Celebrating and promoting our districts unique qualities</li> <li>Encouraging Growth</li> <li>Encouraging development of Maori Land</li> <li>Reducing unemployment rate</li> <li>More employment opportunities</li> </ul>	Facilitate public access to economic development initiatives, networks and activity within Rotorua	<ul style="list-style-type: none"> <li>Inquiry database system.</li> <li>BITC<sup>1</sup> database and tracking system.</li> <li>Inquiry database and client management system.</li> </ul>	<ul style="list-style-type: none"> <li>Respond to 95% of business and relocation inquiries within 3 working days.</li> <li>Attract and maintain 120 clients into the BITC<sup>1</sup> program.</li> <li>Attract \$150K business development funding into Rotorua companies from Government Business Development Programs.</li> </ul>	<p>Achieved.</p> <p>Achieved.</p> <p>Not achieved.</p>
	Market Rotorua as a great place to live, work, invest and do business nationally and internationally.	<ul style="list-style-type: none"> <li>Skilled migrant inquiry tracking database.</li> <li>Inquiry database system.</li> </ul>	<ul style="list-style-type: none"> <li>To be reassessed as to whether this is the most appropriate marketing activity.</li> <li>Generate 500 new Rotorua specific business and relocation inquiries by June 2009.</li> </ul>	<p>Achieved.</p> <p>Not achieved.</p>

# Economy group cont.

## Performance for 2009

### Outcome Promoted – A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
	Work with the local forest and wood processing industry to develop an environment that will stimulate and grow the sector.	<ul style="list-style-type: none"> <li>NZTE<sup>2</sup> MRI<sup>3</sup> process.</li> <li>Amount of investor ready industrial land available.</li> </ul>	<ul style="list-style-type: none"> <li>Reassessment of future targets required as initiative business plan developed.</li> <li>To contribute to the marketing of investor ready business land by June 2009.</li> </ul>	<p>Not achieved.</p> <p>Achieved.</p>
	Advisory board to lead implementation of the BrightEconomy Strategy and advise council on business and economic development related issues.	<ul style="list-style-type: none"> <li>BrightEconomy appointment and review panel board performance appraisal.</li> <li>Monitor BEAB<sup>4</sup> Project achievement against strategy targets.</li> </ul>	<ul style="list-style-type: none"> <li>To attract \$550K government and private sector funding to assist in implementing the Bright-Economy Strategy.</li> <li>To implement 75% of the BEAB<sup>4</sup> focus work program for 2007/08.</li> </ul>	<p>Not achieved.</p> <p>Achieved.</p>

### Outcome Promoted – A “happening” community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Lots of events including sporting, cultural, festivals, arts.</li> <li>Leading edge activity events.</li> <li>Foster artistic expression, art, music, dancing, public performances and exhibitions.</li> </ul>	Promote and facilitate the Central North Island as a location for world class screen production.	Film volcanic screen production inquiry system.	To contribute to generating at least 50 screen production inquiries within the region by June 2009.	Not achieved.

# Economy group cont.

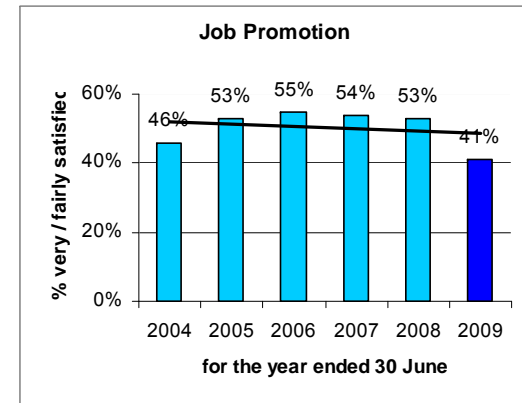
## Performance for 2009

### Outcome Promoted – A learning community

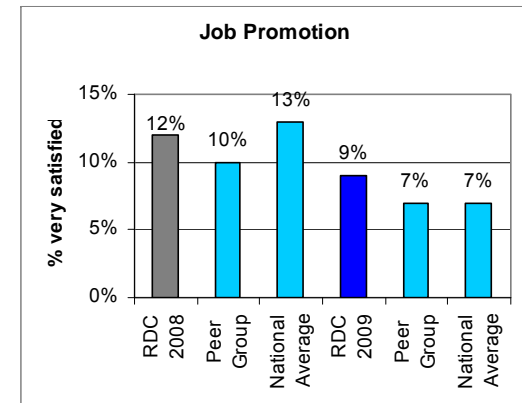
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Learning activities accessible to everyone.</li> <li>Addressing skill shortages through the right training.</li> <li>Increasing participation in tertiary education.</li> </ul>	Work with the local industry to try and minimise the impact of skill shortages on their business and Rotorua through the Rotorua Employment Skills Project (RESP).	<ul style="list-style-type: none"> <li>RESP* database system and action plans.</li> <li>Lion Foundation – Rotorua Energy Charitable Trust Young Enterprise Scheme database system.</li> </ul>	<ul style="list-style-type: none"> <li>Have 400 businesses involved in the Rotorua Employment Skills cluster program.</li> <li>Have 200 students involved in the Rotorua Young Enterprise Scheme.</li> <li>Attract \$120K external funding towards the implementation of the RESP<sup>5</sup>.</li> </ul>	<p>Achieved.</p> <p>Not achieved.</p> <p>Not achieved.</p>
<p><sup>1</sup> BITC = Business Mentors NZ  <sup>2</sup> NZTE = New Zealand Trade and Enterprise  <sup>3</sup> MRI = Major Regional Initiative  <sup>4</sup> BEAB = BrightEconomy Advisory Board  <sup>5</sup> RESP = Rotorua Employment Skills Project</p>				

## NRB Community Survey

The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.



This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.

# Economy group cont.

## Destination Rotorua Tourism Marketing

### Overall aim of the activity

A visitor sector that is making a maximum contribution to Rotorua's economic, social, cultural and environmental well-being by continually promoting Rotorua as an exciting, vibrant and high quality destination to existing and new markets. A key focus is to encourage visitors to stay longer and spend more so that new money is brought into the local economy which in turn will create more jobs within the District.

### This year's highlights and achievements included

- **Australia** – nationwide promotion with Schweppes via IGA supermarkets, where applicants can win one of four family holidays in Rotorua. Brochure distribution to 12.7 million households. Increased operator and DRTM activity in Australia is resulting in strong FIT growth from this market.
- **Media** – some high profile shows filmed in Rotorua over the year. The Biggest Loser from Australia, Good Morning from Australia also filmed in Rotorua as fillers for their live broadcast, and UK actor Robson Green filmed a fishing show at Lake Tarawera.
- **April Fools Day** – successful April 1 campaign announcing Hugh Hefner had purchased a wing of the Rotorua Museum as a holiday home. Picked up by media around the world with a media exposure in excess of \$50,000.
- **Collateral** – combination of Rotorua Product Directory with GNZTR regional product directory. Joint venture with Jasons publishing to produce the "What's On" brochure from December 2009.
- **Rotorua Sustainable Tourism Charter** – the Charter is now self-funding with 66 members.
- **Destinational DVD** – revamped and produced a German and French version.
- **Launch of trade section of rotoruanz.com** – for use by international travel agents to better sell Rotorua. Highlights include RSS feeds for new

product updates and positioning map to locate attractions and hotels.

- **Domestic marketing activity** – resulted in an increase in domestic visitors. Rotorua has been performing above the surrounding resort regions in the domestic market. Attributed to a consistent 12 month presence in key North Island markets via print, web, billboards and TVC.

### Activity purpose – why we provide the service

The primary function of this department is focussed on promotional activity through the tourism industry networks, specifically targeting trade, media and consumer. This is carried out across the areas of international, domestic, retail and event marketing, as well as conference and incentive promotion.

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

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A community that respects its environment

- Managing and protecting geothermal resources and springs, trout, lakes, forests and geysers
- People using and enjoying our natural environments

#### A prosperous community

- Celebrating and promoting our district's unique qualities
- More employment opportunities

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

- Fostering Maori cultural activities and expression
- A community that recognises the value of partnerships including the Treaty of Waitangi

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	2,534	2,493	2,360
Financial Costs	0	0	1
Depreciation	31	17	16
Other	0	0	0
<b>Total Costs</b>	<b>2,565</b>	<b>2,510</b>	<b>2,377</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	467	460	463
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>467</b>	<b>460</b>	<b>463</b>
<b>Net Cost of Service</b>	<b>2,098</b>	<b>2,050</b>	<b>1,914</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	10	6	8
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>10</b>	<b>6</b>	<b>8</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	2,098	2,050	1,914
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(31)	(17)	(16)
Depreciation Funded by General Rates	10	6	8
<b>Total Rates for/(from) Operations</b>	<b>2,077</b>	<b>2,039</b>	<b>1,906</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	10	6	8
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>10</b>	<b>6</b>	<b>8</b>

# Economy group cont.

## Performance for 2009

### Outcome Promoted – A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Celebrating and promoting our district's unique qualities</li> <li>More employment opportunities</li> </ul>	Marketing Rotorua as a destination to international, domestic and C & I markets	Support and backing of Marketing Plan by TAB	Produce and implement international marketing campaigns in Australia, Japan, Asia, India UK/ Europe, US in partnership with key stakeholders	Achieved.
		Update to Finance and Strategic Planning Committee		
		Media placement and campaign activity plan	Run extended low/shoulder season domestic promotional campaign	Achieved.
		Analysis of the monthly commercial and private accommodation monitor.	Facilitate the attraction of 18 conferences per annum to Rotorua	Achieved.
		Analysis of monthly visitor arrival statistics	Contribute to 1.39 million visitors staying on average 2.3 nights and spending \$245 per day/person	Not achieved. There were approx. 1.7 million visitors to Rotorua, staying 2.4 nights and spending on average \$120 per day.

### Outcome Promoted – A community that values its living Maori culture

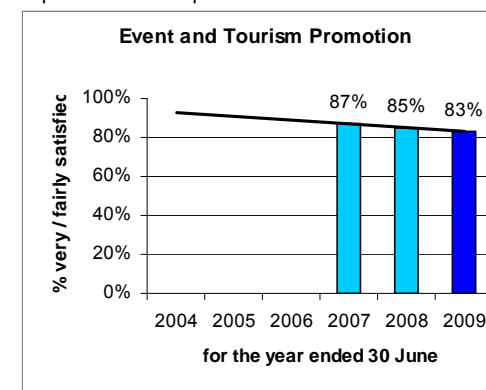
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Fostering Maori cultural activities and expression</li> <li>A community that recognises the value of partnerships including Treaty of Waitangi</li> </ul>	Maori cultural elements and the concept of Manaakitanga will underpin all marketing	Produce and distribute cultural heritage brochure	Marketing collateral includes increased Maori product - produce cultural heritage brochure	Achieved.

### Outcome Promoted – A community that respects its environment

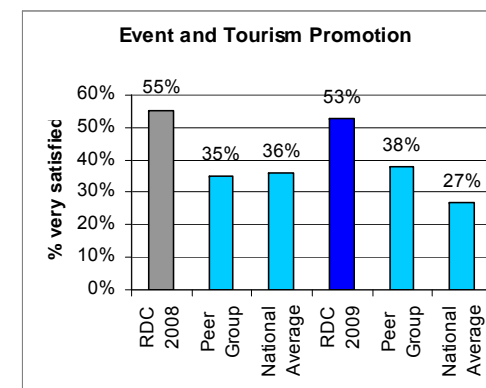
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Managing and protecting geothermal resources and springs, trout, lakes, forests and geysers</li> <li>People using and enjoying our natural environments</li> </ul>	Market and promote major events taking place in Rotorua District.	Log of events	20 Events marketed and promoted per year	Achieved.

## NRB Community Survey

The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.



This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.



# Economy group cont.

## Tourism Rotorua Travel and Information

### Overall aim of the activity

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

### This year's highlights and achievements included

- **Hot Deal Brochures** – 220,000 produced during the year. Increased revenue by 5%.
- **The Organiser**
  - Website – revamp of the website currently underway (www.theorganiser.co.nz).
  - Staff – Manager Groups & Conventions position created and filled, two fulltime Groups & Conventions coordinators.
  - Repeat business and client referrals.
  - New office location.
  - Running of national and international conferences, including:
    - HERDSA Conference (July 2008) – Australian 3 day conference.
    - INTERCOM Conference (November 2008) – delegates from across the globe.
    - North Island Civil Defence Emergency Managers Conference (December 2008) – national conference.
    - EIAANZ Conference (March 2009) – national conference (referred business).

### Activity purpose – why we provide the service

Council undertakes this activity to meet community expectations and to provide information and booking requirements for visitors to encourage them to stay longer and increase spending so that as many Rotorua businesses as possible, benefit from this activity.

The Tourism Rotorua Travel Office operates 364 days a year.

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

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A community that respects its environment

- Managing and protecting geothermal resources and springs, trout, lakes, forests and geysers
- People using and enjoying our natural environments

#### A prosperous community

- Celebrating and promoting our district's unique qualities
- More employment opportunities

#### A community that respects if living Maori culture

- Fostering Maori cultural activities and expression
- A community that recognised the value of partnerships in Treaty of Waitangi

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	1,834	1,785	1,762
Financial Costs	9	7	6
Depreciation	64	79	64
Other	0	0	0
<b>Total Costs</b>	<b>1,907</b>	<b>1,871</b>	<b>1,833</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	1,656	1,444	1,685
Investment Income	61	12	119
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>1,717</b>	<b>1,456</b>	<b>1,804</b>
<b>Net Cost of Service</b>	<b>190</b>	<b>415</b>	<b>29</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	36	102	6
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	50	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>36</b>	<b>152</b>	<b>6</b>

# Economy group cont.

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	190	415	29
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(64)	(79)	(64)
Depreciation Funded by General Rates	36	102	6
<b>Total Rates for/(from) Operations</b>	<b>162</b>	<b>438</b>	<b>(29)</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	36	102	6
Loans from/(to) Corporate Fund	0	50	0
<b>Total Capital</b>	<b>36</b>	<b>152</b>	<b>6</b>

## Variance from budget

*Revenue* - Favourable variance to budget in commissions received due to higher volumes.

## Performance for 2009

### Outcome Promoted – A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Celebrating and promoting our district's unique qualities</li> <li>More employment opportunities</li> </ul>	Booking services are provided to visitors to Rotorua to encourage extended length of stay and visitor spend	Financial report of Travel Office	Achieve at least approx 960,000 visitors per annum through the travel office.	Not achieved. 890,000 visitors to centre.

# Infrastructural group

## Contribution to Outcomes

Page	Activities within this Group	Community Outcomes							
		A safe and caring community	A community that respects its environment	A healthy community	A prosperous community	A community with excellent facilities and services	A community that values its living Maori culture	A learning community	A "happening" community
123	Engineering Compliance		✓			✓			
125	Land Drainage		✓			✓			
127	Rotorua Regional Airport				✓	✓			
129	Rural Fire	✓							
130	Transport	✓	✓		✓	✓			
134	Transport (Road Safety)	✓		✓					
136	Transport (State Highway Administration)	✓				✓			
138	Waste Management		✓			✓			
143	Wastewater		✓	✓		✓			
146	Water			✓		✓			

## Overview of Group

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

- Engineering Compliance
- Land Drainage
- Rotorua Regional Airport
- Rural Fire
- Transport
- Transport (Road Safety)
- Transport (State Highway Management)
- Waste Management
- Wastewater
- Water

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

## Potential Significant Negative Effects

### Land Drainage

- Negative environmental effects generated from this activity include stormwater reticulation impacting on the quality of the lakes. A detailed assessment of this has been completed. See "Rotorua City Urban Stormwater Quality and Prediction of Environmental Impacts" – NIWA.

- Ongoing monitoring programmes monitor contaminant loads and efficiency of management regimes.

### Rotorua Regional Airport

Concerns have been raised regarding noise from airport activities, however it is anticipated that these can be mitigated.

### Rural Fire

No significant negative effects have been identified in relation to this activity.

### Transport

Transport can impact negatively, for example air and water pollution, noise, glare and vibration. It is proposed that the land use components, noise, glare etc are handled by way of an environmental effects zone through the District Plan. Off-site effects are managed by way of operational formal consent and capital development techniques.

### Transport (State Highway Management)

The activity in itself creates no significant negative effects, however, work streams stemming from this activity can and these are mitigated or avoided using consent, environmental enhancement and consultation processes.

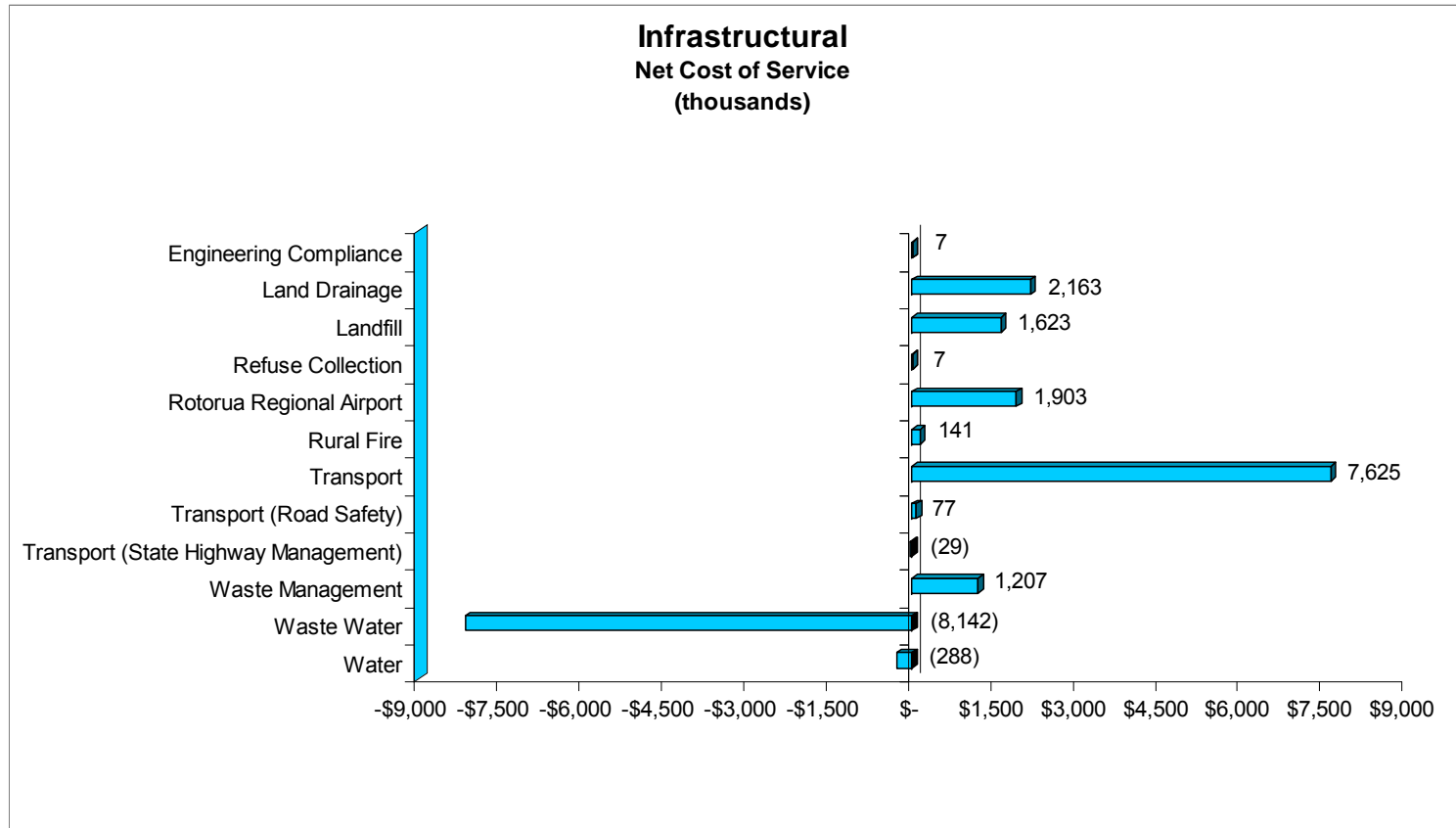
### Waste Management

Waste has a negative effect on the environment and management is aimed at reducing that waste. The balance between affordability and funding is key in that high costs lead to illegal dumping. This is an ongoing issue.

### Water

No significant negative effects have been identified in relation to this activity.

# Infrastructural group **cont.**



# Infrastructural group cont.

## Engineering Compliance

### Overall aim of the activity

To ensure all Council works comply with Engineering Standards (RCEIS) and Trade Waste Discharge Policies.

### Activity purpose – why we provide the service

The Council has a legislative responsibility to control the quality of works undertaken and/or vested in Council, and to control discharges to the community drains.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A community that respects its environment

- Looking after our air, land and water resources
- Waste reduction

#### A community with excellent facilities and services

- Good, safe, maintained services and roads
- Good quality infrastructure for the future

## Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	762	478	369
Financial Costs	2	2	4
Depreciation	169	176	134
Other	0	0	0
<b>Total Costs</b>	<b>933</b>	<b>656</b>	<b>507</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	926	895	1,024
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>926</b>	<b>895</b>	<b>1,024</b>
<b>Net Cost of Service</b>	<b>7</b>	<b>(239)</b>	<b>(517)</b>

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	233	255	90
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>233</b>	<b>255</b>	<b>90</b>

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	7	(239)	(517)
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(169)	(176)	(134)
Depreciation Funded by General Rates	233	255	90
<b>Total Rates for/(from) Operations</b>	<b>71</b>	<b>(160)</b>	<b>(561)</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	233	255	90
Loans from/(to) Corporate Fund	0	0	(420)
Asset Sales	0	0	420
<b>Total Capital</b>	<b>233</b>	<b>255</b>	<b>90</b>

## Capital Expenditure – Major Projects

for the year ended 30 June: (thousands)	2009 Actual
Photocopiers	153
Other	80
	<b>233</b>

# Infrastructural group cont.

## Variance from budget

*Operating Costs* - Unfavourable variance due to a staff cost budget error in resource engineering, under recoveries (offset in wastewater) and higher volumes of test in laboratory (offset in income).

*Revenue* - actual revenue above budget due higher volumes of test in laboratory; offset by Hydrus external revenue not achieved due to work volumes in-house (sewerage schemes).

## Performance for 2009

### Outcome Promoted – A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Looking after our air, land and water resources</li> <li>Waste reduction</li> </ul>	Manage and control discharges to the community's wastewater and stormwater drainage systems, to protect the systems and environment.	Pollution Control Database.	<ul style="list-style-type: none"> <li>Reduce the impact of illegal discharges by ensuring that 40% of consented trade waste premises are audited annually.</li> <li>90% of complaints are responded to within two hours.</li> </ul>	<p>Achieved.</p> <p>Achieved. 92.2% of complaints responded to within 2 hours.</p>

### Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Good, safe, maintained services and roads</li> <li>Good quality infrastructure for the future</li> </ul>	Ensuring the quality of infrastructural assets.	Compliance reporting.	Vested infrastructural assets comply with RCEIS.	Achieved.

# Infrastructural group cont.

## Land Drainage

### Overall aim of the activity

To protect property from flood damage and provide protection for the District's Lakes, rivers and streams.

### This year's highlights and achievements included

- Completed renewal work in Ohinemutu.
- Overall system successfully managed the stormwater during the year with no reported damage to property.

### Activity purpose – why we provide the service

Council has a responsibility under the Health Act where directed by the Chief Medical Officer of Health to provide drainage works to ensure a healthy community. Council therefore proactively provides this service. There is also a community expectation of provision of stormwater and drainage services that provides for a low level of risk and efficient drainage of surface water.

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A community that respects its environment

- Improved Lake Water Quality

#### A community with excellent facilities and services

- Good quality Infrastructure for future

## Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	1,260	1,312	1,237
Financial Costs	341	263	579
Depreciation	709	1,038	1,049
Other	0	0	0
<b>Total Costs</b>	<b>2,310</b>	<b>2,613</b>	<b>2,865</b>
<b>REVENUE</b>			
Capital Revenue	31	13	22
Fees and Charges	113	104	118
Investment Income	3	0	1
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>147</b>	<b>117</b>	<b>141</b>
<b>Net Cost of Service</b>	<b>2,163</b>	<b>2,496</b>	<b>2,724</b>

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	509	458	676
Growth	213	499	673
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>722</b>	<b>957</b>	<b>1,349</b>

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	2,163	2,496	2,724
Plus Capital Revenue	31	13	22
Less Depreciation of General Rate Activities	(709)	(1,038)	(1,049)
Depreciation Funded by General Rates	509	458	676
Self Funding/DC Reserve Movements	34	0	0
<b>Total Rates for/(from) Operations</b>	<b>2,028</b>	<b>1,929</b>	<b>2,373</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	509	458	676
Loans from/(to) Corporate Fund	208	486	674
Capital Grants	0	5	0
Development Contributions	5	8	22
Reserves Net	0	0	(23)
<b>Total Capital</b>	<b>722</b>	<b>957</b>	<b>1,349</b>

## Capital Expenditure – Major Projects

for the year ended 30 June: (thousands)	2009 Actual
Stormwater Renewals	422
City Stormwater Upgrades	213
Other	87
<b>Total</b>	<b>722</b>

# Infrastructural group **cont.**

## Performance for 2009

### Outcome Promoted – A community that respects its environment

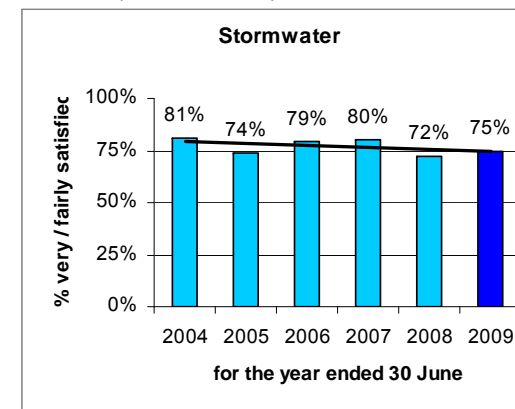
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Improved lake water quality	Provision of a stormwater network to minimise the impact on the environment.	<ul style="list-style-type: none"> <li>■ Environment Waikato</li> <li>■ EBOP</li> <li>■ Compliance reports</li> </ul>	Contribution to improved lake water quality by complying with discharge consents.	Achieved.

### Outcome Promoted – A community with excellent facilities and services

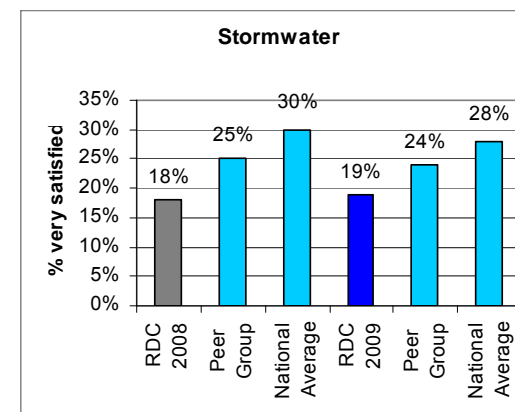
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Good quality infrastructure for future	To minimise the impact of flooding to property.	Annual flooding report.	No habitable building inundated in a 50 year return period event.	Achieved.

## NRB Community Survey

The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.



This graph shows the percentage of survey respondents that are “very” satisfied with this service over the last two years and compares it with our peer group and the national average.



# Infrastructural group cont.

## Rotorua Regional Airport

### Overall aim of the activity

To provide an Airport that optimises the social and economic benefits to the community shareholder.

### This year's highlights and achievements included

- Completion of Stage 1 of the southern runway extension enabling trans-Tasman flights to commence.
- Completed runway strengthening programme.
- Significant progress towards acquiring necessary properties for Stage 2 development.

### Activity purpose – why we provide the service

The Council, representing the wider community, is taking a leadership role to develop and manage the Rotorua Regional Airport for the overall benefit of the Rotorua and wider Bay of Plenty catchment community.

Rotorua District Council owns the assets at the Rotorua Regional Airport, and leases them to an operating company Rotorua Regional Airport Ltd [RRAL] – a Council-Controlled Trading Organisation in accordance with the Local Government Act 2002.

This Activity Plan is focussed on the optimal management of the assets for the overall benefit of the community through their utilisation by the operating company.

The Activity Plan for the operating company [RRAL] is summarised in the Statement of Intent which is contained within the LTCCP documentation.

The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

### A prosperous community

- More employment opportunities.
- Encouraging growth.

### A community with excellent facilities and services

- Good, safe, maintained services and roads.
- Great Airport.

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	166	128	151
Financial Costs	2,143	3,064	1,739
Depreciation	937	1,304	865
Other	0	0	0
<b>Total Costs</b>	<b>3,246</b>	<b>4,496</b>	<b>2,755</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	1,339	1,435	1,340
Investment Income	4	0	0
<b>Total Revenue</b>	<b>1,343</b>	<b>1,435</b>	<b>1,340</b>
<b>Net Cost of Service</b>	<b>1,903</b>	<b>3,061</b>	<b>1,415</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	0	90	0
Growth	0	0	0
Backlog	0	0	0
Level of Service	13,994	22,782	3,266
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>13,994</b>	<b>22,872</b>	<b>3,266</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	1,903	3,061	1,415
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(937)	(1,304)	(865)
Depreciation Funded by General Rates	0	90	0
Self Funding/DC Reserve Movements	(966)	(1,847)	(550)
<b>Total Rates for/(from) Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	0	90	0
Loans from/(to) Corporate Fund	0	0	0
Reserves Net	13,994	22,782	3,266
<b>Total Capital</b>	<b>13,994</b>	<b>22,872</b>	<b>3,266</b>

# Infrastructural group **cont.**

## Capital Expenditure – Major Projects

for the year ended 30 June:	2009 Actual
(thousands)	
Southern Extension	8,488
Strengthen Aprons / Runway	3,673
Wetlands Mitigation	21
Stat. Planning Trans Tasman Development	66
Property Purchases	1,746
	<b>13,994</b>

### Variance from budget

*Operating Costs* - Savings in interest cost due to lower than planned capital expenditure, therefore lower loans.

*Capital Expenditure* - Lower than budget due to delays in runway extensions and savings achieved.

## Performance for 2009

### Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Good, safe, maintained services and roads</li> <li>A great airport</li> </ul>	Safe and efficient infrastructure supporting air transport	Annual Audit.	Infrastructure available 100% of the time subject to weather	Achieved.



# Infrastructural group cont.

## Rural Fire

### Overall aim of the activity

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

### Activity purpose – why we provide the service

Council provides this service in order to meet legislative requirements under the Forest and Rural Fires Act and community expectations. The Rotorua District Council Rural Fire Authority covers over 120,000 hectares of rural land.

Rotorua District has established 3 Volunteer Rural Fire Forces that are located within rural communities in the District. These volunteer forces are well trained and resourced to enable them to effectively respond to and manage various fire and other emergency incidents that occur within their callout areas. Along with these community initiatives, RDC has a well trained and equipped first response unit, within its business unit, Castlecop.

A large number of people volunteer their time to ensure that their community, and our district, remains “a safe and caring community”.

The activity contributes towards sustainable development by promoting the following community outcome and sub-outcomes

### Safe and caring community

- Safe homes and streets
- Organisations working together on agreed priorities
- Providing safe public places

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	168	111	168
Financial Costs	2	2	3
Depreciation	31	34	33
Other	0	0	0
<b>Total Costs</b>	<b>201</b>	<b>147</b>	<b>204</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	0	1	5
Subsidies and Grants	60	5	8
<b>Total Revenue</b>	<b>60</b>	<b>6</b>	<b>13</b>
<b>Net Cost of Service</b>	<b>141</b>	<b>141</b>	<b>191</b>

### Variance from budget

Operating Costs - Higher direct costs to budget due to number of fires attended.

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	18	22	13
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>18</b>	<b>22</b>	<b>13</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	141	141	191
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(31)	(34)	(33)
Depreciation Funded by General Rates	18	22	13
<b>Total Rates for/(from) Operations</b>	<b>128</b>	<b>129</b>	<b>171</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	18	22	13
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>18</b>	<b>22</b>	<b>13</b>

## Performance for 2009

### Outcome Promoted – A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Safe homes and streets</li> <li>▪ Organisations working together on agreed priorities</li> <li>▪ Providing safe public places</li> </ul>	Protection for people, property and the environment from the hazards of fire	Updated and certified annual fire plan available.	Prevention suppression and control of fires in the rural area by updating annual fire plan by 1 October.	Achieved.

# Infrastructural group cont.

## Transport

### Overall aim of the activity

To plan, develop and maintain an integrated, safe, responsive and sustainable Land Transport Network in accordance with the principles of the Land Transport Management Act 2003.

### This year's highlights and achievements included

- Completion of 7km of new seal in rural sector.
- Completed all programmed reseals for the year.
- No deferred roading maintenance.
- All work carried out within approved budget.

### Activity purpose – why we provide the service

- Management of the transport network is undertaken as a statutory requirement of the Local Government and Land Transport Management Acts.
- The transport network also provides a corridor for the installation and management of utility services inclusive of telecommunications, power services, water sewerage and stormwater under a range of legislation covering utilities.
- The transport activity will not be inconsistent with the Regional Land Transport Strategy, the National Energy Efficiency and Conservation Strategy and the Road Safety Strategy 2010.
- There is also community and commercial expectation of a safe and efficient transport network for the transport of people, goods and services.

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

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A safe and caring community

- Fewer road crashes

#### A community that respects its environment

- Look after our land, air and water resources

#### A prosperous community

- Encouraging growth
- More investment in our District

#### A community with excellent facilities and services

- Easy to get from place to place
- Good safe maintained services and roads

### Cost of Service – Subsidised Roading

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	5,022	5,506	5,122
Financial Costs	1	1	1
Depreciation	0	0	0
Other	0	0	0
<b>Total Costs</b>	<b>5,023</b>	<b>5,507</b>	<b>5,123</b>
<b>REVENUE</b>			
Capital Revenue	3,361	3,043	1,424
Fees and Charges	2	3	87
Investment Income	24	0	8
Subsidies and Grants	2,116	2,912	3,715
<b>Total Revenue</b>	<b>5,503</b>	<b>5,958</b>	<b>5,233</b>
<b>Net Cost of Service</b>	<b>(480)</b>	<b>(451)</b>	<b>(110)</b>

### Cost of Service – Works General & Unsubsidised Roading

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	1,549	1,672	1,287
Financial Costs	1,543	1,187	1,112
Depreciation	6,068	4,930	5,329
Other	(427)	0	0
<b>Total Costs</b>	<b>8,733</b>	<b>7,789</b>	<b>7,728</b>
<b>REVENUE</b>			
Capital Revenue	44	12	16
Fees and Charges	(3)	205	0
Subsidies and Grants	590	655	633
<b>Total Revenue</b>	<b>631</b>	<b>872</b>	<b>649</b>
<b>Net Cost of Service</b>	<b>8,102</b>	<b>6,917</b>	<b>7,079</b>

# Infrastructural group cont.

## Capital Expenditure – Subsidised Rooding

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	4,653	3,978	4,227
Growth	520	1,483	239
Backlog	0	1,453	935
Level of Service	670	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>5,843</b>	<b>6,914</b>	<b>5,401</b>

## Capital Expenditure – Works General & Unsubsidised Rooding

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	302	300	208
Growth	0	52	47
Backlog	2,189	2,090	1,707
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>2,490</b>	<b>2,442</b>	<b>1,962</b>

## Variance from budget – Subsidised Rooding

*Operating Costs* - Lower costs for signage and pavement maintenance (offset in Revenue subsidies).

*Revenue* - Lower operating spend, reduces subsidy and higher development contributions collected than estimated  
*Capital Expenditure* - Malfroy/Ranolf roundabout delayed to following year plus savings achieved in capital spend for the year.

## How we pay for this activity – Subsidised Rooding

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	(480)	(451)	(110)
Plus Capital Revenue	3,361	3,043	1,424
<b>Total Rates for/(from) Operations</b>	<b>2,881</b>	<b>2,592</b>	<b>1,314</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	2,494	3,978	4,227
Loans from/(to) Corporate Fund	136	0	0
Capital Grants	2,876	2,859	1,075
Development Contributions	337	184	349
Reserves Net	0	(107)	(250)
<b>Total Capital</b>	<b>5,843</b>	<b>6,914</b>	<b>5,401</b>

## Variance from budget –

### Works General & Unsubsidised Rooding

*Operating Costs* - Unfavourable variance primarily due to disposal and loss on revaluation in roading assets; partly offset by a prior year adjustment of a vested asset

## How we pay for this activity – Works General & Unsubsidised Rooding

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	8,102	6,917	7,079
Plus Capital Revenue	44	12	16
Less Depreciation of General Rate Activities	(6,068)	(4,930)	(5,329)
Depreciation Funded by General Rates	4,955	4,278	4,435
Add back half share roading depreciation	(2,791)	(2,268)	(2,439)
Self Funding/DC Reserve Movements	33	0	
<b>Total Rates for/(from) Operations</b>	<b>4,274</b>	<b>4,009</b>	<b>3,762</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	302	300	208
Loans from/(to) Corporate Fund	2,178	0	0
Capital Grants	0	(2,336)	(2,447)
Development Contributions	11	12	24
Reserves Net	0	4,466	4,177
<b>Total Capital</b>	<b>2,490</b>	<b>2,442</b>	<b>1,962</b>

# Infrastructural group **cont.**

## Capital Expenditure – Major Projects – Subsidised Rooding

for the year ended 30 June:	2009 Actual
(thousands)	
Structural Replacements	107
Cycleway Construction	149
Kerb and Channel Renewals	65
Minor Safety Projects	666
Project Investigation/Planning	310
Rehabilitation Renewals	1,161
Road Reconstruction	732
Road Reseals	2,433
Traffic Services Renewals	152
Other	68
	<b>5,843</b>

## Capital Expenditure – Major Projects – Works General & Unsubsidised Rooding

for the year ended 30 June:	2009 Actual
(thousands)	
Footpath Renewals	136
Maori Road & Unformed Road Lines	74
Parks Rooding Renewals	100
Rural Seal Extensions	1,013
Rural Street Improvements	468
Urban Street Improvements	184
Western Heights Shopping Centre	374
Other	141
	<b>2,490</b>

## Performance for 2009

### Outcome Promoted – A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Fewer road accidents	Provision of a transport network that meets nationally accepted safety standards.	<ul style="list-style-type: none"> <li>▪ A database of accident blackspots prioritised annually through the minor safety programme</li> <li>▪ Triennial Transit audits.</li> <li>▪ Scrim testing for skid resistance</li> <li>▪ Geometric design standards.</li> </ul>	Contribute to fewer road crashes by: <ul style="list-style-type: none"> <li>▪ Annually re-assess accident blackspots and propose solutions for following year.</li> <li>▪ Roads maintained to LTNZ standards.</li> <li>▪ 95% of arterial network compliant.</li> <li>▪ Design of all new works meet standard.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Achieved.</li> <li>▪ Achieved.</li> <li>▪ 92% compliant.</li> <li>▪ Achieved.</li> </ul>

### Outcome Promoted – A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Looking after our land, air and water resources	Minimise the impact of the transport network on the environment.	EBOP and EW show no non-compliance.  Compliance reports.	<ul style="list-style-type: none"> <li>▪ Compliance with Air Discharge Standards.</li> <li>▪ Compliance with water discharge consents.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Achieved.</li> <li>▪ Achieved.</li> </ul>

# Infrastructural group cont.

## Performance for 2009

### Outcome Promoted – A community with excellent facilities and services

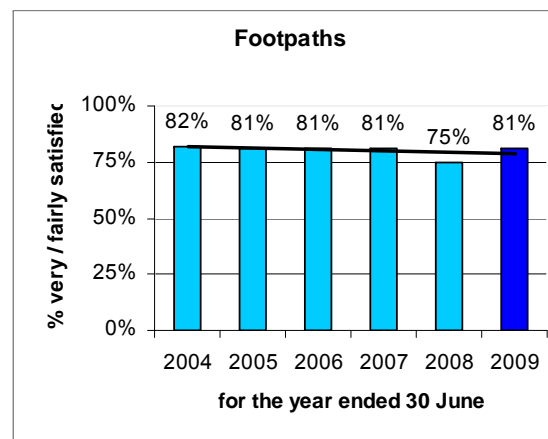
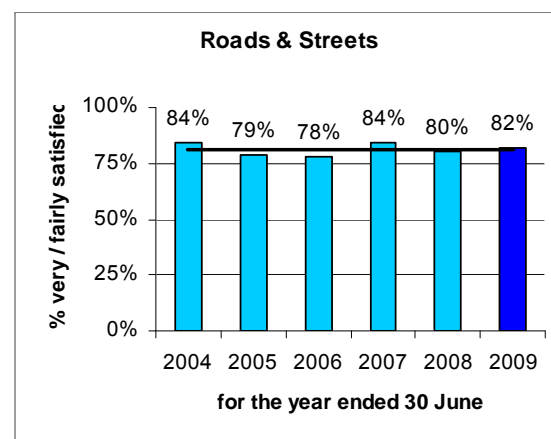
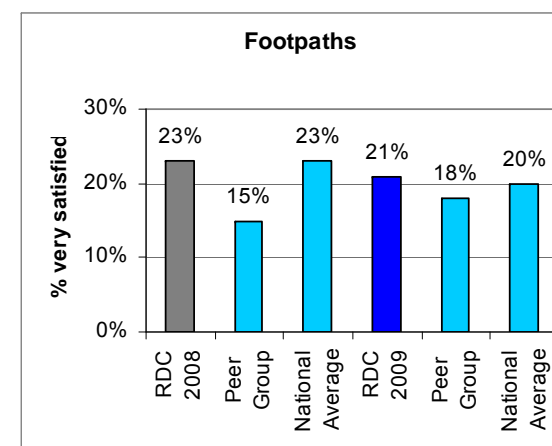
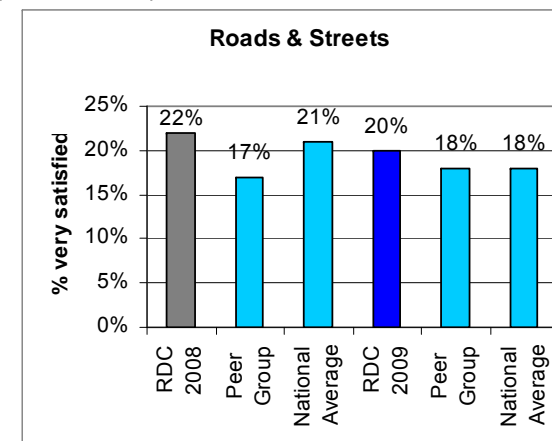
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Easy to get from place to place</li> <li>Good, safe, maintained services and roads</li> </ul>	Provision of maintenance of a transport network that is easy to get around and does not result in driver frustration	LOS D <sup>1</sup> at peak times and LOS C <sup>2</sup> at off-peak times.	Minimise travel delay and congestion by maintaining LOS for 95% of the network.	Achieved - 98% compliant.
		National benchmarking surveys.	Ride quality in top 50% of national benchmarking survey.	Achieved.

<sup>1</sup> LOS D is close to the limit of stable flow and approaching unstable flow. All drivers are severely restricted in their freedom to select their desired speed and manoeuvre within the traffic stream. The general level of comfort and convenience is poor and small increases in traffic flow will generally cause operational problems. LOS D is acceptable for short periods of high demand, such a peak commuting periods but is unlikely to be acceptable for long periods.

<sup>2</sup> LOS C is in the zone of stable flow but most drivers are restricted to some extent in their freedom to select their desired speed and manoeuvre within the traffic stream. The general level of comfort and convenience declines noticeably at this level.

## NRB Community Survey

The four graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



These graphs show the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.

These graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.

# Infrastructural group **cont.**

## Transport (Road Safety)

### Overall aim of the activity

To reduce the incidence and severity of crashes in the District through advocacy, encouragement and providing education initiatives.

### This year's highlights and achievements included

- **Road Safety/Sustainability** – completed a series of education campaigns aimed at reducing our crash trend, including the “you know”, “slow down for kids” and “back to school” projects.
- Assisting the implementation of new cycle facilities and education, including “Bike Week”, aiding Environment BOP provide bus information and facilities in the area.

### Activity purpose – why we provide the service

This activity is in response to community expectations and the need for Council to provide a leadership and co-ordination role. In addition to Council's own funds, the Crown provides funds for a number of Road Safety initiatives that can be brought to the District if Council acts in this role. This activity is split into two interrelated areas.

- 1) This activity provides for the delivery, co-ordination and facilitation of road safety programmes and initiatives.
  - Council has a District Road Safety Strategy. This outlines the key issues / problems in terms of road safety locally. This includes Central Government Agencies, Regional Authorities and Community Groups.

- Council employs a fulltime Road Safety Co-ordinator to co-ordinate, facilitate and manage local efforts to address identified road safety issues / problems in the areas of education and encouragement. Additionally 30% of an officer's time is committed in a supervisory capacity.

Examples of programmes in operation are Safe with Age, Safe Cycling, Speed, Kidz “n” Cars and Walking School Bus.

- Council's Safety Management System (or SMS) is maintained within this activity. A SMS outlines the engineering focus on safety.

- Each year specific Land Transport resources for the District are agreed between Land Transport NZ; Police and Council. This activity area oversees and manages this delivery.

Council is committed to achieving the goals in the National 2010 Strategy and the District Strategy reflects this – incorporating the 3E's of Road Safety, (Education, Engineering and Enforcement), at a local level.

- 2) Council has a Cycleway Policy. This activity area acts as the “champion” for this document.

The Policy sets the framework for future cycling needs locally in terms of current national strategy, standards and encouragement initiatives.

The Cycling Policy has the intention of increasing the level of cycling through increased infrastructure, encouragement and better integration with other modes of transport including public transport.

It has direct links with the District Road Safety Strategy above and the Rotorua Transportation Plan (under development).

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A safe and caring community

- Fewer road crashes
- Providing safe public places

#### A healthy community

- Improving health status
- Increasing recreational opportunities

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	456	365	374
Financial Costs	0	0	0
Depreciation	0	1	0
Other	0	0	0
<b>Total Costs</b>	<b>456</b>	<b>366</b>	<b>374</b>
<b>REVENUE</b>			
Capital Revenue	0	0	30
Fees and Charges	0	0	0
Subsidies and Grants	379	284	272
<b>Total Revenue</b>	<b>379</b>	<b>284</b>	<b>302</b>
<b>Net Cost of Service</b>	<b>77</b>	<b>82</b>	<b>72</b>



# Infrastructural group cont.

## Capital expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	0	5	0
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>5</b>	<b>0</b>

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	77	82	72
Plus Capital Revenue	0	0	30
Less Depreciation of General Rate Activities	0	(1)	0
Depreciation Funded by General Rates	0	5	0
<b>Total Rates for/(from) Operations</b>	<b>77</b>	<b>86</b>	<b>102</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	0	5	0
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>5</b>	<b>0</b>

## Performance for 2009

### Outcomes Promoted – A safe and caring community, A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Fewer road crashes.</li> <li>Providing safe public places.</li> </ul>	Develop, co-ordinate and facilitate Road Safety programmes.	Equal or lower crash rates of peer districts as shown in LTNZ annual reports.	Contribute to fewer road crashes by providing education programmes.	NZTA reports discontinued.
<ul style="list-style-type: none"> <li>Improving health status</li> <li>Increasing recreational opportunities</li> </ul>	Plan & direct programmes and encourage walking and cycling and integration with other modes.	5 yearly counts at key sites as per strategy	Increased numbers walking and cycling compared with previous count.	Achieved.

# Infrastructural group cont.

## Transport (State Highway Administration)

### Overall aim of the activity

To plan, develop and maintain the district State Highway system as the asset manager in a way that contributes to an integrated, safe and responsive transport network.

### This year's highlights and achievements included

- Maintenance of the existing district network.
- Delivery of new widening projects to local highways – Waitapu, Te Pu and Mamaku.
- New and improved bridges at Waiteti, Awahou and Mangorewa Gorge.
- Gaining and delivering a significant portion of the government stimulus package in the BOP, including rumble strips, seal widening and guardrails.
- Development of the Fairy Springs 4-laning project and completion of the Kaharoa realignment project.

### Activity purpose – why we provide the service

The management and administration of the physical highway network within the district is undertaken by Council. This is a unique situation, normally this would be by Transit NZ, the crown highway agency. Council has been delegated the role of Asset Manager. This allows a co-ordinated overview of roading and transport modes to be undertaken. While still working within the national Transit NZ system for funding and policy, the delegation allows for the integration, development and promotion of Rotorua projects and maintenance needs across the road transport network.

This activity area provides both leadership and management capability for the Asset Manager role. Additionally the area provides a wider relationship for planning interaction both locally and regionally for different modes and the land transport network.

Much of the output of this function (highway asset management) is undertaken by external parties by way of professional services contracts with Council. Council receives an income stream for providing this service based on the value of all works expenditure.

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A safe and caring community

- Fewer road crashes.

#### A community with excellent facilities and services

- Good safe maintained services and roads.
- Good quality infrastructure for future.

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	156	152	125
Financial Costs	0	0	0
Depreciation	2	1	1
Other	0	0	0
<b>Total Costs</b>	<b>158</b>	<b>153</b>	<b>126</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	187	140	139
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>187</b>	<b>140</b>	<b>139</b>
<b>Net Cost of Service</b>	<b>(29)</b>	<b>13</b>	<b>(12)</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	2	0	3
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>2</b>	<b>0</b>	<b>3</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	(29)	13	(12)
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(2)	(1)	(1)
Depreciation Funded by General Rates	2	0	3
<b>Total Rates for/(from) Operations</b>	<b>(29)</b>	<b>12</b>	<b>(10)</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	2	0	3
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>2</b>	<b>0</b>	<b>3</b>

# Infrastructural group cont.

## Performance for 2009

### Outcome Promoted – A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Fewer road crashes	Plan, develop and advocate for safer district SH network.	Fewer road crashes by:		
		A database of current crash black spots is maintained and prioritised annually for the minor safety works programme.	Identifying, prioritising and programming black spots rectification.	Achieved.
		Development and acceptance of a highway Annual Plan to Transit standard each year.	Maintaining roads to national standards.	Achieved.
		Scrim testing to ensure network meets national skid resistance level.	Ensuring good stopping distances.	Achieved.
		Design of new works in accordance with current geometric design standards.	Designing any new works for safety.	Achieved.

### Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Good, safe maintained services and roads.</li> <li>▪ Good quality infrastructure for future.</li> </ul>	Manage and administer the district SH network.	Annual benchmarking (Transit NZ).	Advance and manage the network locally within the national/local policy framework of Transit NZ and Council.	Achieved.

# Infrastructural group **cont.**

## Waste Management

### Overall aim of the activity

To manage the collection, re-use and disposal of waste in an environmentally sustainable manner.

### This year's highlights and achievements included

- Increase in recyclable material recovered.
- Commenced Waste 2 Gold project.

### Activity purpose – why we provide the service

The activity covers refuse collection, recycling, landfill and all aspects of waste management. The activity is undertaken to provide a District wide integrated approach to waste management, to protect public health and provide cost effective disposal facilities. There is also a public expectation that Council provide such services.

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A community that respects its environment

- Waste reduction
- Looking after our air, land and water resource

#### A community with excellent facilities and services

- Good quality infrastructure for future

## Cost of Service – Waste Management

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	1,179	1,200	1,071
Financial Costs	5	4	12
Depreciation	23	28	23
Other	0	0	0
<b>Total Costs</b>	<b>1,207</b>	<b>1,232</b>	<b>1,105</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	0	0	0
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cost of Service</b>	<b>1,207</b>	<b>1,232</b>	<b>1,105</b>

## Cost of Service – Landfill

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	1,563	1,498	1,478
Financial Costs	201	219	137
Depreciation	1,577	964	1,188
Other	0	0	0
<b>Total Costs</b>	<b>3,341</b>	<b>2,681</b>	<b>2,804</b>
<b>REVENUE</b>			
Capital Revenue	0	0	7
Fees and Charges	1,717	2,034	1,996
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>1,717</b>	<b>2,034</b>	<b>2,003</b>
<b>Net Cost of Service</b>	<b>1,624</b>	<b>647</b>	<b>801</b>

## Cost of Service – Refuse Collection

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	2,022	1,997	1,890
Financial Costs	0	0	0
Depreciation	0	0	0
Other	0	0	0
<b>Total Costs</b>	<b>2,022</b>	<b>1,997</b>	<b>1,890</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	218	239	242
Investment Income	20	20	18
Subsidies and Grants	0	0	0
Targeted Rates	1,777	1,780	1,709
<b>Total Revenue</b>	<b>2,015</b>	<b>2,039</b>	<b>1,969</b>
<b>Net Cost of Service</b>	<b>7</b>	<b>(42)</b>	<b>(79)</b>

## Capital Expenditure – Waste Management

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	0	0	0
Growth	0	0	0
Backlog	0	0	30
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>30</b>

# Infrastructural group cont.

## Capital Expenditure – Landfill

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	423	1,389	1,798
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>423</b>	<b>1,389</b>	<b>1,798</b>

## Capital Expenditure – Major Projects - Landfill

for the year ended 30 June: (thousands)	2009 Actual
<b>Waste to Gold</b>	241
Landfill Capital Development	182
	<b>423</b>

## Capital Expenditure – Refuse Collection

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	0	0	0
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>

## How we pay for this activity – Waste Management

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	1,207	1,232	1,105
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(23)	(28)	(23)
Depreciation Funded by General Rates	0	0	0
<b>Total Rates for/(from) Operations</b>	<b>1,184</b>	<b>1,204</b>	<b>1,082</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	0	0	0
Loans from/(to) Corporate Fund	0	0	30
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>30</b>

## How we pay for this activity – Landfill

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	1,624	647	801
Plus Capital Revenue	0	0	7
Less Depreciation	(1,577)	(964)	(1,188)
Depreciation Funded by General Rates	0	0	0
Self Funding/DC Reserve Movements	(47)	317	380
<b>Total Rates for/(from) Operations</b>	<b>0</b>	<b>0</b>	<b>(0)</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	0	0	0
Loans from/(to) Corporate Fund	0	0	0
Reserves Net	423	1,389	1,791
<b>Total Capital</b>	<b>423</b>	<b>1,389</b>	<b>1,791</b>

## Variance from budget – Landfill

*Operating Costs* - Increase in depreciation due to a landfill cell addition (\$1.2mil) with a three year life.

*Revenue* - Unfavourable variance to budget due to lower volumes at landfill.

# Infrastructural group **cont.**

## How we pay for this activity – Refuse Collection

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	7	(42)	(79)
Plus Capital Revenue	0	0	0
Less Depreciation	0	0	0
Depreciation Funded by General Rates	0	0	0
Self Funding/DC Reserve Movements	(7)	42	79
<b>Total Rates for/(from) Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	0	0	0
Loans from/(to) Corporate Fund	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Performance for 2009

### Outcome Promoted – A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>▪ Waste reduction</li> <li>▪ Looking after our air, land and water resource</li> </ul>	Managing the collection, re-use and disposal of waste to always have landfill capacity available.	Annual waste statistics.  EBOP compliance reports.	Decrease in landfilled waste.  Compliance with consent conditions.	Achieved.  Achieved.

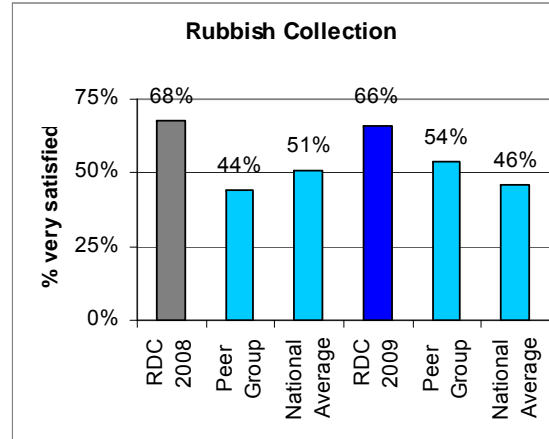
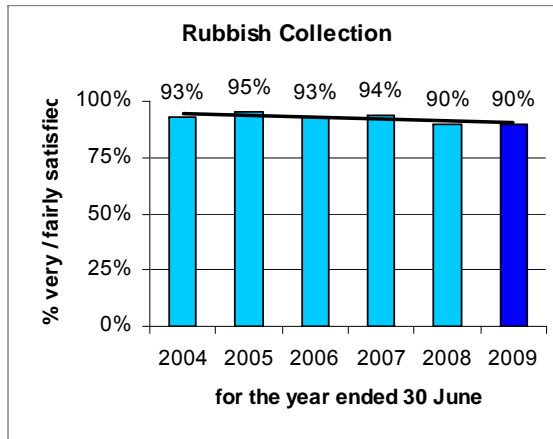
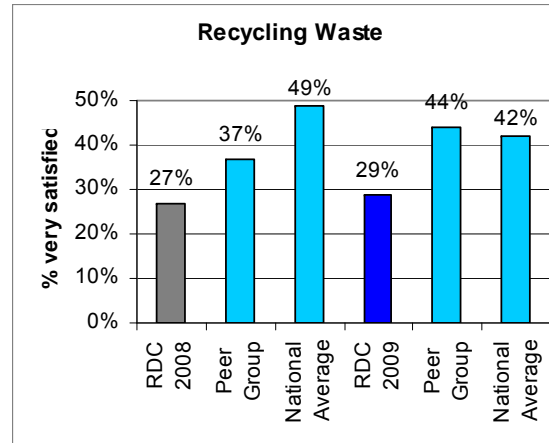
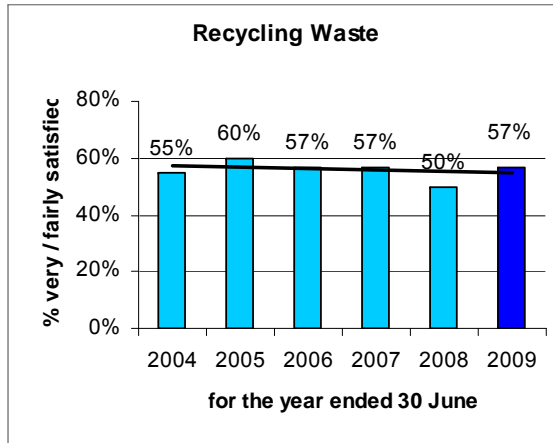
### Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Good quality infrastructure for future	Provision of collection, disposal and recycling facilities.	Monthly capacity surveys.  Surveys.  Contractor records.	Always have landfill capacity available.  95% of population within 13kms of recycling facilities.  To complete weekly refuse collection as scheduled.	Achieved.  Achieved.  Achieved.

# Infrastructural group cont.

## NRB Community Survey

The four graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.

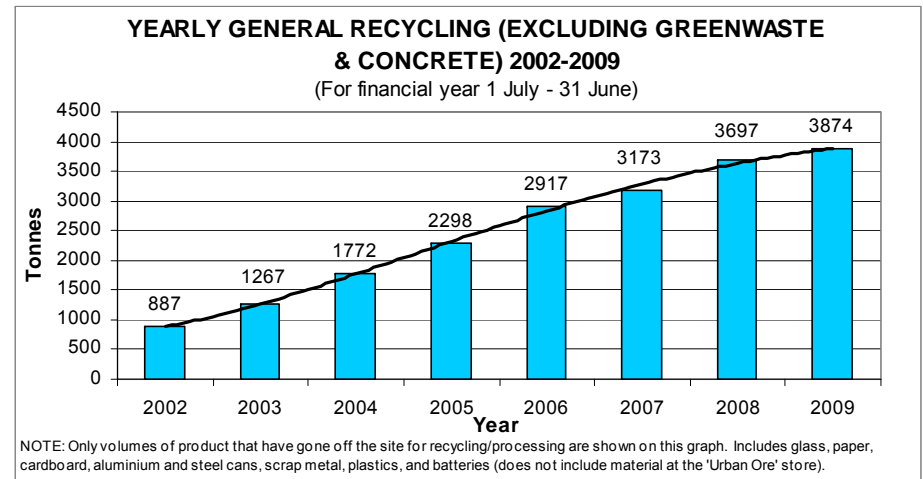
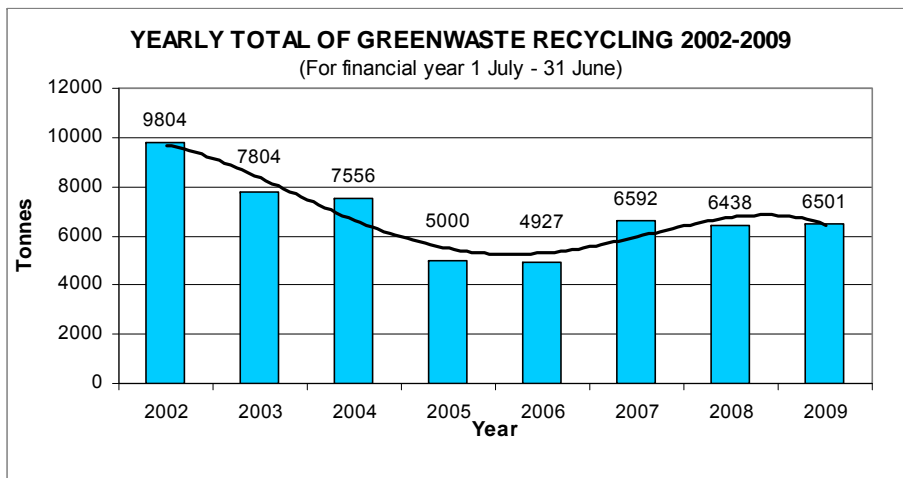
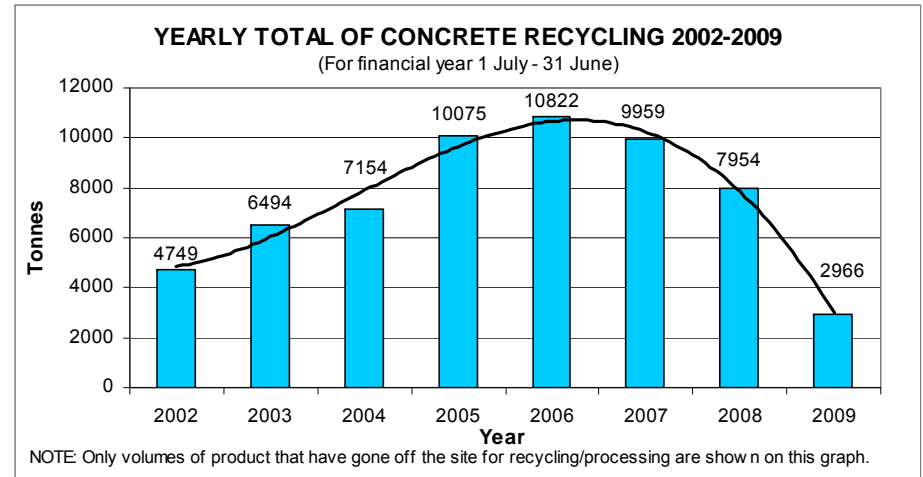
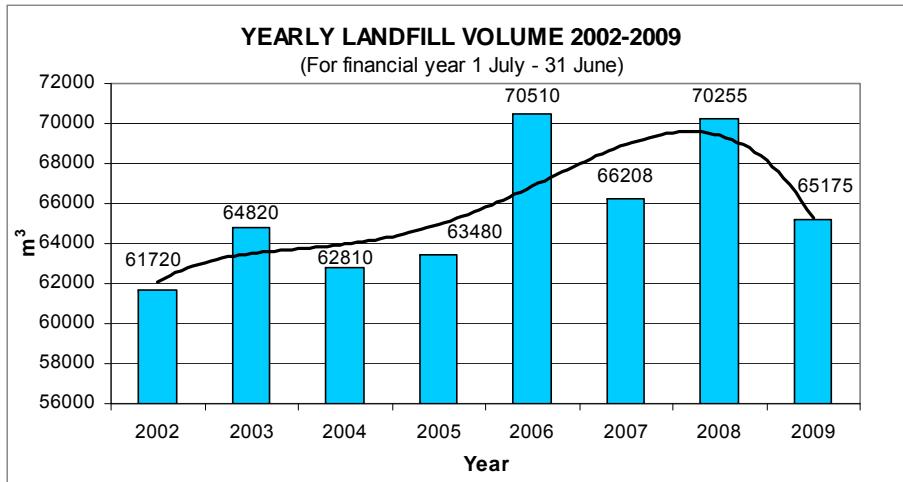


These graphs show the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.

These graphs show the percentage of survey respondents that are "very" satisfied with these services over the last two years and compares it with our peer group and the national average.

# Infrastructural group **cont.**

## Other Indicators





# Infrastructural group **cont.**

## WasteWater

### Overall aim of the activity

To provide for existing and future generations an environmentally safe and efficient collection, treatment and disposal of water borne waste and by products in a sustainable operation to safe guard the environment and public health.

### This year's highlights and achievements included

- Brunswick/Rotokawa sewerage scheme 75% complete as per commitment to Ministry for the Environment.
- Detailed design and tender documentation for Okere Falls / Otaramarae / Whangamarino and Okareka sewerage schemes.
- Completed Ohinemutu gravity sewer main replacement (920m of sewer mains and 21 manholes).
- Let a contract for flow monitoring and building of a hydraulic model for the Urban sewer network.
- Re-lined 1280m of sewer mains in Fenton Park area using cured-in-place technology.

### Activity purpose – why we provide the service

The services under the wastewater activity areas are provided because the community expects Council to make provision for the removal of sewage and liquid trade wastes from communities, to enhance public health and minimise the impact of communities on the environment. The provision of the service is covered by several Council policies.

Legislations such as the Local Government Act, Resource Management Act and Health Act also requires Council to provide this service.

Several plans and strategies are in place that reflects the long term programme for the provision of this service.

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A community that respects its environment

- Looking after our air, land , water resources
- Improved lake water quality.

#### A healthy community

- Improving health status for all

#### A community with excellent facilities and services

- Good safe maintained services and roads
- Good quality infrastructure for the future

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	5,080	6,180	5,400
Financial Costs	405	1,094	516
Depreciation	5,012	4,235	4,488
Other	(155)	0	0
<b>Total Costs</b>	<b>10,342</b>	<b>11,509</b>	<b>10,403</b>
<b>REVENUE</b>			
Capital Revenue	7,217	4,571	319
Fees and Charges	59	20	180
Investment Income	529	282	373
Subsidies and Grants	9	0	0
Targeted Rates	10,669	10,441	9,652
<b>Total Revenue</b>	<b>18,483</b>	<b>15,314</b>	<b>10,524</b>
<b>Net Cost of Service</b>	<b>(8,141)</b>	<b>(3,805)</b>	<b>(121)</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	3,318	3,323	2,221
Growth	4,882	13,303	2,184
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>8,199</b>	<b>16,626</b>	<b>4,405</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	(8,141)	(3,805)	(121)
Plus Capital Revenue	0	0	0
Less Depreciation	(5,012)	(4,235)	(4,488)
Self Funding/DC Reserve Movements	13,153	8,040	4,609
<b>Total Rates for/(from) Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	0	0	0
Loans from/(to) Corporate Fund	0	0	0
Capital Grants	2,658	4,316	7
Development Contributions	1,505	254	312
Reserves Net	4,037	12,056	4,039
Asset Sales	0	0	47
<b>Total Capital</b>	<b>8,199</b>	<b>16,626</b>	<b>4,405</b>

# Infrastructural group cont.

## Capital Expenditure – Major Projects – WasteWater Urban

for the year ended 30 June:	2009 Actual
(thousands)	
Sewer Renewals	1,782
Pump Stations Renewals	555
Treatment Plant Renewals	660
Treatment Plant Improvements	258
Land Treatment Renewals	314
Reticulation Extension	159
Sewerage Schemes	
Hinehopu	102
Okareka	290
Brunswick/Rotokawa	3,671
Okere Falls/Otaramarae	393
Other	15
	<b>8,199</b>

### Variance from budget

*Operating Costs* - Favourable variance due to procurement savings in electricity, sludge disposal and polyelectrolyte also recovery of costs higher than budget (offset in engineering compliance). Interest costs below budget due to delay in capital spend offset by loss on revaluation of waste water assets.

*Revenue* - Favourable to budget primarily due to funding for waste water schemes (timing).

*Capital Expenditure* - Waste water schemes delays and land treatment upgrade deferred.

## Performance for 2009

### Outcome Promoted – A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
Improve health status for all.	Provision of an efficient collection treatment and disposal system for community wastewater from service areas.	Monitoring data	Continuous (24/7) operation of the wastewater service (flush and gone)	Achieved.
			Zero sewage overflows under normal operation conditions	Achieved.

### Outcome Promoted – A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Looking after our air, land and water resources.</li> <li>Improved Lake Water quality.</li> </ul>	Implementation and management of schemes to minimise impact on the environment.	Annual compliance report from Regional Council.	Compliance with air discharge requirement	Achieved.
			Compliance with water discharge standards	Not achieved. One discharge consent requirement not met. A major treatment upgrade project is planned to enable compliance in future.

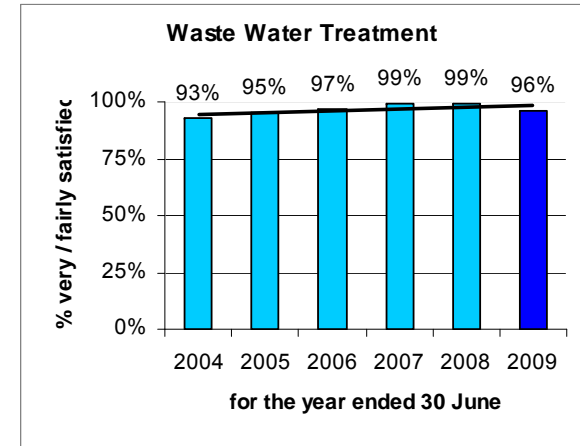
### Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Good safe maintained services and roads</li> <li>Good quality infrastructure for the future</li> </ul>	Planning provision and maintenance of appropriate network and treatment facilities.	Project and contract progress reports to Council regarding renewal and improvement programme	Continuous (24/7) operation of the wastewater services for existing and future generations (flush and gone)	Achieved.

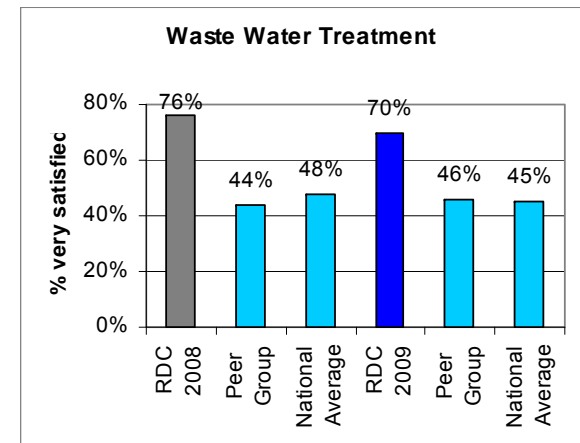
# Infrastructural group **cont.**

## NRB Community Survey

The two adjacent graphs have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.



This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.

# Infrastructural group cont.

## Water

### Overall aim of the activity

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

### This year's highlights and achievements included

- Contracts let and major construction progress on UV treatment facilities.
- Significant improvements on Ministry of Health public health gradings for distribution systems on all water supplies.
- Resource consents renewed for Waipa, Hemo and Taniwha Springs.
- New reservoir at Mamaku.
- Replaced 4800m of water mains and installed 1000m of new water pipelines.

### Activity purpose – why we provide the service

The Health Act 1956 (Section 23) requires Councils to improve, promote and protect public health. Whilst not expressly requiring Councils to provide a public water supply, the provision of a safe, potable water supply to dwellings contributes significantly towards this.

The community expectation is that Council will, in areas where it is cost-effective to do so, provide a supply of drinking water which is "safe." Council has the resources and knowledge to provide leadership in this area.

The commercial / industrial sector, including dairy farming, also expects Council in currently-served areas to ensure there is adequate water provided for these businesses to operate and develop.

Moreover, the community expects that Council will ensure, through strategies and sound planning, that

these services will continue to be available to areas of the District in which growth and development is expected.

### The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes

#### A healthy community

- Safe drinking water
- Healthy whanau, healthy communities

#### A community with excellent facilities and services

- Good quality infrastructure for the future
- Good, safe, maintained services and roads

### Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	4,224	4,279	3,587
Financial Costs	178	253	86
Depreciation	2,199	2,108	2,154
Other	0	0	0
<b>Total Costs</b>	<b>6,601</b>	<b>6,640</b>	<b>5,827</b>
<b>REVENUE</b>			
Capital Revenue	181	756	145
Fees and Charges	1	127	35
Investment Income	7	(16)	16
Subsidies and Grants	0	0	0
Targeted Rates	6,702	6,716	6,222
<b>Total Revenue</b>	<b>6,891</b>	<b>7,583</b>	<b>6,418</b>
<b>Net Cost of Service</b>	<b>(290)</b>	<b>(943)</b>	<b>(591)</b>

### Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	1,445	1,416	1,483
Growth	3,583	6,492	1,517
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>5,028</b>	<b>7,908</b>	<b>3,000</b>

### How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	(290)	(943)	(591)
Plus Capital Revenue	0	756	145
Less Depreciation	(2,199)	(2,108)	(2,154)
Depreciation Funded by General Rates	0	1,416	1,483
Self Funding/DC Reserve Movements	2,489	879	1,117
<b>Total Rates for/(from) Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	31	30	5
Loans from/(to) Corporate Fund	0	0	0
Capital Grants	0	624	17
Development Contributions	1,508	131	128
Reserves Net	3,489	7,123	2,834
Asset Sales	0	0	16
<b>Total Capital</b>	<b>5,028</b>	<b>7,908</b>	<b>3,000</b>

# Infrastructural group cont.

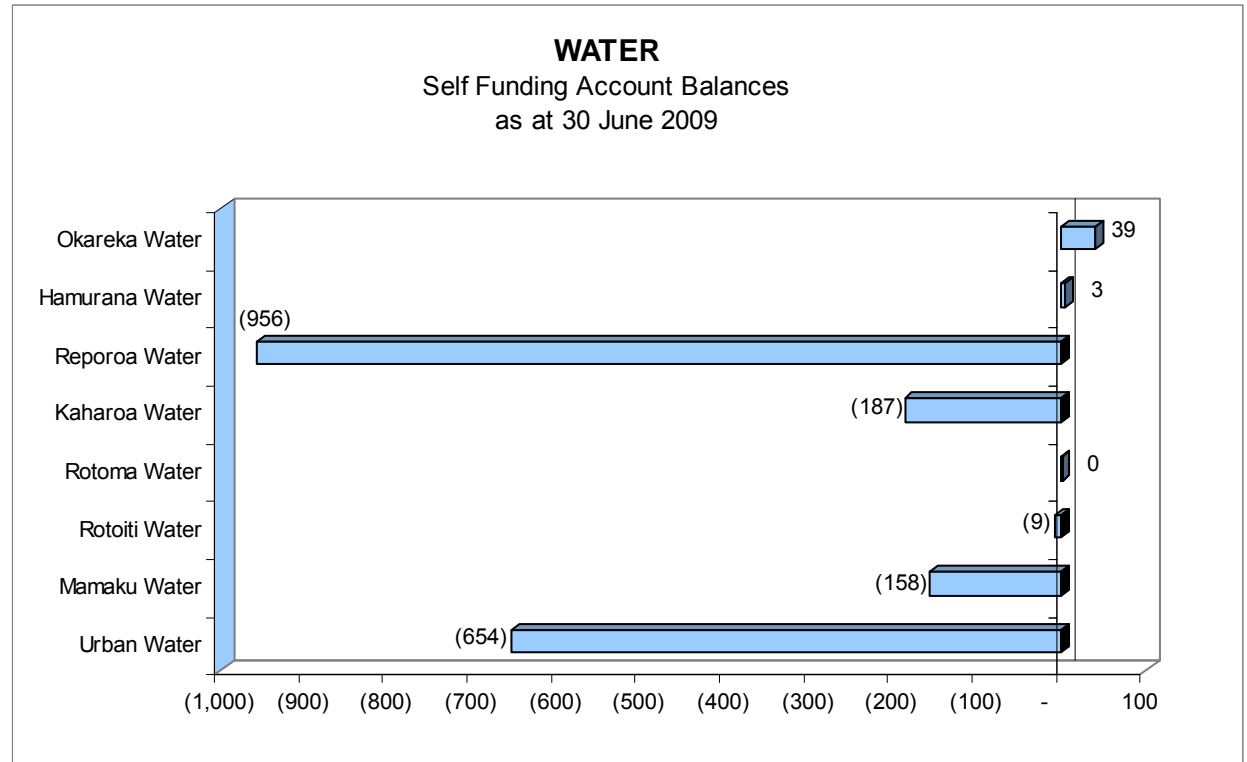
### Variance from budget

*Revenue* - Backflow capital recoveries not to be collected.

*Capital Expenditure* - Eastern improvements backflow and additional source investigation deferred.

### Capital Expenditure – Major Projects – Water Investigations & Overheads

for the year ended 30 June:	2009 Actual
(thousands)	
<b>Urban Water</b>	
Project Renewals	1,379
Reticulation Improvements	1,027
Water Treatment - Backlog/Growth	1,065
Pump Station Renewals	229
Capital Improvements -	
Mamaku	312
Rotoiti	79
Rotoma	51
Kaharoa	318
Reporoa	407
Hamurana	92
Other	69
	<b>5,028</b>



Self Funding Account Balances are effectively the cash balance accumulated to date to fund future capital requirements for the specific water areas.

# Infrastructural group **cont.**

## Performance for 2009

### Outcome Promoted – A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Safe drinking water.</li> <li>Healthy whanau, healthy communities.</li> </ul>	Provision of safe drinking water for the following water schemes: Central Urban Ngongotaha Rotokawa Mamaku Rotoiti Rotoma Kaharoa Reporoa/Mihi Hamurana Okareka	Sampling and laboratory testing records. WINZ database records.	100% compliance with the monitoring requirements of the current DWSNZ.	Achieved.

### Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
<ul style="list-style-type: none"> <li>Good quality infrastructure for the future</li> <li>Good safe, maintained services and roads</li> </ul>	Provision of excellent water network and treatment facilities for the following water schemes:	Routine pressure flow tests. Hydraulic model analysis.	95% of connections will meet following:	
	Central Urban		Min 30 litres/ min minimum flow for domestic connections. Min 30 metres pressure head. Max 90 metres pressure head.	Achieved.
	Eastern Area		Min 1,500 litres/ day flow. Min 10 metres pressure head. Max 90 metres pressure head.	Achieved.

# Infrastructural group cont.

## Performance for 2009

### Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
	Rotokawa		Min 5 metres pressure head. Max 90 metres pressure head.	Achieved.
	Mamaku		20 litres/min flow for domestic connections. Min 20 metres pressure head. Max 90 metres pressure head.	Achieved.
	Rotoiti		20 litres/min minimum flow for residential connections. Min 20 metres pressure head. Max 90 metres pressure head.	Achieved.
	Rotoma		20 litres/min flow for residential connections. Min 20 metres pressure head. Max 90 metres pressure head.	Achieved.
	Kaharoa		450 litres/ha/ day flow for dairy. 250 litres/ha/ day for sheep/ beef. No minimum pressure. Max 90 metres pressure head.	Achieved.

# Infrastructural group **cont.**

## Performance for 2009

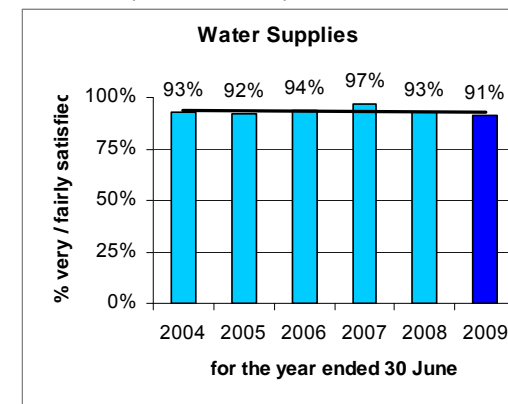
### Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2008/09	Achievement as at 30.06.09
	Reporoa/Mihi		20 litres/min minimum flow for residential. 505 litres/ha/ day farming. 3600m <sup>3</sup> /day factory. Min 15 metres pressure head. Max 90 metres pressure head.	Achieved.
	Hamurana		20 litres/min minimum flow for residential connections. Min 15 metres pressure head. Max 90 metres pressure head.	Achieved.
	Okareka		20 litres/min minimum flow for residential connections. Min 20 metres pressure head. Max 90 metres pressure head.	Achieved.
	To provide adequate fire fighting water supply to the following areas: Central Urban Mamaku	NZFS Code of Practice	95% of fire hydrants comply.	Achieved.

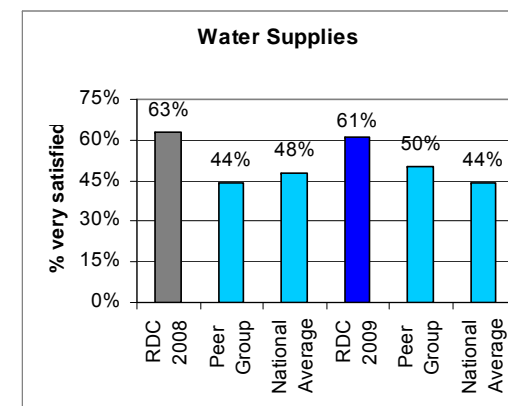
Note: Flow/pressure figures are at point of supply.

## NRB Community Survey

The two graphs below have been prepared from the annual Communitrack Survey conducted by National Research Bureau Ltd (NRB) Public Perception and Interpretations of Council Services and Representation Report.



This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time.



This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average.



# Castlecorp



## Contribution to Outcomes

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

## Overview of Group

### Range of activity

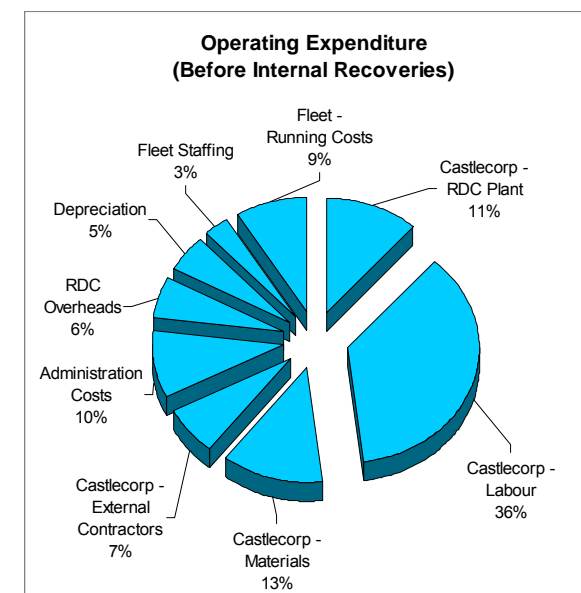
Castlecorp is the largest business unit within the Rotorua District Council and the leading provider of infrastructural services to the residents of the District of Rotorua 365 days per year for:

- Water Supply Operations and Management
- Wastewater Network Maintenance
- Forest Irrigation Disposal
- Refuse and Litter Collection
- Land Drainage Maintenance
- Footpath and Verge Maintenance
- Janitorial Services
- Reserves Maintenance
- Sports Fields and Stadium Maintenance
- Public Gardens
- Horticultural Services
- Cemeteries and Crematorium
- Fleet Maintenance
- Rural Fire Fighting

Being a vital part of the community Castlecorp not only provides essential underground networks and parks, we help maintain the overall well being of the Rotorua Community by actively participating in a wide range of community activities, and developing ever closer working relationships with external community organisations. Customer based strategies and a strong commitment to sustainable operations reflect the values of continuous improvement and value for customers.

### Potential Significant Negative Effects

Any significant effects will be identified in the activity area for which Castlecorp provides services



# Castlecorp cont.

## Castlecorp Business Unit

### Overall aim of the activity

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

Castlecorp's purpose is to provide infrastructural services to the residents of the Rotorua District, therefore Castlecorp represents Council as the main service provider.

### This year's highlights and achievements included

- **Wearable Arts** – Castlecorp's entry into the Wearable Creations and Colour Awards, "Metropolis", achieved third placing within the Corporate section
- **Westpac Business Excellence Awards** – Winner Community Organisation.
- **Westpac Business Excellence Awards** – Finalist Social Responsibility Category.
- **Quality Systems** – The continuous review of processes and procedures within Quality Based Business systems resulted in another positive audit by Telarc noting "exemplary level of customer focus and commitment to Quality". The audit also noted an upgrade to ISO 9001 2008 Standard with no recommendations or compliance issues.
- **Environmental Strategies** – Castlecorp has continued to improve its operations and sustainability efforts by implementing cleaner production initiatives, composting green waste, and recycling some public events.

### Activity purpose – why we provide the service

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

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

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

**The activity contributes towards sustainable development by promoting the following community outcomes and sub-outcomes**

### A safe and caring community

- Providing safe public spaces

### A community that respects its environment

- Looking after our air, land and water resources
- Waste reduction

### A community with excellent facilities and services

- Good quality infrastructure for future
- Good, safe, maintained services and roads

### A happening community

- Lots of events including sporting, cultural, festivals, arts
- Leading edge activity events
- Provision of good quality event, conference and tourism facilities

# Castlecorp cont.

## Cost of Service

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATING COSTS</b>			
Direct Costs	(475)	(769)	(628)
Financial Costs	20	15	20
Depreciation	712	907	785
Other	0	0	0
<b>Total Costs</b>	<b>257</b>	<b>153</b>	<b>178</b>
<b>REVENUE</b>			
Capital Revenue	0	0	0
Fees and Charges	257	153	298
Subsidies and Grants	0	0	0
<b>Total Revenue</b>	<b>257</b>	<b>153</b>	<b>298</b>
<b>Net Cost of Service</b>	<b>0</b>	<b>0</b>	<b>(120)</b>

## Capital Expenditure

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
Renewals	47	1,431	1,122
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>47</b>	<b>1,431</b>	<b>1,122</b>

## How we pay for this activity

for the year ended 30 June: (thousands)	2009 Actual	2009 Budget	2008 Last Year
<b>OPERATIONAL FUNDING</b>			
Net Cost of Service	0	0	(120)
Plus Capital Revenue	0	0	0
Less Depreciation of General Rate Activities	(712)	(907)	(785)
Depreciation Funded by General Rates	47	1,431	1,122
<b>Total Rates for/(from) Operations</b>	<b>(665)</b>	<b>524</b>	<b>216</b>
<b>CAPITAL FUNDING</b>			
<b>Capital Funded by:</b>			
Funding from Depreciation (Rates)	47	1,150	877
Loans from/(to) Corporate Fund	0	0	0
Asset Sales	0	281	245
<b>Total Capital</b>	<b>47</b>	<b>1,431</b>	<b>1,122</b>

## Variance from budget

*Capital Expenditure* - Delays in fleet purchases.

# Rotorua Regional Airport Ltd (RRAL) 2008/2009

## Overview

The 2008/2009 financial year has been a very successful year for RRAL. Rotorua District Council, as the owner of the airport, carried out some major construction throughout the year to enable trans-Tasman flights to commence, and it was very pleasing to have this work substantially completed by the end of the financial year.

During the year there was ongoing discussions with various airlines about providing trans-Tasman flights into Rotorua. As a result of these discussions we were able to announce in early August 2009 that Air NZ had committed to providing two weekly return flights to Sydney from December 2009. Given the current economic climate, and the recent reductions in international flights, this is a huge highlight for the airport. There is no doubt Rotorua will benefit from the additional visitors resulting from these flights.

## Passenger Movements

For 2008/09 there was a reduction of 15.6% in passenger movements when compared to the previous year. Passenger numbers were 254,500 compared to 301,600 for 2007/08.

There were a number of reasons for the reductions in passenger numbers, however, we are confident that these numbers will improve for the future and the airport will become a strategic gateway for not only Rotorua but also the region.

## Management and Governance

The Rotorua Regional Airport Ltd board comprises Neil Oppatt (Chairman), Ray Cook, Bill Kingi, Councillor Mike McVicker and Councillor Bob Martin. There were no changes to the governance or management structure during the year.

## Performance Target for 2008/09

The performance target for 2008/09 was:

Performance Measure	Target	Achievement
Ratio of net profit (after tax) to average shareholders funds.	- 5.0%	- 6.3%

## Financial

Revenue reduced by \$479,000 while expenditure was \$37,000 less when compared with 2007/08. The net surplus reduced by \$442,000.

## 2008/09 Results

### Statement of Financial Performance

For the year ended 30 June: (thousands)	2009	2008	2007
Revenue	2,548	3,027	2,929
Expenditure	2,672	2,710	2,610
Surplus / (Deficit)	(125)	317	319
Taxation	0	0	0
Net surplus / (Deficit)	(125)	317	319

## Statement of Financial Position

As at 30 June: (thousands)	2009	2008	2007
Current assets	1,312	1,533	1,872
Current liabilities	292	390	462
Working capital	1,020	1,143	1,410
Plant, property, equipment and intangibles	886	889	304
	1,906	2,032	1,714
Financed by:			
Equity	1,906	2,032	1,714
Debt			
	1,906	2,032	1,714

## Financial Forecasts & Performance Targets

Year ending 30 June: (thousands)	Budget 2009	Actual 2009
Total Revenue	3,848	2,548
Total Costs	3,702	2,673
Surplus/deficit before tax	146	(125)
Provision for tax	0	0
Surplus/deficit after tax	146	(125)
Total Assets (Net of liabilities)	1,400	1,906
Total shareholders funds	1,400	1,906
Net profit after tax to average shareholders funds	9%	(6.6)%

# Local Authority Shared Services Ltd

The Local Authority Shared Services Ltd (LASS) was incorporated in December 2005. The LASS was established as a Control Controlled Organisation under the Local Government Act for the 13 Waikato/Rotorua councils. Rotorua District Council has an approximately 7% shareholding in the company.

In the year to June 2009, LASS has built an effective platform for the delivery of a range of shared service opportunities. LASS provides an effective structure that can promote such developments to the benefit of those councils that choose to be actively involved in a particular joint service. Each council owns an equal number of shares in LASS and as such has an equal say in its development.

The shared valuation database service (SVDS) has been developed to enable the construction of a database service that is available online with updated valuation data. The short-term aim is to incorporate all property data for the whole of the Waikato region in this single database to enable competition and improvements in the VPS market.

The following performance measures were incorporated into the Statement of Intent for the 2008/09 financial year.

Performance Measure	Actual Outcome
Positive cash flow will be maintained so that the equity ratio is maintained at a minimum of 40 percent.	Positive cash flow has been maintained, and a positive Bank balance at the end of each month has allowed LASS accounts to be paid on time. Significant loan reductions have occurred during the year. Equity ratio has been over 95% throughout the financial year.
Customers will be surveyed annually to ensure there is at least 90 percent satisfaction with the services provided.	A shareholder survey was forwarded to all 13 shareholders, with a total of 8 survey forms being returned. The results showed 100% satisfaction from the respondents.
Expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the Directors.	Total expenditure was under budget. Considerable savings in administration costs in all LASS operational areas have occurred during the year.
The Directors will provide a written report on the business operations and financial position of the LASS on a six monthly basis.	Six monthly reports were provided to all shareholders.

# Bay of Plenty Local Authority Shared Services Ltd

Rotorua District Council is also a one-eighth shareholder in Bay of Plenty Local Authority Shared Services Ltd (BOP LASS) which has a nominal value of \$1,000. BOP LASS was incorporated during 2007/08 and the following performance indicators were included in its Statement of Intent for 2008/09. Provision is made in Council's financial statements for the year to 30 June 2009.

## Performance Targets for 2009

Outcomes	Performance Indicators	Target	Result
Ensure the umbrella company continues to operate effectively in both governance and management terms	Management reporting Accounting system –financial reports provided	Report target dates met	New accounting arrangements in place –regular reports available.  Operational reports to 6 weekly Board meetings
Maintain operational principles regarding developing and approving shared services	Policy statement reviewed annually. Business cases provided and approved for services prior to initiation	30 <sup>th</sup> June 2009 30 <sup>th</sup> June 2009	Policy reviewed October 2008 Reports provided for Internal audit, After Hours telephone, CRS, Insurance review.
Develop and sustain communication lines with each shareholding council at appropriate levels,	Management team meetings with constituent Councils.	30 <sup>th</sup> June 2009	No Meetings this financial year. Directors resolved(9.8.1) meetings to be held as Executive Officer feels are appropriate and commented that there had been no requests
Develop and sustain communication lines with shared service CCOs of neighbouring regions.	Regular contacts resulting in shared information reported to board	30 <sup>th</sup> June 2010	Meeting with Manawatu Levin LASS awaiting advice for Waikato new appointment notified in June visit to take place
Investigate at least potential 5 shared services to identify saving and or benefits	Advisory groups established and feasibility studies completed.	30 <sup>th</sup> June 2010	Currently 7 groups looking at 10 services
Achieve effective operation of at least 3 shared services with each service contributing appropriately to the costs of the umbrella vehicle.	Service levels agreed and implemented. Cost recovery /levy applied.	3 services by 30th June 2009	Office supplies, CRS, Internal Audit, After Hours telephone Services and Insurance Review. Advisory group levies paid Contributions from Office supplies, Insurance, and CRS will come to charge in 2009-2010 year
Operate within agreed budgets.	Budget approved annually.	Budget approved 1 <sup>st</sup> July 2008	Expenditure currently within budget except for unbudgeted items

# Bay of Plenty Local Authority Shared Services Ltd **cont.**

## Performance Targets for 2009

Outcomes	Performance Indicators	Target	Result
Maintain positive cash flow.	Cash flow reports provided on time. No negative cashflow arising from Boplass actions	30 <sup>th</sup> June 2009	Not met due to Broadband expenditure and delay in benefits coming to charge
Survey customers of active shared services at least annually to measure their satisfaction with levels and quality of service.	Annual surveys undertaken.	30th June 2009	Not required Yet.  To be provided during 2009/2010 year
Survey customers of active shared services at least annually to measure their satisfaction with levels and quality of service.	Annual surveys undertaken.	30th June 2009	Not required Yet.  To be provided during 2009/2010 year
Survey directors at least annually to gauge their satisfaction with the:	Annual surveys prepared and circulated to directors.	30 <sup>th</sup> June 2009	Directors surveyed and report presented to Directors meeting 20 <sup>th</sup> March 2009.
<ul style="list-style-type: none"> <li>▪ Extent and quality of new service investigation and business case development.</li> </ul>	Executive Officer report to directors.	6 weekly reports	
<ul style="list-style-type: none"> <li>▪ Administration and Secretarial support /reporting.</li> </ul>	Annual surveys prepared and circulated to directors.	30 <sup>th</sup> June 2009	Review undertaken by Chairman and reported to Directors. March 2009
<ul style="list-style-type: none"> <li>▪ Operations of advisory groups.</li> </ul>	Annual review by directors.		
<ul style="list-style-type: none"> <li>▪ Governance and Strategic role of the board.</li> </ul>	Chairpersons report to directors.		
<ul style="list-style-type: none"> <li>▪ Performance of the Executive Officer of BOPLASS Ltd.</li> </ul>			

# Financial statements

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## Purpose of Financial Statements

### Statement of Financial Performance

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

### Statement of Changes in Equity

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

### Statement of Financial Position

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

### Statement of Cashflows

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

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

### Notes to the Financial Statements

These provide further detail to the statements in compliance with accounting standards.



# Statement of financial performance

for the year ended 30 June: (thousands)		Council 2009 \$000's	Annual Plan \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Income</b>						
Rates Revenue	Note 3	64,301	63,766	59,724	64,267	59,690
Other Revenue	Note 3	39,809	38,708	39,297	40,408	41,131
Other Gains / (Losses)	Note 3	75	1	382	75	72
<b>Total Income</b>		<b>104,185</b>	<b>102,475</b>	<b>99,401</b>	<b>104,750</b>	<b>100,894</b>
<b>Expenditure</b>						
Employee Benefit Expenses	Note 4	30,836	30,395	29,247	30,836	29,247
Depreciation and Amortisation	Note 4	24,454	24,330	23,430	24,454	23,509
Other Expenses	Note 4	36,514	37,201	32,920	37,079	34,332
Finance Cost	Note 4	6,318	7,436	6,110	6,318	6,110
<b>Total Expenditure</b>		<b>98,122</b>	<b>99,362</b>	<b>91,706</b>	<b>98,687</b>	<b>93,198</b>
<b>Surplus before Taxation</b>		<b>6,063</b>	<b>3,113</b>	<b>7,695</b>	<b>6,063</b>	<b>7,696</b>
Taxation		0	0	0	0	0
<b>Net Surplus after Taxation</b>		<b>6,063</b>	<b>3,113</b>	<b>7,695</b>	<b>6,063</b>	<b>7,695</b>

The accompanying Notes should be read in conjunction with these Financial Statements.

# Statement of changes in equity

for the year ended 30 June: (thousands)	Council 2009 \$000's	Annual Plan \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Opening Balance</b>	772,189	738,307	764,420	772,189	764,420
<i>Property, Plant and Equipment</i>					
- Revaluation gains / (losses) taken to Equity	24,178	28,730	-	24,178	
<i>Financial Assets at Fair Value through Equity</i>					
- Valuation gains / (losses) taken to Equity	(650)	-	74	(650)	74
<i>Other Movements</i>					
- Previous year's consolidation differences					
Net income / (expense) recognised directly in equity	23,528	28,730	74	23,528	74
Surplus / (deficit) for the year	<b>6,063</b>	<b>3,113</b>	<b>7,695</b>	<b>6,063</b>	<b>7,695</b>
Total recognised income / (expense) for the year	<b>29,591</b>	<b>31,843</b>	<b>7,769</b>	<b>29,591</b>	<b>7,769</b>
<b>Closing Balance</b>	<b>801,779</b>	<b>770,150</b>	<b>772,189</b>	<b>801,779</b>	<b>772,189</b>

The accompanying notes should be read in conjunction with these Financial Statements.

# Statement of financial position

	as at 30 June: (thousands)	Council 2009 \$000's	Annual Plan \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Assets</b>						
<b>Current Assets</b>						
Cash & Cash Equivalents	Note 6	1,750	1,465	2,045	2,403	3,300
Loans and Receivables	Note 7	15,473	9,915	16,476	15,792	16,752
Inventories	Note 8	1,231	1,182	1,294	1,233	1,296
<b>Total Current Assets</b>		<b>18,454</b>	<b>12,562</b>	<b>19,815</b>	<b>19,428</b>	<b>21,348</b>
<b>Non-Current Assets</b>						
Loans and Receivables	Note 7	17	-	22	17	22
Property, Plant and Equipment	Note 9	908,907	911,396	857,638	909,787	858,523
Intangible Assets	Note 10	3,037	2,456	1,969	3,044	1,973
Biological Assets (Forestry)	Note 11	468	414	409	468	409
Other Financial Assets	Note 12	2,440	2,063	2,478	533	446
<b>Total Non-Current Assets</b>		<b>914,869</b>	<b>916,329</b>	<b>862,516</b>	<b>913,849</b>	<b>861,373</b>
<b>Total Assets</b>		<b>933,323</b>	<b>928,891</b>	<b>882,331</b>	<b>933,277</b>	<b>882,721</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Trade and Other Payables	Note 13	23,317	18,539	20,373	23,223	20,732
Provisions	Note 14	413	600	440	413	440
Employee Benefit Liabilities	Note 15	4,826	3,865	4,298	4,874	4,329
Borrowings	Note 16	18,600	5,710	38,732	18,600	38,732
Provision for taxation	Note 5	-	-	-	-	-
<b>Total Current Liabilities</b>		<b>47,156</b>	<b>28,714</b>	<b>63,843</b>	<b>47,110</b>	<b>64,233</b>
<b>Non-Current Liabilities</b>						
Provisions	Note 14	1,515	1,673	1,486	1,515	1,486
Employee Benefit Liabilities	Note 15	722	732	686	722	686
Borrowings	Note 16	82,151	127,622	44,128	82,151	44,128
<b>Total Non-Current Liabilities</b>		<b>84,388</b>	<b>130,027</b>	<b>46,300</b>	<b>84,388</b>	<b>46,300</b>
<b>Total Liabilities</b>		<b>131,544</b>	<b>158,741</b>	<b>110,143</b>	<b>131,498</b>	<b>110,533</b>
<b>Equity</b>						
Retained Earnings	Note 17	805,484	797,326	781,994	805,484	781,994
Self Funding Reserves	Note 17	(43,629)	(81,942)	(35,462)	(43,629)	(35,462)
Council Created Reserves	Note 17	(9,437)	342	(2,514)	(9,437)	(2,515)
Restricted Reserves	Note 17	955	1,045	3,292	955	3,292
Fair Value through Equity	Note 17	(420)	-	230	(420)	230
Asset Revaluation Reserve	Note 17	48,827	53,379	24,649	48,827	24,649
<b>Total Equity</b>		<b>801,779</b>	<b>770,150</b>	<b>772,189</b>	<b>801,779</b>	<b>772,189</b>

*Kevin Winters*

Mayor

21 October 2009

*P. Green*

Chief Executive

21 October 2009

The accompanying Notes should be read in conjunction with these Financial Statements.

# Statement of cashflows

for the year ended 30 June: (thousands)	Council 2009 \$000's	Annual Plan \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Cash Flows from Operating Activities</b>					
Receipts from Rates Revenue	63,701	63,908	58,581	63,667	58,547
Interest Received	161	32	217	214	324
Dividends Received	12	-	12	12	12
Receipts from Other Revenue	41,728	35,890	35,598	42,737	37,434
Payments to Suppliers and Employees	(62,113)	(65,830)	(62,506)	(63,589)	(64,134)
Interest Paid	(5,938)	(7,435)	(6,171)	(5,938)	(6,171)
Income Tax Paid/Refund	-	-	-	26	-
Goods and Services Tax (net)	(3,225)	-	(3,548)	(3,268)	(3,546)
<b>Net Cash from Operating Activities</b>	<b>34,326</b>	<b>26,565</b>	<b>22,182</b>	<b>33,862</b>	<b>22,466</b>
<b>Cash Flows from Investing Activities</b>					
Proceeds from Sale of Property, Plant and Equipment	5,924	1,302	1,024	5,924	1,024
Collection on Advances	5	-	14	5	14
Purchase of Property, Plant and Equipment	(55,958)	(77,876)	(31,147)	(56,096)	(31,799)
Purchase of Intangible Assets	(1,831)	-	(1,013)	(1,831)	(1,016)
Net Movement in Investments	-	(130)	-	-	-
<b>Net Cash from Investing Activities</b>	<b>(51,860)</b>	<b>(76,704)</b>	<b>(31,123)</b>	<b>(51,998)</b>	<b>(31,778)</b>
<b>Cash Flow from Financing Activities</b>					
Proceeds from Borrowings	31,500	63,702	5,000	31,500	5,000
Repayment of Borrowings	(12,635)	(12,500)	(9,007)	(12,635)	(9,007)
Change in Usage of Registered Security Stock Facility	(1,625)	-	12,015	(1,625)	12,015
<b>Net Cash from Financing Activities</b>	<b>17,240</b>	<b>51,202</b>	<b>8,008</b>	<b>17,240</b>	<b>8,008</b>
<b>Net (decrease)/increase in Cash, Cash Equivalents and Bank Overdraft</b>	<b>(294)</b>	<b>1,063</b>	<b>(932)</b>	<b>(897)</b>	<b>(1,304)</b>
Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year	2,045	402	2,978	3,300	4,605
<b>Cash, Cash Equivalents and Bank Overdrafts at the end of the year</b>	<b>1,750</b>	<b>1,465</b>	<b>2,045</b>	<b>2,403</b>	<b>3,300</b>

The accompanying Notes should be read in conjunction with these Financial Statements.

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

# Notes to the financial statements

for the year ended 30 June 2009

## Note 1: Statement Of Accounting Policies

### Reporting Entity

Rotorua District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Rotorua District Council group (Group) consists of Rotorua District Council (Council) and its 100% owned subsidiary Rotorua Regional Airport Ltd (RRAL). The RRAL subsidiary is incorporated and domiciled in New Zealand.

The primary objective of the Rotorua District Council is to provide goods or services for the community or social benefit rather than making a financial return.

Accordingly, the Council has designated itself and the Group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Rotorua District Council are for the year ended 30 June 2009. The financial statements were authorised for issue by Council on 21 October 2009.

### Basis of preparation

#### Statement of Compliance

The financial statements of the Rotorua District Council Group have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New

Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

#### Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, collections, biological assets and certain financial instruments.

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Rotorua District Council Group is New Zealand dollars.

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 financial performance.

#### Changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### Standards and interpretations issued and not yet adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Rotorua District Council include:

- NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The revised standards give the Rotorua District Council the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The Rotorua District Council intends to adopt this standard for the year ending 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.
- NZ IAS 23 *Borrowing Costs* (revised 2007) replaces NZ IAS 23 *Borrowing Costs* (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they

# Notes to the financial statements **cont.**

are directly attributable to the acquisition, construction or production of a qualifying asset. The revised standard will also require borrowing costs to be considered when revaluing property, plant and equipment to fair value based on depreciated replacement cost. Any necessary adjustments to depreciated replacement cost carrying values will have flow on effects to depreciation expense. Rotorua District Council has decided to postpone the adoption of this standard indefinitely as permitted under current NZ GAAP.

- NZ IFRS 3 Business Combinations (revised 2008) and the amended NZ IAS 27 Consolidated and Separate Financial Statements are effective for reporting periods beginning on or after 1 July 2009 and must be applied prospectively from that date. The main changes the revised NZ IFRS 3 and amended NZ IAS 27 will make to existing requirements or practice are:
  - Partial acquisitions – Non-controlling interests are measured either as their proportionate interest in the net identifiable assets (which is the original NZ IFRS requirement) or at fair value.
  - Step acquisitions – The requirement to measure fair value every asset and liability at each step for the purpose of calculating a portion of goodwill has been removed. Instead, goodwill is measured as the difference at acquisition date between fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired.
  - Acquisition-related costs – Acquisition related costs are generally recognised as expenses (rather than included in the cost of acquisition).
  - Contingent consideration – Contingent consideration must be recognised and measured at fair value at the acquisition date.

Subsequent changes in fair value are recognised in accordance with other NZ IFRSs, usually in profit or loss (rather than by adjusting the cost of acquisition).

- NZ IFRS 7 Financial Instruments Disclosures (*issued March 2009*) is effective for reporting periods beginning after 1 January 2009. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of the inputs used. These disclosures are expected to provide more information about the relative reliability of fair value measurements.

In addition, the amendments enhance disclosure requirements on the nature and extent of liquidity risk arising from financial instruments to which an entity is exposed. The amendments clarify current requirements to address application issues. The amendments also reinforce the principles of NZ IFRS 7 to ensure that information disclosed enables users to evaluate the nature and extent of liquidity risk arising from financial instruments and how the entity manages this risk.

Rotorua District Council will adopt the revised NZ IFRS 3 and amended NZ IAS 27 for the year ended 30 June 2010, which will impact on business combinations that occur on or after 1 July 2009.

## Significant Accounting Policies

### Basis of Consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All

significant intragroup balances, transactions, income and expenses are eliminated on consolidated.

### Subsidiaries

Rotorua District Council consolidates as subsidiaries in the group financial statements all entities where Rotorua District Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Rotorua District controls the majority voting power on the governing body or where such policies have been irreversibly predetermined of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Rotorua District Council measures the cost of a business combination as the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over Rotorua District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the statement of financial performance.

Investments in subsidiaries are carried at cost in Rotorua District Council's own "parent entity" financial statements.

### Associates

Rotorua District Council accounts for investments in associates using the equity method. An associate is an entity over which the Rotorua District Council has significant influence and that is neither a subsidiary nor

# Notes to the financial statements **cont.**

an interest in a joint venture of Rotorua District Council. The investment in the associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Rotorua District Council's share of the surplus or deficit after the date of acquisition. Rotorua District Council's share of the surplus or deficit of the associate is recognised in Rotorua District Council's statement of performance. Distributions received from an associate reduce the carrying amount of the investment.

If Rotorua District Council's share of deficits of an associate equals or exceeds its interest in the associate, Rotorua District Council discontinues recognising its share of further deficits. After Rotorua District Council interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Rotorua District Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, Rotorua District Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where Rotorua District Council transacts with an associate, surplus or deficits are eliminated to the extent of Rotorua District Council's interest in the relevant associate.

Investments in associates are carried at cost in Rotorua District Council's own "parent entity" financial statements.

## **Revenue**

Revenue is measured at the fair value of consideration received.

## **Rates revenue**

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

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

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**

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

## **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**

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.

Development contributions are classified as part of "Other Revenue".

## **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.

# Notes to the financial statements **cont.**

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

An expected loss on construction contracts is recognised immediately as an expense in the statement of financial performance.

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.

## **Borrowing costs**

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.

## **Income Tax**

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax, and is calculated using tax rates that have been enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

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.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity 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 profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

## **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 statement of financial performance 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.



# Notes to the financial statements **cont.**

Currently Rotorua District Council holds no finance leases.

## *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.

## **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.

## **Trade debtors 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.

## **Financial assets**

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

Purchases and sales of investments are recognised on trade-date, the date on which the Rotorua District Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have

expired or have been transferred and council has transferred substantially all the risks and rewards of ownership.

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

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

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

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

## ***Loans and receivables***

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

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

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

## ***Held to maturity investments***

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

## ***Financial assets at fair value through equity***

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

- Investments that council intends to hold long-term but which may be realised before maturity; and

# Notes to the financial statements **cont.**

- Shareholdings that council holds for strategic purposes.

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

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

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

## **Fair value**

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

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

## **Impairment of financial assets**

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

## **Loans and other receivables**

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

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

payments are considered indicators that the instrument is impaired.

## **Quoted and unquoted equity instruments**

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

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

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

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

# Notes to the financial statements **cont.**

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

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

Rotorua District Council designates certain derivatives as either:

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

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

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

### **Fair value hedge**

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the statement of financial performance. Rotorua District Council only applies fair

value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the statement of financial performance within “finance costs”. The gain or loss relating to the ineffective portion is recognised in the statement of financial performance as part of “gains” or “other expenses”. Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognised in the statement of financial performance within “finance costs”.

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

### **Cash flow hedge**

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

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

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

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

### **Inventories**

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis 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 FIFO method.

# Notes to the financial statements **cont.**

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

## **Non-current assets held for sale**

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

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

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

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

## **Property, plant and equipment**

Property, plant and equipment consist of;

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

*Restricted Assets* - Restricted assets are parks and reserves owned by Rotorua District Council which provide a benefit or service to the community and

cannot be disposed of because of legal or other restrictions.

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

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

## **Revaluations**

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

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

## **Land and buildings**

Land and buildings are recorded at fair value at highest and best use as at 1 July 2006. Quotable Value New Zealand Ltd has certified that these valuations are appropriate for financial reporting purposes. Asset additions since 1 July 2006 are valued at historic cost. The fair value of land and buildings is reviewed at three yearly intervals.

## **Infrastructural assets**

Infrastructural assets (roading network, bridges, drains and sewerage reticulation systems) have been valued by council's engineers at replacement cost. An estimate for accumulated depreciation has then been deducted to give a depreciated replacement value as at 1 July 2008. The water reticulation is recorded at fair value at highest and best use as at 1 July 2006.

Road reserves have been valued on an average of the district's land value adjusted for restrictions on the land and its existing use. The basis of these in-house valuations has been certified as correct by Beca Valuation Services Ltd. All capital expenditure on these assets (except water reticulation) since 1 July 2008 have been capitalised at historic cost. Water reticulation capital expenditures have been capitalised at historic cost since 1 July 2006.

The value of all of Council's infrastructural assets will be revised at three yearly 'rolling' intervals.

## **Vested infrastructural assets**

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

## **Collections**

The library collection was valued at estimated depreciated replacement cost as at 1 July 2008 as estimated by council's library staff. The basis of these in-house valuations has been certified as correct by Beca Valuation Services Ltd. All library purchases since 1 July 2008 have been capitalised at historical cost. The value of the library collection is revised at three yearly intervals.

# Notes to the financial statements **cont.**

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

### **Airport assets**

Council purchased the airport assets of Rotorua Regional Airport Limited on 30 June 2005. The airport land, buildings and runway were re-valued as at 1 July 2006 by Quotable Value New Zealand Ltd at fair value. All other fixed assets are valued at cost except where historic cost records were not available, in which case council has estimated the cost.

### **Additions**

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

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

### **Disposals**

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

### **Depreciation**

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

- Land is not depreciated.
- Roothing, wastewater reticulation, stormwater systems and water reticulation assets are depreciated as noted below. A number of the components of the roading network such as excavation, sub-base materials and compaction are not depreciated as these assets have an infinite life. Signs and markings are not depreciated as these assets are maintained to the same level.
- The useful lives of the Rotorua Museum of Art & History collections and the library reference collection are considered to be extremely long. Therefore, due to its insignificance, no depreciation has been brought to charge.

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

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

The expected lives of major classes of assets are:

#### **General**

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

#### **Wastewater Reticulation**

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

#### **Parks**

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

#### **Stormwater systems**

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

#### **Airport**

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

# Notes to the financial statements **cont.**

## Intangible assets

### **Software acquisition and development**

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

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

Staff training costs are recognised as an expense when incurred.

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

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

### **Easements**

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

### **Amortisation**

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

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

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

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

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

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

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

reserve, the balance is recognised in the statement of financial performance.

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

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

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

## Forestry assets

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

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

The costs to maintain the forestry assets are included in the statement of financial performance.

## Creditors and other payables

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

# Notes to the financial statements **cont.**

## **Borrowings**

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

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

## **Employee benefits**

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

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

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

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

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

### ***Long-term employee entitlements***

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

A discount rate of 2.5% and an inflation factor of 1.9% were used. The discount rate is based on the weighted average of government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

## **Superannuation schemes**

### ***Defined contribution schemes***

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance 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. Further information on this scheme is disclosed in note 20.

## **Provisions**

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

Provisions are not recognised for future operating losses.

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

### ***Financial guarantee contracts***

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

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

# Notes to the financial statements **cont.**

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.

Further information on provisions is disclosed in note 14.

## **Equity**

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

The components of equity are:

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

### **Restricted reserves**

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

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

made only for certain specified purposes or when certain specified conditions are met.

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

Rotorua District Council's objectives, policies and processes for managing capital are described in note 26.

## **Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of GST, except for debtors and other receivables and creditors and other payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

## **Budget figures**

The budget figures are those approved by the Rotorua District Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Rotorua District Council for the preparation of the financial statements.

## **Cost allocation**

The Rotorua District Council has derived the cost of service for each significant activity of council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

## **Critical accounting estimates and assumptions**

In preparing these financial statements Rotorua District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:



# Notes to the financial statements **cont.**

## **Landfill after care provision**

Note 14 presents an analysis of the exposure to Rotorua District Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision and the rates refund position.

## **Infrastructural assets**

There are a number of assumptions and estimates used when performing Rotorua District Council valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Rotorua District Council could be over or under-estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk the Rotorua District Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have

been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Rotorua District Council's asset management planning activities, which gives the Rotorua District Council further assurance over its useful life estimates.

Experienced independent valuers certify the infrastructural asset revaluations performed by the Council's engineers.

Apart from these, all other critical accounting estimates and assumptions are the same as those listed in Council's Ten Year Plan 2010-2019.

## **Critical judgements in applying Rotorua District Council's accounting policies**

Management has exercised the following critical judgements in applying the Rotorua District Council's accounting policies for the period ended 30 June 2009:

### **Classification of property**

Rotorua District Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Rotorua District Council's social housing policy. These properties are held as property, plant and equipment.

The Rotorua District Council has land in its ownership which is classified as property, plant and equipment and currently leased for farm grazing. This land has been identified by the Rotorua District Council as a potential site for the development of a new cemetery. The final decision as to the suitability of the site as a cemetery is still dependent on the outcomes of

community consultation and resource consent processes. If the site is not suitable for a cemetery, then the Rotorua District Council will reassess the best use of the land, which could include commercial leases or disposal.

The Rotorua District Council has land in its ownership which is classified as property, plant and equipment and currently leased for a motorcamp. This land has been identified by the Rotorua District Council as a potential site for the development of the airport extension. The final decision as to the suitability of the site for airport development is still dependent on the airport operation. If the site is not suitable for airport development then the Rotorua District Council will reassess the best use of the land, which could include commercial leases or disposal.

# Notes to the financial statements cont.

## Note 2: Performance by Council Activity

for the year ended 30 June: (thousands)	Expenditure			Income			Net Cost of Service		
	2009 Actual \$000's	2009 Budget \$000's	2008 Last Year \$000's	2009 Actual \$000's	2009 Budget \$000's	2008 Last Year \$000's	2009 Actual \$000's	2009 Budget \$000's	2008 Last Year \$000's
General Rates (less remissions)				46,402	45,770	43,712	46,402	45,770	43,712
Rates Write Offs	761	849	(61)				(761)	(849)	61
Less Rates Paid By Council	(913)	(820)	(795)	(913)		(795)	-	820	-
	<b>(152)</b>	<b>29</b>	<b>(856)</b>	<b>45,489</b>	<b>45,770</b>	<b>42,917</b>	<b>45,641</b>	<b>45,741</b>	<b>43,773</b>
<b>Community Leadership</b>									
Democracy	1,949	1,970	2,085	68	71	167	(1,881)	(1,899)	(1,918)
Policy & Strategic Direction	2,497	1,426	1,588	1,001	565	653	(1,496)	(861)	(935)
Kaupapa Maori	329	343	294	-	-	-	(329)	(343)	(294)
	<b>4,775</b>	<b>3,739</b>	<b>3,967</b>	<b>1,069</b>	<b>636</b>	<b>820</b>	<b>(3,706)</b>	<b>(3,103)</b>	<b>(3,146)</b>
<b>Social and Cultural</b>									
Aquatic Facilities	2,865	2,826	2,863	1,129	1,308	1,130	(1,736)	(1,518)	(1,733)
Cemeteries/Crematorium	420	393	374	236	214	242	(184)	(179)	(132)
City Services Operations	3,012	3,056	2,775	1,432	1,498	1,488	(1,580)	(1,558)	(1,287)
Civil Defence Emergency Management	396	353	313	14	14	13	(382)	(339)	(300)
Community Grants	950	1,470	1,075	107	107	109	(843)	(1,363)	(966)
Community Halls	241	308	309	14	17	17	(227)	(291)	(292)
Community Policy & Resources	1,309	1,448	1,261	200	207	252	(1,109)	(1,241)	(1,009)
Event Venues	6,347	6,474	5,927	2,436	2,905	4,170	(3,912)	(3,569)	(1,757)
Pensioner Housing	1,080	1,093	1,052	636	619	611	(444)	(474)	(441)
Public Gardens/General Reserves	10,411	9,907	10,193	1,719	1,728	2,667	(8,692)	(8,179)	(7,526)
Public Library	4,091	3,822	3,443	453	439	363	(3,638)	(3,383)	(3,080)
Rotorua Museum of Art and History	3,093	3,093	3,006	3,233	2,551	3,073	140	(542)	67
	<b>34,219</b>	<b>34,243</b>	<b>32,591</b>	<b>11,609</b>	<b>11,607</b>	<b>14,135</b>	<b>(22,607)</b>	<b>(22,636)</b>	<b>(18,455)</b>
<b>Environmental</b>									
Animal Control	855	911	856	520	546	533	(335)	(365)	(323)
Building Control	2,084	2,386	2,232	1,520	1,796	1,817	(564)	(590)	(415)
Environmental Planning	3,863	4,092	3,824	236	334	344	(3,627)	(3,758)	(3,480)
Inspection	1,401	1,505	1,356	380	368	355	(1,021)	(1,137)	(1,001)
Parking Enforcement	915	1,003	1,002	1,775	1,486	1,691	860	483	689
	<b>9,118</b>	<b>9,897</b>	<b>9,270</b>	<b>4,431</b>	<b>4,530</b>	<b>4,740</b>	<b>(4,687)</b>	<b>(5,367)</b>	<b>(4,530)</b>
<b>Economy</b>									
Destination Rotorua Economic Development	951	1,305	1,017	201	390	191	(751)	(915)	(826)
Destination Rotorua Tourism Marketing	2,565	2,510	2,377	467	460	463	(2,098)	(2,050)	(1,914)
Tourism Rotorua Travel & Information	1,907	1,871	1,833	1,717	1,456	1,804	(190)	(415)	(29)
	<b>5,423</b>	<b>5,686</b>	<b>5,227</b>	<b>2,385</b>	<b>2,306</b>	<b>2,458</b>	<b>(3,039)</b>	<b>(3,380)</b>	<b>(2,769)</b>

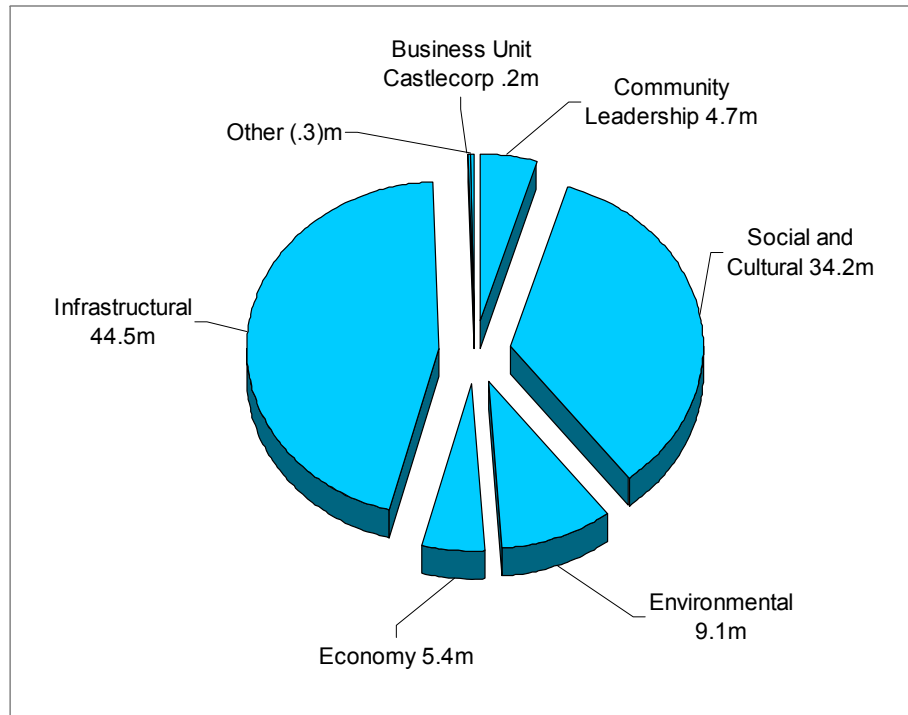
# Notes to the financial statements cont.

## Note 2: Performance by Council Activity cont.

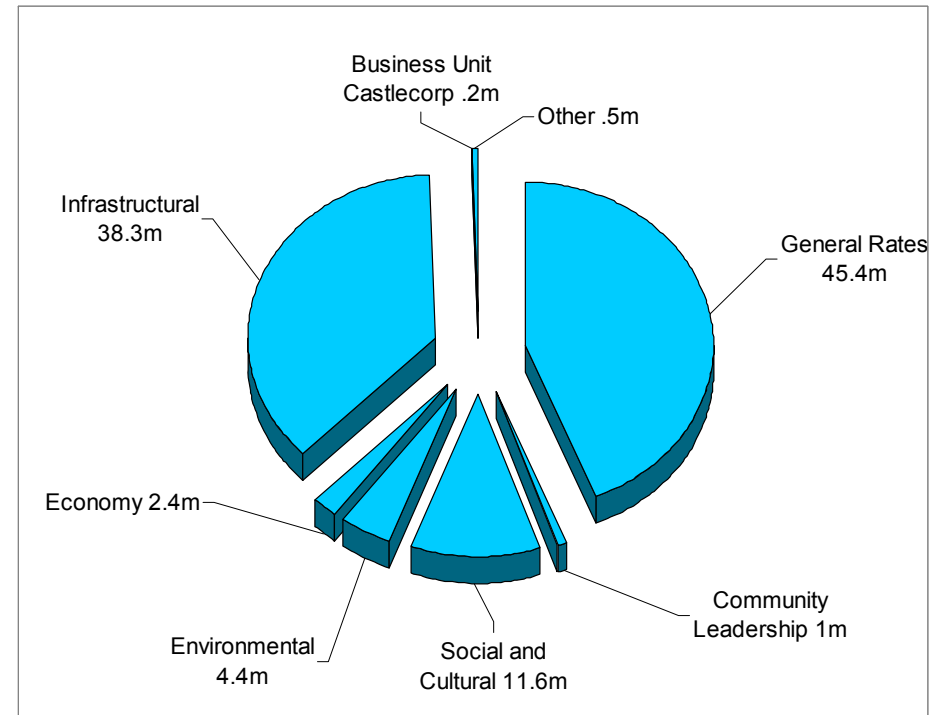
for the year ended 30 June: (thousands)	Expenditure			Income			Net Cost of Service		
	2009 Actual \$000's	2009 Budget \$000's	2008 Last Year \$000's	2009 Actual \$000's	2009 Budget \$000's	2008 Last Year \$000's	2009 Actual \$000's	2009 Budget \$000's	2008 Last Year \$000's
<b>Infrastructural</b>									
Engineering Compliance	933	656	507	926	895	1,024	(7)	239	517
Land Drainage	2,310	2,613	2,865	147	117	141	(2,163)	(2,496)	(2,724)
Landfill	3,340	2,681	2,804	1,717	2,034	2,003	(1,623)	(647)	(801)
Rotorua Regional Airport	3,246	4,496	2,755	1,343	1,435	1,340	(1,903)	(3,061)	(1,415)
Refuse Collection	2,022	1,997	1,890	2,015	2,039	1,969	(7)	42	79
Transport (Road Safety)	456	366	374	379	284	302	(77)	(82)	(72)
Transport	13,757	13,296	12,851	6,132	6,830	5,883	(7,625)	(6,466)	(6,968)
Rural Fire	201	147	204	60	6	13	(141)	(141)	(191)
Transport (State Highway Management)	158	153	126	187	140	139	29	(13)	13
Waste Management	1,207	1,232	1,105	-	-	-	(1,207)	(1,232)	(1,105)
Waste Water	10,342	11,509	10,403	18,484	15,314	10,524	8,142	3,805	121
Water	6,600	6,640	5,445	6,888	7,583	6,227	288	943	591
	<b>44,572</b>	<b>45,786</b>	<b>41,329</b>	<b>38,278</b>	<b>36,677</b>	<b>29,565</b>	<b>(6,294)</b>	<b>(9,109)</b>	<b>(11,955)</b>
<b>Business Unit Castlecorp</b>									
Castlecorp	257	153	178	257	153	298	-	-	120
	<b>257</b>	<b>153</b>	<b>178</b>	<b>257</b>	<b>153</b>	<b>298</b>	<b>-</b>	<b>-</b>	<b>120</b>
<b>Other</b>									
Assets Vested in Council	-	-	-	793	1,790	4,134	793	1,790	4,134
Other Non Operational Income	-	-	-	-	-	31	-	-	31
Other Non Operational Expenditure	54	-	-	-	-	-	(54)	-	-
Reversal Impairment loss of Other Financial Assets	125	-	-	-	-	310	(125)	-	310
Increase (dec) fair value of forestry assets	-	-	-	60	-	(5)	60	-	(5)
Increase (dec) in Waikato LASS	-	-	-	86	-	-	86	-	-
Internal profit within costs	(269)	(172)	-	(269)	-	-	-	172	191
Internal charges in Operational Expenditure	-	991	-	-	-	-	-	(991)	-
	<b>(90)</b>	<b>819</b>	<b>-</b>	<b>670</b>	<b>1,790</b>	<b>4,470</b>	<b>760</b>	<b>971</b>	<b>4,661</b>
<b>Total Per Statement Financial Performance</b>	<b>98,122</b>	<b>100,352</b>	<b>91,706</b>	<b>104,185</b>	<b>103,469</b>	<b>99,403</b>	<b>6,064</b>	<b>3,117</b>	<b>7,699</b>

# Notes to the financial statements cont.

**Operating Expenditure by significant activity  
for the year ended 30 June 2009**



**Operating Income by significant activity  
for the year ended 30 June 2009**



# Notes to the financial statements **cont.**

<b>Note 3: Income by Category</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Rates Revenue</b>				
General Rates	46,887	43,713	46,887	43,713
Refuse Rates	1,777	1,709	1,777	1,709
Sewerage Rates	10,091	9,094	10,091	9,094
Water Rates (including water by meter)	6,750	6,186	6,750	6,186
Lakes Enhancement Rate	392	385	392	385
Eastern Sewerage Capital Rates	71	59	71	59
Less Rates Paid By Council	(913)	(794)	(947)	(828)
Less Water by Meter Paid by Council	(269)	(191)	(269)	(191)
Less Rate Remissions	(485)	(437)	(485)	(437)
<b>Total Rates</b>	<b>64,301</b>	<b>59,724</b>	<b>64,267</b>	<b>56,690</b>
<b>Other Revenue</b>				
Airport	-	-	1,653	3,028
Dividend	12	12	12	12
Interest - Bank	161	217	214	324
Vested Assets	793	4,134	793	4,134
Other Revenue	1,245	2,432	138	1,132
Subsidies & Grants	15,818	10,630	15,818	10,630
Development Contributions	1,580	998	1,580	998
Fees & Charges	5,317	5,629	5,317	5,629
Trading Revenue	14,883	15,245	14,883	15,245
<b>Total Other Revenue</b>	<b>39,809</b>	<b>39,297</b>	<b>40,408</b>	<b>41,131</b>
<b>Other Gains</b>				
Gain (loss) on changes in fair value of forestry assets	59	(5)	59	(5)
Gain on disposal of Property, Plant and Equipment	16	46	16	46
Reversal impairment loss of SVDS Shares	-	31	-	31
Reversal impairment loss of Other Financial Assets	-	310	-	-
<b>Total Other Gains</b>	<b>75</b>	<b>382</b>	<b>75</b>	<b>72</b>
	<b>104,185</b>	<b>99,401</b>	<b>104,750</b>	<b>100,894</b>

# Notes to the financial statements **cont.**

<b>Note 4: Expenditure by Category</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Employee Benefit Expenses</b>				
Salaries and Wages	29,559	28,073	29,559	28,073
Severance Payments	-	78	-	78
Defined Contribution Plan Employer Contributions	748	709	748	709
Increase/(decrease) in employee benefit liabilities	529	387	529	387
<b>Total Employee Benefit Expenses</b>	<b>30,836</b>	<b>29,247</b>	<b>30,836</b>	<b>29,247</b>
<b>Depreciation and Amortisation</b>				
Depreciation on Property, Plant and Equipment	22,451	21,771	22,451	21,850
Depreciation on Intangible Assets	763	773	763	774
Loss on disposal	1,240	886	1,240	886
<b>Total Depreciation and Amortisation</b>	<b>24,454</b>	<b>23,430</b>	<b>24,454</b>	<b>23,510</b>
<b>Other Expenses</b>				
Audit Fees for Annual Audit	116	99	133	120
Audit Fees for NZ IFRS transition	-	7	-	7
Audit Fees - LTCCP	82	2	82	2
Change in Rates Refund Provision	(60)	(323)	(60)	(323)
Councillor Remuneration	551	572	551	572
Directors' Fees	-	-	59	59
Donations	145	100	145	100
Grants and Contributions	899	1,035	899	1,035
Change in impairment of Loans and Receivables	405	(436)	405	(435)
Impairment of Property, Plant and Equipment	-	-	-	-
Loss on revaluation Property Plant and Equipment	1,612	-	1,612	-
Insurance Premiums	796	815	870	880
Other Expenditure	31,474	30,369	31,889	31,635
Research and Development	124	342	124	342
Rent and Leasing Costs	370	339	370	339
<b>Total Other Expenses</b>	<b>36,514</b>	<b>32,921</b>	<b>37,079</b>	<b>34,332</b>
<b>Finance Costs</b>				
Discount unwinding	3	52	3	52
Interest on borrowings	6,315	6,058	6,315	6,058
<b>Total Finance Costs</b>	<b>6,318</b>	<b>6,110</b>	<b>6,318</b>	<b>6,110</b>
	<b>98,122</b>	<b>91,706</b>	<b>98,687</b>	<b>93,198</b>

## Notes to the financial statements cont.

<b>Note 5: Taxation</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Components of Tax Expense</b>				
Current Tax Expenses	-	-	-	-
Adjustments to current tax in prior year	-	-	-	-
Deferred tax expenses	-	-	-	-
<b>Income tax Expense</b>	-	-	-	-
<b>Relationship between tax and accounting profit</b>				
Surplus / (deficit) before tax	6,063	7,695	6,063	7,695
Tax @ 30% (2008: 33%)	1,819	2,539	1,819	2,539
Non-deductible expenditure	(2,162)	(3,211)	(2,162)	(3,211)
Non-taxable income	-	-	-	-
Tax loss not recognised	390	551	390	551
Prior year adjustment	(47)	121	(47)	121
<b>Tax Expense</b>	-	-	-	-

A deferred tax asset has not been recognised in relation to deductible temporary differences of \$Nil.

A deferred tax asset has not been recognised in relation to unused tax losses of \$6,106,839.

<b>Note 6: Cash and Cash Equivalents</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Cash at bank and in hand	1,012	1,061	1,665	1,120
Short term deposits maturing three months or less from date of acquisition	738	985	738	2,180
<b>Total cash and cash equivalents</b>	<b>1,750</b>	<b>2,046</b>	<b>2,403</b>	<b>3,300</b>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

Refer to note 12 for weighted average effective interest rate for cash and cash equivalents.

# Notes to the financial statements **cont.**

## Note 7: Trade and Other Receivables

	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Rates receivables	4,262	3,661	4,262	3,661
Receivables from subsidiary	-	74	-	-
Other receivables	8,894	11,528	9,213	11,871
Prepayments	459	388	459	396
Community Loans	22	27	22	27
GST Receivable	2,918	1,481	2,918	1,485
<b>Total cash and cash equivalents</b>	<b>16,555</b>	<b>17,159</b>	<b>16,874</b>	<b>17,440</b>
Less: Provision for Impairment of Receivables	(1,066)	(661)	(1,066)	(666)
	<b>15,489</b>	<b>16,498</b>	<b>15,808</b>	<b>16,774</b>
<b>Less non-current portion:</b>				
Community Loans	17	22	17	22
<b>Total non-current portion</b>	<b>17</b>	<b>22</b>	<b>17</b>	<b>22</b>
<b>Current portion</b>	<b>15,473</b>	<b>16,476</b>	<b>15,792</b>	<b>16,752</b>

Movements in the provision for impairment of receivables are as follows:

	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
At 1 July	(661)	(1,098)	(661)	(1,102)
Additional provisions made during the year	(1,196)	(430)	(1,196)	(431)
Receivables written off during the period	791	867	791	867
<b>At 30 June</b>	<b>(1,066)</b>	<b>(661)</b>	<b>(1,066)</b>	<b>(666)</b>

### **Fair Value**

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

The face value of Community Loans is \$22,195 as at 30 June 2009 (\$27,295 as at 30 June 2008).

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

As of 30 June 2009, all overdue receivables have been assessed for impairment and appropriate provisions applied. Rotorua District Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired other than various powers under the Local Government (Rating) Act 2002 to recover any outstanding rates debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments if material.

These powers allow Rotorua District Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

The impairment provision has been calculated based on expected losses for Rotorua District Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and a review of specific debtors.



## Notes to the financial statements cont.

The status of receivables as at 30 June 2009 and 2008 are detailed below:

	2009 Gross \$000's	2009 Impairment \$000's	2009 Net \$000's	2008 Gross \$000's	2008 Impairment \$000's	2008 Net \$000's
<b>Council</b>						
Not past due	10,689	(307)	10,382	14,627	(133)	14,494
Past due 1-60 days	1,606		1,606	1,551		1,551
Past due 61-120 days	357		357	78		78
Past due > 120 days	3,903	(759)	3,144	903	(528)	375
<b>Total</b>	<b>16,555</b>	<b>(1,066)</b>	<b>15,489</b>	<b>17,159</b>	<b>(661)</b>	<b>16,498</b>
<b>Group</b>						
Not past due	11,008	(307)	10,701	14,908	(138)	14,770
Past due 1-60 days	1,606		1,606	1,551		1,551
Past due 61-120 days	357		357	78		78
Past due > 121 days	3,903	(759)	3,144	903	(528)	375
<b>Total</b>	<b>16,874</b>	<b>(1,066)</b>	<b>15,808</b>	<b>17,440</b>	<b>(666)</b>	<b>(16,774)</b>

The above table does not account for the aging of Library Debtors as the systems used are unable to provide this information.

Library Debtors are all recorded as over 120 days overdue. Any variance from this recording is of an immaterial value.

The impairment provision has been calculated based on expected losses for Rotorua District Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors as detailed below:

	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Individual impairment	(759)	(528)	(759)	(528)
Collective impairment	(307)	(133)	(307)	(138)
<b>Total provision for impairment</b>	<b>(1,066)</b>	<b>(661)</b>	<b>(1,066)</b>	<b>(666)</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Past due 1-60 days	-	-	-	-
Past due 61-120 days	-	-	-	-
Past due > 121 days	(759)	(528)	(759)	(528)
<b>Total individual impairment</b>	<b>(759)</b>	<b>(528)</b>	<b>(759)</b>	<b>(528)</b>

## Notes to the financial statements **cont.**

<b>Table 8: Inventories</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Inventories held for distribution or consumption in provision of services	979	1,020	979	1,020
Inventories held for use in production of goods and services on a commercial basis	252	274	254	276
<b>Total Inventories</b>	<b>1,231</b>	<b>1,294</b>	<b>1,233</b>	<b>1,296</b>
Water and Sewerage reticulation spare parts	283	254	283	255
Street Furniture	16	16	16	16
Nursery Store	589	579	589	579
Vehicle workshop & fuel	17	67	17	67
Other Inventories held for distribution	74	91	74	91
Museum retail stock	149	134	149	134
Solid waste refuse bags	37	94	37	94
Other commercial inventory	67	59	69	60
<b>Total Inventories</b>	<b>1,231</b>	<b>1,294</b>	<b>1,233</b>	<b>1,296</b>

The carrying amount of inventories held for distribution that are measured at current replacement cost as at 30 June 2009 amounted to \$Nil (2008 \$Nil).

The carrying amount of commercial inventories that are measured at net realisable value is \$Nil (2008 \$Nil).

The carrying amount of inventories pledged as security for liabilities is \$Nil (2008 \$Nil).

## Notes to the financial statements cont.

## Note 9: Property, Plant and Equipment

2009 Classification	2008									2009		
	Cost / revaluation 1 July 2008 \$000's	Accumulated depreciation and impairment charges 1 July 2008 \$000's	Carrying amount 1 July 2008 \$000's	Current year additions \$000's	Current year disposals \$000's	Current year impairment charges \$000's	Current year depreciation \$000's	Revaluation surplus \$000's	Other movements \$000's	Cost / revaluation 30 June 2009 \$000's	Accumulated depreciation and impairment charges 30 June 2009 \$000's	Carrying amount 30 June 2009 \$000's
Art Collections	5,739	(21)	5,719	34	-	-	(3)			5,774	(24)	5,750
Bridges	13,137	(691)	12,446	-	-	-	(277)	1,882		14,328	(277)	14,051
Buildings	118,330	(7,505)	110,265	7,678	(146)		(4,110)	(25)	728	125,905	(11,515)	114,390
City Focus	230	(99)	131	-	-		(9)			230	(108)	122
Computer Equipment	5,304	(3,574)	1,730	760	(21)		(936)			3,951	(2,418)	1,533
Environmental	2	(1)	1	-	-		-			2	(1)	1
Footpaths	26,424	(1,390)	25,034	142	(333)		(497)	(223)	(27)	24,600	(505)	24,096
Furniture & Fittings	5,257	(4,019)	1,238	762	(5)		(214)			5,870	(4,089)	1,781
General Works Assets	741	(264)	477	77	-		(76)			818	(340)	478
Land	41,687	-	41,687	-	(593)		-	(3)	32	41,123		41,123
Land Restricted*	93,120	-	93,120	1,985	-		-			95,346		95,346
Landfill	6,305	(3,073)	3,231	128	(3)		(1,573)	535	118	4,012	(1,576)	2,436
Library Collection	3,920	(1,276)	2,644	581	(94)		(667)	130	(19)	3,243	(667)	2,576
Motor Vehicles	7,498	(4,059)	3,439	104	(31)		(687)			7,454	(4,629)	2,825
Office Equipment	1,855	(1,583)	272	366	(60)		(120)		(8)	1,718	(1,268)	451
Parking Infrastructural Assets	1,026	(261)	765	137	(36)		(52)	(176)		744	(107)	637
Parks, Roads, Paths, Playgrounds, Utilities	20,045	(2,658)	17,387	1,862	(24)		(1,167)	2,205	12	22,073	(1,797)	20,276
Plant & Machinery	7,496	(4,428)	3,068	1,292	(70)		(557)		15	8,527	(4,780)	3,748
Roading assets excluding Land	193,608	(11,979)	181,630	6,587	(183)		(3,587)	3,018	(607)	190,741	(3,883)	186,858
Roads & Road Reserves Land	42,419	-	42,419	30	-		-			42,449		42,449
Runway, Taxiway, Apron	12,075	(1,255)	10,820	-	-		(619)		(6)	12,076	(1,881)	10,195
Stormwater Drainage	60,490	(3,094)	57,396	1,113	(56)		(1,114)	4,216	507	63,176	(1,115)	62,061
Street Lighting, Signs, Signals	5,513	(967)	4,546	217	-		(329)	1,000		6,073	(638)	5,434
Waste Management (Bin Sites)	655	(31)	624	-	-		(10)	24		649	(12)	638
Wastewater Reticulation	114,538	(7,752)	106,786	2,357	(332)		(1,924)	9,460	4	118,319	(1,969)	116,350
Wastewater Treatment Plant	41,658	(4,559)	37,099	949	(6)		(1,918)	519	(217)	38,471	(2,045)	36,426
Waterworks Pipes, Meters	76,550	(4,228)	72,322	1,522	(131)		(1,997)			77,927	(6,212)	71,715
Capital projects under construction	21,343	-	21,343	28,070	(3,846)				(162)	45,164		45,164
<b>Total Council's Property, Plant &amp; Equipment</b>	<b>926,965</b>	<b>(68,769)</b>	<b>857,639</b>	<b>56,751</b>	<b>(5,971)</b>		<b>(22,443)</b>	<b>22,562</b>	<b>370</b>	<b>960,762</b>	<b>(51,854)</b>	<b>908,907</b>
<b>RRAL's Property, Plant &amp; Equipment</b>												
Buildings Chattels	18	(4)	15	11	-		(1)			30	(5)	25
Furniture & Fittings	130	(51)	79	-	-		(11)			137	(63)	74
Plant & Equipment	486	(159)	347	81	-		(52)			567	(211)	356
Motor Vehicles	451	(20)	430	29	-		(57)			494	(77)	417
Computer Equipment	34	(20)	14	-	-		(5)			34	(25)	9
<b>Total RRAL's Property, Plant &amp; Equipment</b>	<b>1,119</b>	<b>(254)</b>	<b>885</b>	<b>121</b>			<b>(126)</b>			<b>1,262</b>	<b>(381)</b>	<b>881</b>
<b>Total Group Property, Plant &amp; Equipment</b>	<b>928,084</b>	<b>(69,023)</b>	<b>858,523</b>	<b>56,872</b>	<b>(5,971)</b>		<b>(22,569)</b>	<b>22,562</b>	<b>370</b>	<b>962,024</b>	<b>(52,235)</b>	<b>909,789</b>

\* Restricted Assets are assets that cannot be disposed of because of legal or other restrictions.

\*\* Fair Value: Council considers the Fair Value of Land &amp; Buildings to be the book value of these assets.

# Notes to the financial statements cont.

2008 Classification	Cost /	Accumulated	Carrying	Current	Current	Current	Current	Revaluation	Other	Cost /	Accumulated	Carrying
	revaluation	depreciation	amount	year	year	year	year	surplus	movements	revaluation	depreciation	amount
	1 July 2007	and	1 July 2007	additions	disposals	charges	depreciation	\$000's	\$000's	30 June 2008	and	30 June 2008
	\$000's	impairment	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	impairment	\$000's
		charges									charges	
		1 July 2007									1 July 2007	
		\$000's									\$000's	
Art Collections	5,730	(18)	5,712	9	-	-	(3)	-	-	5,739	(21)	5,719
Bridges	13,137	(460)	12,677	-	-	-	(230)	-	(1)	13,137	(691)	12,446
Buildings	115,607	(3,615)	111,992	2,890	(158)	-	(3,939)	-	(512)	118,330	(7,505)	110,265
City Focus	230	(90)	140	-	-	-	(9)	-	-	230	(99)	131
Computer Equipment	4,261	(3,007)	1,254	1,273	(230)	-	(747)	-	180	5,304	(3,574)	1,730
Environmental	2	(1)	1	-	-	-	-	-	-	2	(1)	1
Footpaths	26,053	(918)	25,135	371	-	-	(472)	-	-	26,424	(1,390)	25,034
Furniture & Fittings	5,034	(3,824)	1,210	224	-	-	(195)	-	-	5,257	(4,019)	1,238
General Works Assets	741	(189)	552	-	-	-	(76)	-	1	741	(264)	477
Land	39,323	-	39,323	2,363	-	-	-	-	-	41,687	-	41,687
Land Restricted*	93,120	-	93,120	-	-	-	-	-	-	93,120	-	93,120
Landfill	6,305	(1,896)	4,409	-	-	-	(1,174)	-	(3)	6,305	(3,073)	3,231
Library Collection	3,384	(848)	2,536	536	-	-	(428)	-	-	3,920	(1,276)	2,644
Motor Vehicles	7,470	(4,165)	3,305	1,128	(1,138)	-	(705)	-	849	7,498	(4,059)	3,439
Office Equipment	1,773	(1,405)	368	99	(17)	-	(183)	-	5	1,855	(1,583)	272
Parking Infrastructural Assets	994	(180)	814	32	-	-	(80)	-	(1)	1,026	(261)	765
Parks, Roads, Paths, Playgrounds, Utilities	18,956	(1,762)	17,194	1,107	(18)	-	(905)	-	9	20,045	(2,658)	17,387
Plant & Machinery	7,034	(3,981)	3,053	529	(67)	-	(492)	-	45	7,496	(4,428)	3,068
Roading assets excluding Land	182,973	(7,945)	175,028	10,636	-	-	(4,033)	-	(1)	193,608	(11,979)	181,630
Roads & Road Reserves Land	42,286	-	42,286	133	-	-	-	-	-	42,419	-	42,419
Runway, Taxiway, Apron	12,072	(643)	11,429	4	-	-	(619)	-	7	12,075	(1,255)	10,820
Stormwater Drainage	58,245	(2,047)	56,198	2,246	-	-	(1,048)	-	1	60,490	(3,094)	57,396
Street Lighting, Signs, Signals	5,243	(667)	4,576	270	-	-	(301)	-	1	5,513	(967)	4,546
Waste Management (Bin Sites)	655	(21)	634	-	-	-	(10)	-	-	655	(31)	624
Wastewater Reticulation	113,435	(5,148)	108,287	1,169	(66)	-	(2,618)	-	14	114,538	(7,752)	106,786
Wastewater Treatment Plant	40,727	(3,084)	37,643	1,033	(102)	-	(1,486)	-	11	41,658	(4,559)	37,099
Waterworks Pipes, Meters	73,491	(2,206)	71,285	3,125	(67)	-	(2,029)	-	7	76,550	(4,228)	72,322
Capital projects under construction	15,238	(4)	15,234	11,624	(5,520)	-	-	-	4	21,343	-	21,343
<b>Total Council's Property, Plant &amp; Equipment</b>	<b>893,519</b>	<b>(48,124)</b>	<b>845,395</b>	<b>40,801</b>	<b>(7,383)</b>	-	<b>(21,782)</b>	-	<b>615</b>	<b>926,965</b>	<b>(68,769)</b>	<b>857,638</b>
<b>RRAL's Property, Plant &amp; Equipment</b>												
Buildings Chattels	16	(3)	13	3	-	-	(1)	-	-	18	(4)	15
Furniture & Fittings	118	(41)	77	11	-	-	(11)	-	-	130	(51)	79
Plant & Equipment	320	(116)	204	179	-	-	(43)	-	-	486	(159)	347
Motor Vehicles	-	-	-	451	-	-	(20)	-	-	451	(20)	430
Computer Equipment	23	(15)	8	10	-	-	(4)	-	-	34	(20)	14
<b>Total RRAL's Property, Plant &amp; Equipment</b>	<b>477</b>	<b>(175)</b>	<b>302</b>	<b>654</b>	-	-	<b>(79)</b>	-	-	<b>1,119</b>	<b>(254)</b>	<b>885</b>
<b>Total Group Property, Plant &amp; Equipment</b>	<b>893,996</b>	<b>(48,299)</b>	<b>845,697</b>	<b>41,455</b>	<b>(7,383)</b>	-	<b>(21,861)</b>	-	<b>615</b>	<b>928,084</b>	<b>(69,023)</b>	<b>858,523</b>

\* Restricted Assets are assets that cannot be disposed of because of legal or other restrictions.

\*\* Fair Value: Council considers the Fair Value of Land & Buildings to be the book value of these assets.

## Notes to the financial statements cont.

<b>Note 10: Intangible Assets</b>	Council Computer Software 2009 \$000's	Council Computer Software 2008 \$000's	Group Computer Software 2009 \$000's	Group Computer Software 2008 \$000's
Balance at 1 July				
Cost	6,218	5,207	6,231	5,213
Accumulated amortisation and impairment	(4,249)	(3,476)	(4,258)	(3,482)
Opening carrying amount	1,969	1,731	1,973	1,731
Year ended 30 June				
Additions	1,856	1,011	1,860	1,014
Disposals	(209)	-	(209)	-
Amortisation charges	(770)	(773)	(771)	(774)
Other movements	191	-	191	-
Closing carrying amount	1,068	238	1,071	240
Balance at 30 June				
Cost	8,056	6,218	8,073	6,231
Accumulated amortisation and impairment	(5,019)	(4,249)	(5,029)	(4,258)
<b>Closing carrying amount</b>	<b>3,037</b>	<b>1,969</b>	<b>3,044</b>	<b>1,973</b>

<b>Note 11: Forestry Assets</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Balance at 1 July	409	414	409	414
Increases due to purchases	-	-	-	-
Gains/(losses) arising from changes in fair value less estimated point of sale costs	59	(5)	59	(5)
Decreases due to sales	-	-	-	-
Decreases due to harvest	-	-	-	-
<b>Balance at 30 June</b>	<b>468</b>	<b>409</b>	<b>468</b>	<b>409</b>

### Easements

The Rotorua District Council owns numerous easements which gives the Council the right to access private property where infrastructural assets are located. However the cost of providing information about the value of the easements outweighs the benefits and therefore the value has not been calculated nor disclosed.

The Council owns two stands located on the Tutukau Road and behind the Rotorua Landfill. The area of the stand on Tutukau Road measures 10 hectares of Pinus Radiata forest with a current age of 9 years.

The area of the stand behind the Rotorua Landfill measures 14 hectares of Pinus Radiata forest with a current age of 26 years.

Independent registered valuers Hammond Resource Management Ltd have valued forestry assets as at 30 June 2009. A pre-tax discount rate of 8% has been used in discounting the present value of expected cash flows.

### Financial risk management strategies

Rotorua District Council is exposed to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risk of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

### Tokorangi Forest (Redwood Forest)

In 1993 the Crown Forest License for the Tokorangi Forest (Redwood Forest) was transferred to Rotorua District Council from the Crown in recognition of the significant recreation resource with the valuable aesthetic and landscape features that the forest represents for the people of Rotorua, as well as its national and international visitors. There are covenants in place that restrict the licence to this effect. The majority of the forest will therefore not be managed commercially.

The land on which the forest grows is in the process of being transferred from the Crown to the new Central North Island Iwi Collective. Council has the licence to continue managing the forest for the next thirty five years.

On these bases the Tokorangi Forest is valued at \$Nil (2007: \$Nil).

# Notes to the financial statements **cont.**

<b>Note 12: Other Financial Assets</b>				Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Current portion</b>							
<b>Non-current portion</b>	<b>% Holding</b>	<b>Shares Held</b>	<b>Land of incorporation</b>				
<i>Investments carried at fair value through equity</i>							
Unlisted shares NZ Local Govt Insurance Corporation Ltd	1.4	87,953	New Zealand	265	264	265	264
Unlisted shares Waikato Local Authority Shared Services Ltd	7.7	1	New Zealand	269	182	269	182
Unlisted shares BOP Local Authority Shared Services Ltd	13	1	New Zealand	-	-	-	-
<i>Investments carried at cost less impairment losses</i>							
Unlisted shares Rotorua Regional Airport Limited	100	1,000	New Zealand	1,907	2,032	-	-
<b>Total non-current portion</b>				<b>2,440</b>	<b>2,478</b>	<b>533</b>	<b>446</b>
<b>Total Other Financial Assets</b>				<b>2,440</b>	<b>2,478</b>	<b>533</b>	<b>446</b>

### **Unlisted shares – valuation**

The fair value of the unlisted shares of NZ Local Government Insurance Corporation Ltd and of Local Authority Shared Services Ltd (LASS) has been approximated by using the net asset backing method.

The Waikato LASS share investment comprises:

- 1 ordinary share
- 126,703 SVDS shares
- 7,516 WRAP service shares, which are uncalled as at balance date.

The service shares are non-voting and do not carry the right to share in any distributions of the company.

The BOP LASS share investment comprises 1 ordinary share. The fair value of the BOP LASS, approximated using the net asset backing method, is \$(3,554.00).

The council has 4 interest rates swap in place as at 30 June 2009. These are fully effective and hedge accounted under NZIAS 39.

### **Investments carried at fair value through profit and loss**

The Waikato Shared Valuation Data Services (SVDS) shares are non-voting and do not carry the right to share in any distributions of the Company. The Council is also entitled to 7,516 Waikato Region Aerial Photography (WRAP) service shares, which are un-called as at balance date. These shares also are non-voting and do not carry the right to share in any distributions of the Company.

### **Investments carried at cost less impairment losses**

The cost price of the share investment in the subsidiary Rotorua Regional Airport Limited amounts to \$2,051,000. The recoverable amount is approximated by using the net asset backing value and amounts to \$1,907,000 as at 30 June 2009 (2008: \$2,032,000). The deficit for the 2009 financial year of (\$125,000) (2008: \$310,000 surplus) is recognised in the statement of financial performance.

## Notes to the financial statements **cont.**

### **Maturity analysis and effective interest rates**

The maturity dates and weighted average effective interest rates for the Other Financial Assets including the short term deposits with maturities of 3 months or less (shown as Cash and Cash Equivalents) are as follows:

Maturity terms	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Short term deposits with maturities of 3 months or less	738	985	738	2,180
Short term deposits with maturities of 4-12 months	-	-	-	-
Other investments maturing within 1 year	-	-	-	-
Other investments maturing after 1 year but less than 5 years	-	-	-	-
Other investments maturing after 5 years	-	-	-	-
	738	985	738	2,180
Shares held	2,440	2,478	533	1,976
	<b>3,178</b>	<b>3,463</b>	<b>1,271</b>	<b>4,156</b>

Weighted average effective interest rates	Council 2009 %	Council 2008 %	Group 2009 %	Group 2008 %
Short term deposits with maturities of 3 months or less	2.25	8.21	2.25	8.18
Short term deposits with maturities of 4-12 months	0	0		0
Other investments maturing within 1 year	0	0		0
Other investments maturing after 1 year but less than 5 years	0	0		0
Other investments maturing after 5 years	0	0		0

<b>Note 13: Trade and Other Payables</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Trade payables	16,861	14,367	16,767	14,703
Trade payables to subsidiaries	-	-	-	-
Other payables	834	1,250	834	1,250
Deposits and bonds	1,641	1,304	1,641	1,304
Rates, fees and grants received in advance	2,272	2,119	2,272	2,120
Accrued interest	1,709	1,332	1,709	1,332
Accrued expenses	-	-	-	23
<b>Total Trade &amp; Other Payables</b>	<b>23,317</b>	<b>20,373</b>	<b>23,223</b>	<b>20,732</b>

Trade and other payables are non-interest bearing and normally settled on 30-day terms, therefore the carrying value of Trade & Other Payables approximates their fair value.

# Notes to the financial statements **cont.**

<b>Note 14: Provisions</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Current Provisions are represented by:</b>				
Landfill aftercare provisions	60	20	60	20
Provision for Refund of Rates	353	420	353	420
<b>Total current provisions</b>	<b>413</b>	<b>440</b>	<b>413</b>	<b>440</b>
<b>Non-current provisions are represented by:</b>				
Landfill aftercare provision	1,459	1,436	1,459	1,436
Provision for Refund of Rates	56	50	56	50
<b>Total non-current provisions</b>	<b>1,515</b>	<b>1,486</b>	<b>1,515</b>	<b>1,486</b>

Council	Landfill aftercare 2009 \$000's	Refund of rates 2009 \$000's	Landfill aftercare 2008 \$000's	Refund of rates 2008 \$000's
Opening Balance	1,456	470	1,480	793
Additional provisions made during the year	-	-	-	-
Amounts used during the year	602	(60)	28	(323)
Discount unwinding	(3)	-	(52)	-
<b>Closing balance</b>	<b>2,055</b>	<b>410</b>	<b>1,456</b>	<b>470</b>

### **Provision for landfill aftercare costs**

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

The management of the landfill will influence the timing of recognition of some liabilities - for example, the current landfill will gain increased capacity in two stages. A liability relating to stage one will only be created when this stage is commissioned and when refuse begins to accumulate in this stage.

- The current remaining capacity of the site is 730,000 cubic metres, increasing up to 2.360 million cubic metres at stage two (refuse, clean fill and cover)
- The estimated remaining life (including stages one and two development) is forty-eight years.
- Estimates of the life have been made by Rotorua District Council's engineers based on historical and projected volume information.

The cash outflows for landfill post-closure are expected to occur in about fifteen years time. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 7%.

### **Provision for refund of rates**

This provision primarily relates to historical land valuation objections yet to be settled.

### **Provision for financial guarantees**

Rotorua District Council is listed as sole guarantor to a number of community organisation bank loans. Rotorua District Council is obligated under the guarantees to make loan payments in the event the organisation defaults on a loan agreement. The exercising of guarantees will be dependent on the financial stability of the community organisations, which will vary over time. The Council considers a provision for financial guarantees not appropriate as at balance date (2008: \$Nil), as they are effectively offset via Council's conditions of the loan guarantees (see Note 20 Contingent Assets).

The face value of the total guarantees is \$224,406.00 (\$207,000: 2008).



## Notes to the financial statements **cont.**

<b>Note 15: Employee Benefit Liabilities</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Payroll payables	973	657	973	657
Accrued pay	535	665	535	665
Annual Leave	3,238	2,880	3,286	2,908
Long Service Leave	315	254	315	254
Retirement Gratuities	407	432	407	432
Sick Leave	81	95	81	99
<b>Total Employee Benefit Liabilities</b>	<b>5,549</b>	<b>4,984</b>	<b>5,597</b>	<b>5,015</b>
Comprising:				
Current	4,826	4,298	4,874	4,329
Non-current	722	686	722	686
<b>Total Employee Benefit Liabilities</b>	<b>5,548</b>	<b>4,984</b>	<b>5,596</b>	<b>5,015</b>

<b>Note 16: Borrowings</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Current</b>				
Registered debenture stock	4,000	12,500	4,000	12,500
Registered security stock	14,600	26,225	14,600	26,225
Other secured loans	-	7	-	7
<b>Total current borrowings</b>	<b>18,600</b>	<b>38,732</b>	<b>18,600</b>	<b>38,732</b>
<b>Non-current</b>				
Registered debenture stock	71,500	44,000	71,500	44,000
Registered security stock	10,000	-	10,000	-
Derivative valuation	651	-	651	-
Suspensory loans	-	-	-	-
Other secured loans	-	128	-	128
<b>Total non-current borrowings</b>	<b>82,151</b>	<b>44,128</b>	<b>82,151</b>	<b>44,128</b>
<b>Total borrowings</b>	<b>100,751</b>	<b>82,860</b>	<b>100,751</b>	<b>82,860</b>

### **Registered debenture stock and security stock**

The registered debenture stock and security stock are secured by a floating charge over future rate income of the district through the operation of a Debenture Trust Deed.

Public debt interest is a mixture of fixed and floating rates of interest ranging from 3.04% to 8.26%.

### **Other secured loans**

There are currently no other secured loans.

### **Variations from/changes to the Treasury Policy**

There have been no significant changes in the Treasury Policy.

## Notes to the financial statements **cont.**

<b>Repayment Terms</b>	<b>Council 2009</b> \$000's	<b>Council 2008</b> \$000's	<b>Group 2009</b> \$000's	<b>Group 2008</b> \$000's
Within One Year	18,600	38,732	18,600	38,732
One to Two Years	15,000	4,008	15,000	4,008
Two to Three years	13,500	5,008	13,500	5,008
Three to Four Years	18,000	8	18,000	8
Four to Five Years	-	9	-	9
Five years and over	35,651	35,095	35,651	35,095
	<b>100,751</b>	<b>82,860</b>	<b>100,751</b>	<b>82,860</b>

### Interest Rates

The weighted average effective interest rates on borrowings are:	<b>Council 2009</b> %	<b>Council 2008</b> %	<b>Group 2009</b> %	<b>Group 2008</b> %
Within One Year	3.83	8.03	3.83	8.03
One to Two Years	7.85	6.65	7.85	6.65
Two to Three years	5.95	8.25	5.95	8.25
Three to Four Years	6.2	4	6.20	4
Four to Five Years	0	4	0.00	4
Five years and over	6.77	6.77	6.77	6.77
<b>Overall weighted average</b>	<b>6.17</b>	<b>7.44</b>	<b>6.17</b>	<b>7.44</b>

# Notes to the financial statements **cont.**

## Note 17: Equity

<b>Retained Earnings</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Opening Balance	781,994	771,895	781,994	771,895
Net Surplus	6,063	7,695	6,063	7,695
Other Movements	-	-	-	-
	<b>788,057</b>	<b>779,590</b>	<b>788,057</b>	<b>779,590</b>
<i>Movements:</i>				
Self Funding Reserves	8,169	1,110	8,169	1,110
Council Created Reserves	6,923	2,696	6,923	2,696
Restricted Reserves	2,335	(1,402)	2,335	(1,402)
	<b>17,427</b>	<b>2,404</b>	<b>17,427</b>	<b>2,404</b>
<b>Closing Balance</b>	<b>805,484</b>	<b>781,994</b>	<b>805,484</b>	<b>781,994</b>

## Self Funding Reserve

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

<b>2009</b>	Opening Balance 01.07.08 \$000's	Movement during Year \$000's	Interest Earned/ Charged to 30.06.09 \$000's	Closing Balance 30.06.09 \$000's
Pensioner Housing	1,157	(69)	(52)	1,037
Events Centre	(4,039)	114	(279)	(4,204)
Airport	(27,613)	(14,961)	-	(42,574)
Wastewater	5,977	2,273	498	8,748
Eastern Sewerage Scheme	(7,462)	5,743	(321)	(2,040)
Rural Waste Water	(262)	496	(1)	233
Landfill	(2,732)	(269)	(201)	(3,202)
Water	(790)	(1,041)	(92)	(1,923)
Refuse Collection	302	(27)	20	295
<b>Total Self Funding Reserves</b>	<b>(35,462)</b>	<b>(7,741)</b>	<b>(428)</b>	<b>(43,630)</b>

<b>2008</b>	Opening Balance 01.07.07 \$000's	Movement during Year \$000's	Interest Earned/ Charged to 30.06.08	Closing Balance 30.06.08 \$000's
Pensioner Housing	1,213	29	(85)	1,157
Events Centre	(6,547)	2,866	(358)	(4,039)
Airport	(24,147)	(1,728)	(1,738)	(27,613)
Wastewater	4,739	876	362	5,977
Eastern Sewerage Scheme	(7,312)	349	(499)	(7,462)
Rural Waste Water	(246)	-	(16)	(262)
Landfill	(1,322)	(1,273)	(137)	(2,732)
Water	(954)	224	(60)	(790)
Refuse Collection	224	60	18	302
<b>Total Self Funding Reserves</b>	<b>(34,352)</b>	<b>1,403</b>	<b>(2,513)</b>	<b>(35,462)</b>

# Notes to the financial statements **cont.**

## Council Created Reserves

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

2009	Opening Balance 01.07.08 \$000's	Movement during Year \$000's	Interest Earned/ Charged to 30.06.09	Closing Balance 30.06.09 \$000's
Reporoa Domain	13	6	1	20
Waikite Domain	14	2	1	17
<b>Development Contributions</b>				
Roading	210	227	23	460
Public Amenities	(1,428)	(4,419)	(255)	(6,102)
Land Drainage and Stormwater	25	26	3	54
Parks and Reserves	(945)	(83)	12	(1,016)
Water	(187)	(1,333)	(59)	(1,578)
Waste Water	(217)	(1,106)	31	(1,292)
<b>Total Council Created Reserves</b>	<b>(2,514)</b>	<b>(6,680)</b>	<b>(243)</b>	<b>(9,437)</b>

Development Contribution Reserves have a negative balance due to collections only starting in 2007 and some projects will collect contributions over 25 years or more.

2008	Opening Balance 01.07.07 \$000's	Movement during Year \$000's	Interest Earned/ Charged to 30.06.08	Closing Balance 30.06.08 \$000's
Reporoa Domain	22	(10)	1	13
Waikite Domain	11	2	1	14
<b>Development Contributions</b>				
Roading	-	202	8	210
Public Amenities	-	(1,428)	-	(1,428)
Land Drainage and Stormwater	3	21	1	25
Parks and Reserves	42	(992)	5	(945)
Water	38	(225)	1	(186)
Waste Water	66	(294)	11	(217)
<b>Total Council Created Reserves</b>	<b>182</b>	<b>(2,724)</b>	<b>26</b>	<b>(2,514)</b>

## Restricted Reserves

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

2009	Opening Balance 01.07.08 \$000's	Movement during Year \$000's	Interest Earned/ Charged to 30.06.09	Closing Balance 30.06.09 \$000's
Reserves Development	2,401	(1,575)	113	939
Creative NZ Reserve	32	(17)	2	16
Library Bequest	343	(343)	-	-
Property Development	515	(515)	-	-
<b>Total Restricted Reserves</b>	<b>3,292</b>	<b>(2,450)</b>	<b>115</b>	<b>955</b>

2008	Opening Balance 01.07.08 \$000's	Movement during Year \$000's	Interest Earned/ Charged to 30.06.09	Closing Balance 30.06.09 \$000's
Reserves Development	1,085	1,199	117	2,401
Creative NZ Reserve	4	27	1	32
Library Bequest	321	-	23	344
Property Development	480	-	35	515
<b>Total Restricted Reserves</b>	<b>1,890</b>	<b>1,226</b>	<b>176</b>	<b>3,292</b>

# Notes to the financial statements cont.

## Restrictions

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

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

**Property Development:** Previously required by Sections 561, 562, 572 of the Local Government Act 1974 required various sales of properties to be credited to a Housing and Property Account. Funds are used for Property Development.

This is no longer restricted under the Local Government Act 2002 and this reserve will be used up over the next two years.

## Fair Value through Equity Reserves

	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Opening Balance</b>	230	156	230	156
Valuations gains / (losses) taken to equity	1	74	1	74
Transfers to statement of financial performance on disposal	-	-	-	-
Derivatives included in Borrowings	(651)		(651)	
<b>Closing Balance</b>	(420)	230	(420)	230

## Asset Revaluation Reserves

	2009 Transfer of revaluation reserve to retained				2008 Transfer of revaluation reserve to retained			
	Opening Balance 01.07.08 \$000's	Revaluatn gains / (losses) during year \$000's	Earnings on disposal during year \$000's	Closing Balance 30.06.09 \$000's	Opening Balance 01.07.07 \$000's	Revaluatn gains / (losses) during year \$000's	Earnings on disposal during year \$000's	Closing Balance 30.06.08 \$000's
Consists of:								
Buildings	7,309	(39)		7,270	7,309		7,309	
City Focus								
Footpaths		587		587				
General								
Land	12,256	(3)		12,253	12,256		12,256	
Landfill		535		535				
Library		130		130				
Parking								
Parks and Reserves		2,161		2,161				
Assets								
Roading		4,900		4,900				
Stormwater		4,216		4,216				
Street Items		1,000		1,000				
Waste Management		24		24				
Waste Water Treatment								
Plant & Reticulation		10,687		10,687				
Water Works	5,084	(20)		5,064	5,084		5,084	
<b>Total Asset</b>	<b>24,649</b>	<b>24,178</b>	<b>0</b>	<b>48,827</b>	<b>24,649</b>		<b>24,649</b>	
<b>Revaluation Reserves</b>								

# Notes to the financial statements **cont.**

<b>Note 18: Reconciliation of net surplus/(deficit) to after tax to net cash flow from operating activities</b>	Council 2009 \$000	Council 2008 \$000	Group 2009 \$000	Group 2008 \$000
<b>Surplus/(deficit) after tax</b>	6,063	7,695	6,063	7,695
Add/(less) non-cash items:				
Depreciation Property, Plant and Equipment	22,443	21,809	22,570	21,887
Amortisation Intangible Assets	763	773	764	775
Impairment charges accounts receivable	405	(436)	405	(436)
Vested assets and assets recognised for first time	(793)	(4,134)	(793)	(4,134)
(Gains)/losses in fair value of biological assets	(54)	5	(54)	5
Change in Revaluation through Profit and Loss	1,616	-	1,616	
<b>Add/(less) items classified as investing or financing activities:</b>				
(Gains)/losses on disposal of Property, Plant and Equipment	1,240	840	1,240	840
Reversal impairment loss RRAL	125	(310)	-	
Fair value decrease(increase) LASS	(87)	(85)	(87)	(85)
Movement PPE	(370)	(615)	(358)	(600)
Movement Intangible Assets	-	-	-	
<b>Add/(less) movements in working capital items:</b>				
Accounts receivable	(599)	(5,120)	131	(4,918)
Inventories	63	(112)	63	(114)
Accounts payable	2,944	1,834	1,691	1,492
Provision for taxation	-	-	27	-
Provisions	2	(347)	2	(347)
Employee Benefits	565	386	582	407
<b>Net cash inflow/(outflow) from operating activities</b>	<b>34,326</b>	<b>22,182</b>	<b>33,862</b>	<b>22,466</b>

## Notes to the financial statements cont.

<b>Note 19: Capital Commitments and Operating Leases</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Council is committed to the following Capital Contracts:</b>				
Recreation and Community Services	10,788	4,118	10,788	4,118
Works and Engineering Services	21,640	23,767	21,640	23,767
Support Services	830	284	830	267
Airport	758	39	758	154
<b>Total Capital Contracts</b>	<b>34,016</b>	<b>28,208</b>	<b>34,016</b>	<b>28,306</b>
<b>Non-cancellable operating lease commitments as lessee:</b>				
Not later than one year	168	134	168	134
Later than one year and not later than two years	120	120	120	120
Later than two years and not later than five years	345	275	345	275
Later than five years	273	328	273	328
<b>Total non-cancellable operating lease commitments as lessee</b>	<b>906</b>	<b>857</b>	<b>906</b>	<b>857</b>
<b>Total commitments</b>	<b>34,922</b>	<b>29,065</b>	<b>34,922</b>	<b>29,163</b>

The total minimum future sublease payments expected to be received under non-cancelable subleases at balance date is \$Nil (2008: \$Nil).

In general, leases can be renewed at the Group's option, with rents set by reference to current market rates for items of equivalent age and condition. For some lease agreements the Group has the option to purchase the asset at the end of the lease term.

For the majority of lease agreements, there are no restrictions placed on the Group by any of the leasing arrangements.

	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Non-cancellable operating lease commitments as lessor:</b>				
Not later than one year	2,105	1,082	1,087	560
Later than one year and not later than two years	1,472	941	454	419
Later than two years and not later than five years	3,727	2,567	673	1,003
Later than five years	13,905	11,000	7,797	4,735
<b>Total non-cancellable operating lease commitments as lessor</b>	<b>21,209</b>	<b>15,590</b>	<b>10,011</b>	<b>6,717</b>

The Council leases airport buildings and land, various parks, reserves land, and commercial premises.

The majority of these leases have a non-cancellable term of 36 months, with the exception of a few where the land or premises is required for Council use.

No contingent rents have been recognised in the statement of financial performance during the period.

# Notes to the financial statements **cont.**

## Note 20: Contingencies

Contingent Liabilities	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>Guarantees</b>				
Guarantees to community and sporting groups	224	207	224	207
			-	
<b>Borrowings</b>				
Performance bond BNZ on behalf of Tourism Rotorua	235	206	235	206
Borrowing - Housing New Zealand Corporation suspensory loan	1,567	1,567	1,567	1,567
			-	
<b>Legal proceedings</b>				
The Group's effective exposure to legal claims	405	129	405	129
			-	
<b>Total Contingent Liabilities</b>	<b>2,431</b>	<b>2,109</b>	<b>2,431</b>	<b>2,109</b>

### Guarantees

The value of the guarantees disclosed as contingent liabilities reflects the Group's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position. Refer to Note 14 Provisions for information on recognised financial guarantees, and Contingent assets (below) on the effect of Council's underwriting conditions on all financial guarantees.

### Contingent liabilities

The Housing New Zealand suspensory loan has been spent on specific social housing projects in accordance with the loan agreement. The Council is not required to repay the outstanding principal, including interest and costs, if the Council meets the conditions of the loan during a 20 year period commencing December 2005. The loan is secured by first ranking mortgage over the land.

### Legal proceedings

The council is currently facing seven legal claims (2008 four), amounting to \$770,000 (2008 \$673,000). The Council does not accept the validity of all these claims and is in the process of resolving them through normal legal channels. In the event of any liability being placed upon the Council, Councils Indemnity Insurance Policy will cover the liability. The Councils maximum exposure per claim is an insurance excess ranging from \$10,000 to \$50,000. There is a possible legal claim relating to a subdivision and a variation of a lease, however no formal claims have been made to date.

Council is aware of one other claim that has been notified to the Weathertight Homes Resolution Service. No estimate for repairs is available at this time. There is a possible further claim relating to a subdivision, however no formal claims have been made to date.

### Superannuation schemes

The Council is a participating employer in the Defined Benefit Plan Contributors Scheme ("the Scheme"), which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, the Council could be responsible for the entire deficit of the Scheme. Similarly, if a number of employers ceased to participate in the Scheme, the Council could be responsible for an increased share of the deficit.

As at 31 March 2008 the Scheme had a past service surplus of \$28.3 million (9.9% of the liabilities). This amount is exclusive of Specified Superannuation Contribution Withholding Tax and calculated using a discount rate equal to the expected return on the assets. The Actuary to the Scheme has recommended the employer contribution continues at 1.0 times contributors contributions. The 1.0 is inclusive of Specified Superannuation Contribution Withholding Tax.



## Notes to the financial statements **cont.**

	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Lynmore Childcare Incorporated	-	58	-	58
Rotorua Badminton Club Incorporated	71	58	71	58
Whakarewarewa Rugby Community Sports Incorporated	36	27	36	27
Rotorua Hockey Trust & BOP Hockey Association	255	284	255	284
<b>Total</b>	<b>362</b>	<b>427</b>	<b>362</b>	<b>427</b>

### **Contingent Assets**

#### *Loan Guarantees*

The Council operates a scheme whereby sports clubs are able to construct facilities (eg club rooms) on reserve land. The clubs control the use of these facilities and the Council will only gain control of the asset if the club either vacates the facility, or defaults on the Council-guaranteed loan. Until this event occurs, these assets are not recognised as assets in the Statement of Financial Position.

As at 30 June 2009 there are four facilities which have a book value of \$362,000 (2008: \$427,000).

	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Reporoa College	80	90	80	90
Western Heights High School	190	210	190	210
Rotorua Girls High School	150	180	150	180
Rotorua Rail Trust	5	6	5	6
Kaharoa Primary School	70	80	70	80
Lynmore Primary School	20	24	20	24
St Chads	79	93	79	93
<b>Total</b>	<b>594</b>	<b>683</b>	<b>594</b>	<b>683</b>
<b>Total Contingent Assets</b>	<b>956</b>	<b>1,110</b>	<b>956</b>	<b>1,110</b>

#### *Suspensory Loans*

The Council operates a scheme whereby community & educational organisations are able to apply for suspensory loans through Council's Community Asset Community Fund (CADF). Criteria for the suspensory loan includes that the facility (to which the loan relates) be made available to the public in measured amounts of time, the project has other funding sources to enable successful completion, and that ongoing monitoring of the fiscal viability of the organisation is maintained throughout the term of the suspensory loan. The community organisation(s) control the use of these facilities, and the Council will only make the remaining balance, or the installment relating to the year in default, payable if the organisation defaults on the terms of the suspensory loan agreement. The suspensory loan is written off over a specified period as long as agreed criteria continue to be met. Unless the contrary occurs, these suspensory loans are not recognised in the Statement of Financial Position. As at 30 June 2009 there were seven facilities having a face value of \$594,000 (2008: \$683,000) outstanding.

# Notes to the financial statements **cont.**

## Note 21: Related Party Transactions

The following discloses transactions between the Rotorua District Council and the Rotorua Regional Airport Limited (RRAL).

- i) Council holds a 100% shareholding in the Airport Company.
- ii) Land and water rates of \$33,537 (\$36,046 2007/08) have been received from RRAL.
- iii) Council received rent of \$676,202 (\$657,948 2007/08) from RRAL for the lease of airport infrastructural assets.
- iv) Council received development levy of \$430,687 (\$534,231 2007/08) from RRAL.
- v) Airport Creditor as at 30 June 2009 is \$338,279 (\$200,527 Debtor 2007/08).
- vi) Directors remuneration including non-monetary benefits, totalling \$22,000 were paid to Councillors Martin and McVicker (\$22,000 2007/08).

### Other Related Party Disclosures:

- vii) In the period Councillor Bentley has been in office, Council purchased \$1,283,541 worth of goods and services from Clean Green City Maintenance, and \$1,208 worth of goods from Gardeners Landscape Supplies, businesses owned by Councillor Bentley and her husband.
- viii) During the period past-Councillor Gould was in office, Council purchased \$2,358 (\$2,260 2007/08) worth of goods from Gould Photographics, owned by past-Councillor Gould.

- ix) During the period Chief Executive Peter Guerin was Director on the Bay of Plenty LASS in which RDC granted \$15,961. A subsidiary of Bay of plenty LASS - Bay Broadband Ltd was also granted \$2,475.00 by RDC.

He was also a Director on the Waikato LASS in which payments amounting to \$72,675 were paid towards costs of the shared valuation database.

There are close family members of key management personnel employed by the Rotorua District Council. The terms and conditions of those arrangements are no more favourable than Rotorua District Council would have adopted if there were no relationship to key management personnel.

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivables to related parties (\$Nil 2007/08).

### Key Management Personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, permit fees, purchase of rubbish bags etc).

Except for items of a minor nature, no other Councillors nor senior management have entered into related party transactions with the Group.

(refer Note 23 for Key Management Personnel compensation).

# Notes to the financial statements **cont.**

## Note 22: Agency Relationships

The following are agency relationships where Council is involved in administering expenditure and revenue on behalf of other organisations.

These agency transactions have not been included in Council's current year operating results. Council has, however, included in its Statement of Cashflow the net movement in agency debtors and creditors, and included within the Statement of Financial Position the Council's asset or liability in relation to the agencies. Council derives commission income to compensate the cost of administration.

### Petrol Tax

The Bay of Plenty Local Authority Petrol Tax distribution for the year ended 30 June 2009:	Council 2009 \$000's	Percentage	Council 2008 \$000's	Percentage
Kawerau District Council	65	2.6%	66	2.5%
Opotiki District Council	65	2.6%	74	2.9%
Rotorua District Council	590	23.4%	633	24.4%
Taupo District Council	374	14.8%	377	14.5%
Tauranga City Council	789	31.3%	843	31.4%
Western BOP District Council	385	15.3%	384	14.5%
Whakatane District Council	252	10.0%	258	9.8%
<b>Total Tax Distributable to Councils</b>	<b>2,520</b>	<b>100.0%</b>	<b>2,635</b>	<b>100.0%</b>

<b>State Highways Administration</b>	Council 2009 \$000's	Council 2008 \$000's
<b>Expenditure on State Highways Roading Network</b> (Reimbursed from Land Transport New Zealand & Whakatane District Council)	<b>15,475</b>	<b>10,631</b>

<b>Regional Council Rates</b>	Council 2009 \$000's	Council 2008 \$000's
Rates were collected on behalf of the following Regional Authorities: Bay of Plenty Regional Council	5,512	4,895
	<b>5,512</b>	<b>4,895</b>

# Notes to the financial statements **cont.**

## Note 23: Remuneration

### Chief Executive's Remuneration

The Chief Executive of Rotorua District Council is appointed under Part 4, Section 42 of the Local Government Act 2002. The total cost, including fringe benefit tax, to the Council of the remuneration package received by the Chief Executive for the year ended 30 June 2009 was \$325,152 (\$312,616 2007/08).

	Council 2009 \$	Council 2008 \$	Group 2009 \$	Group 2008 \$
<i>Chief Executive's Remuneration</i>				
Salary Chief Executive	291,283	280,291	291,283	280,291
Vehicle Chief Executive (incl FBT)	19,170	18,119	19,170	18,119
	<b>310,453</b>	<b>298,410</b>	<b>310,453</b>	<b>298,410</b>
<i>Other Benefits</i>				
Professional Association Fees Chief Executive	493	231	493	231
Telephone and Sundries Chief Executive	114	216	114	216
Superannuation	14,084	13,759	14,084	13,759
	<b>14,691</b>	<b>14,206</b>	<b>14,691</b>	<b>14,206</b>
<b>Total Remuneration</b>	<b>325,144</b>	<b>312,616</b>	<b>325,144</b>	<b>312,616</b>

	Council 2009 \$000's	Council 2008 \$000's
<i>Group Key Management Remuneration</i>		
Salaries and other short term employee benefits	1,842	1,737
Post-employment benefits	-	-
Other long-term benefits	47	46
Termination benefits	-	-
Share-based payments	-	-
<b>Total Group Key management Remuneration</b>	<b>1,889</b>	<b>1,783</b>

Group Key Management Personnel comprises the Mayor, Councillors, Chief Executive, and Directors of Council's Activity Groups.

# Notes to the financial statements cont.

## Councillors' Remuneration

The following people comprise the elected members of the Council's governing body. The total monetary remuneration received by the sixteen councillors and the Mayor during the year totalled \$566,694 (\$571,530 2007/2008).

The monetary remuneration consists of Honoraria and meeting allowances, and is determined by the Remuneration Authority under the Local Government Elected Members Determination 2005. Professional Indemnity and Trustee Liability insurance is also provided to the Councillors against any potential legal litigation which may occur while undertaking Council business.

In accordance with Council policy, meeting fees can only be received where a Councillor has attended at least 75% of meeting's duration for which he or she is entitled to payment.

Note: There are numerous other meetings and functions attended by Councillors for which they do not receive a meeting fee.

	Honoraria 2009 \$	Hearing Fees 2009 \$	TOTAL 2009 \$	TOTAL 2008 \$
<i>Councillors' Remuneration</i>				
Bentley M	35,840	1,700	37,540	24,825
Calnan J	35,840	-	35,840	24,825
Donaldson D	35,840	-	35,840	24,825
Gould M	-	-	-	11,244
Hunt K	35,840	-	35,840	24,825
Judd R	-	-	-	11,244
Kenny G	35,840	2,380	38,220	41,185
Lee C O	-	-	-	11,244
Martin R W *	35,840	1,840	37,680	37,089
Maxwell T H	46,644	-	46,644	46,652
McVicker M *	35,840	-	35,840	36,068
Searancke G P	41,310	4,628	45,938	46,782
Sturt C W	41,310	-	41,310	41,342
Te Kowhai C	-	-	-	11,244
Waaka M T R	41,310	4,386	45,696	49,196
Wepa J G	35,840	1,224	37,064	37,717
Winters K (Mayor)	93,242	-	93,242	91,224
	<b>550,536</b>	<b>16,158</b>	<b>566,694</b>	<b>571,530</b>

\* Cr Martin and Cr McVicker also earned directors' fees as directors of the Rotorua Regional Airport Ltd, of \$11,000 (\$11,000 2007/8) and \$11,000 (\$11,000 2007/08) respectively.

## Note 24: Events After Balance Date

### Lakes Funding

Central Government committed \$32.40 million of the \$64.80 million required to connect the communities of Hinemoa Point, Brunswick/Rotokawa, Lake Okareka, Okere/Otaramarae/Whangamarino, Gisborne Point /Hinehopu and Hamurana/ Awahou into a reticulated sewerage system. As at 30 June 2009 the Hinemoa Point and most of the Brunswick/Rotokawa schemes

had been completed, and subsidy amounting to \$5.8 million had been claimed. The remaining funding subsidy will be claimed over the next five years, during which time the other sewerage schemes will be constructed.

### Airport - Agreement Relating to the ownership of the "U-Parkit" automated car parking facility

On the 1st of June 2006 the Company entered into an agreement whereby the U-parkit automated carparking

system (which has been assembled by the owner of the system in a building at Rotorua Regional Airport) would transfer one-fifth annually to the Airport at no cost to the airport and on 31 May 2011 full ownership of the facility would rest with the Airport. At balance date there is insufficient certainty in relation to the realisation of future economic benefits from the system to conclude that an asset currently exists in favour of the Airport and as a result no asset has been recognised in the financial statements at balance date.

# Notes to the financial statements **cont.**

## Note 25: Financial Instruments

<b>Note 25A: Financial Instrument Categories</b>	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>FINANCIAL ASSETS</b>				
<b>Fair Value through profit and loss - held for trading</b>				
Derivative financial instruments	-	-	-	-
<b>Derivatives that are hedge accounted</b>				
Derivative financial instruments	-	-	-	-
<b>Loans and receivables</b>				
Total cash and cash equivalents (including short term deposits 3mths or less)	1,750	2,045	2,403	3,300
Debtors and other receivables (including community loans)	15,489	16,498	15,809	16,774
<b>Total loans and receivables</b>	<b>17,239</b>	<b>18,543</b>	<b>18,212</b>	<b>20,074</b>
<b>Held to Maturity</b>				
Other financial assets:				
- government stock	-	-	-	-
- local authority stock	-	-	-	-
<b>Total held to maturity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fair value through profit and loss</b>				
Other financial assets:				
- local authority stock	-	-	-	-
- unlisted shares	-	-	-	-
- listed shares	-	-	-	-
Cost less impairment losses:				
- unlisted shares	1,907	2,032	-	-
<b>Total fair value through profit and loss</b>	<b>1,907</b>	<b>2,032</b>	<b>-</b>	<b>-</b>
<b>Fair value through equity</b>				
Other financial assets:				
- local authority stock	-	-	-	-
- unlisted shares	533	446	533	446
- listed shares	-	-	-	-
Cost less impairment losses:				
- unlisted shares	-	0	-	-
<b>Total fair value through equity</b>	<b>533</b>	<b>446</b>	<b>533</b>	<b>446</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Fair value through profit and loss - held for trading</b>				
<b>Derivatives that are hedge accounted</b>				
Registered debenture stock	35,651	-	35,651	-
<b>Financial liabilities at amortised cost</b>				
Registered debenture stock	40,500	56,500	40,500	56,500
Registered security stock	24,600	26,225	24,600	26,225
Other secured loans	-	135	-	135
<b>Total financial liabilities at amortised cost</b>	<b>100,751</b>	<b>82,860</b>	<b>100,751</b>	<b>82,860</b>

# Notes to the financial statements cont.

## Note 25B: Financial Instrument Risks

Rotorua District Council has a series of policies to manage the risk associated with financial instruments. The Council is risk averse and seeks to minimise exposure from its treasury activities. The Council has established council approved policies for Liability Management, Cash Management and Investments. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market risk

#### Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. At present the Council is not exposed to any equity securities price risk as the Council holds no listed equity instruments.

#### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council is not exposed to currency risk, as it does not enter into any significant foreign currency transaction.

#### Interest rate risk

The interest rate risk comprises:

- Fair value interest rate risk: the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at fixed rates expose the Council to fair value interest rate risk.
- Cash flow interest rate risk: the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rate expose the Council to cash flow interest rate risk.

To manage these risks the Council's current policy parameters of core debt are:

Term of exposure	Minimum Fixed Rate Exposure	Maximum Fixed Rate Exposure
0 - 1 year	60%	100%
1 - 2 years	40%	90%
3 - 5 years	30%	70%
5 - 10 years	0%	60%
10 years and over		

Any hedging must be approved by council

#### Maximum exposure to credit risk

Rotorua District Council's maximum credit exposure for each class of financial instrument is as follows:

	Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
Cash at Bank and term deposits	1,750	2,045	2,403	3,300
Debtors and other receivables	15,467	16,471	15,787	16,747
Community and related party loans	22	27	22	27
Unlisted shares	2,440	2,478	533	446
Financial guarantees	362	427	362	427
<b>Total credit risk</b>	<b>18,512</b>	<b>19,400</b>	<b>19,107</b>	<b>22,095</b>

Note 12 provides information on term deposits interest rates and maturity profile.

Note 16 provides information on term loan interest rates and maturity profile.

As at 30 June 2009 the Council has four interest rate risk management instruments in place.

### Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Council causing the Council to incur a loss.

Financial instruments which potentially subject the Council to credit risk consist of bank balances, term deposits, rates and other receivables, community loans and financial guarantees.

The Council places its cash and short term deposits with high credit quality financial institutions. Accordingly the Council does not require any collateral or security to support these financial instruments with institutions or organisations it deals with.

## Notes to the financial statements **cont.**

### *Credit quality of financial assets*

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

		Council 2009 \$000's	Council 2008 \$000's	Group 2009 \$000's	Group 2008 \$000's
<b>COUNTERPARTIES WITH CREDIT RATINGS</b>					
<b>Cash at Bank and term deposits</b>	AA	1,750	2,045	2,403	3,300
<i>Total cash at bank and term deposits</i>		<b>1,750</b>	<b>2,045</b>	<b>2,403</b>	<b>3,300</b>
<b>COUNTERPARTIES WITHOUT CREDIT RATINGS</b>					
<b>Unlisted Shares</b>		2,440	2,478	533	446
<i>Total Unlisted Shares</i>		2,440	2,478	533	<b>446</b>
<b>Community and related party loans</b>					
Existing counterparty with no defaults in the past		22	27	22	27
<i>Total Community and related party loans</i>		<b>22</b>	<b>27</b>	<b>22</b>	<b>27</b>

Debtors and other receivables mainly arise from Rotorua District Council's statutory function, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings.

The Council has no significant concentrations of credit risk with respect to rates and other receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

### **Liquidity risk**

Liquidity risk is the risk that Rotorua District Council will encounter difficulty raising liquid funds to meet commitments as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

The Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy.

These policies have been adopted as part of the Council's Long Term Council Community Plan 2010-2019.

Rotorua District Council has a maximum amount that can be drawn down against its bank facility of \$60,000,000 (2008: \$60,000,000).

There are no restrictions on the use of this facility.



## Notes to the financial statements **cont.**

### Contractual maturity analysis of financial liabilities

The adjacent table analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt is based on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying Amount \$000's	Less than 1 year \$000's	1 - 2 years \$000's	2 - 5 years \$000's	More than 5 years \$000's
<b>Council 2009</b>					
Creditors and payables	23,317	23,317			
Net settled derivative liabilities	35,651				35,651
Bank overdraft					
Debentures	65,100	18,600	15,000	31,500	
Secured loans					
Finance Leases					
Financial guarantees	362	36	36	180	110
<b>Total</b>	<b>124,430</b>	<b>41,953</b>	<b>15,036</b>	<b>31,680</b>	<b>35,761</b>
<b>Group 2009</b>					
Creditors and payables	23,223	23,223			
Net settled derivative liabilities	35,651				35,651
Bank overdraft					
Debentures	65,100	18,600	15,000	31,500	
Secured loans					
Finance Leases					
Financial guarantees	362	36	36	180	110
<b>Total</b>	<b>124,336</b>	<b>41,859</b>	<b>15,036</b>	<b>31,680</b>	<b>35,761</b>
<b>Council 2008</b>					
Creditors and payables	20,373	20,373			
Net settled derivative liabilities					
Bank overdraft					
Debentures	82,725	38,725	4,001	5,008	34,991
Secured loans	135	7	7	17	104
Finance Leases					
Financial guarantees	427			27	400
<b>Total</b>	<b>103,660</b>	<b>59,105</b>	<b>4,008</b>	<b>5,052</b>	<b>35,495</b>
<b>Group 2008</b>					
Creditors and payables	20,732	20,732			
Net settled derivative liabilities					
Bank overdraft					
Debentures	82,725	38,725	4,001	5,008	34,991
Secured loans	135	7	7	17	104
Finance Leases					
Financial guarantees	427			27	400
<b>Total</b>	<b>104,019</b>	<b>59,464</b>	<b>4,008</b>	<b>5,052</b>	<b>35,495</b>

# Notes to the financial statements **cont.**

## Contractual maturity analysis of financial assets

The adjacent table analyses the Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying Amount \$000's	Less than 1 year \$000's	1 - 2 years \$000's	2 - 5 years \$000's	More than 5 years \$000's
<b>Council 2009</b>					
Total cash and cash equivalents (including short term deposits 3mths or less)	1,750	1,750			
Debtors and other receivables (including community loans \$27,000)	15,489	15,489			
Nett settled derivative assets	-	-			
Other financial assets					
- unlisted shares	2,440	2,440			
- local authority and government stock	-	-			
<b>Total</b>	<b>19,679</b>	<b>19,679</b>			
<b>Group 2009</b>					
Total cash and cash equivalents (including short term deposits 3mths or less)	2,403	2,403			
Debtors and other receivables (including community loans \$27,000)	15,809	15,809			
Nett settled derivative assets	-	-			
Other financial assets					
- unlisted shares	533	533			
- local authority and government stock	-	-			
<b>Total</b>	<b>18,745</b>	<b>18,745</b>			
<b>Council 2008</b>					
Total cash and cash equivalents (including short term deposits 3mths or less)	2,045	2,045			
Debtors and other receivables (including community loans \$27,000)	16,498	16,498			
Nett settled derivative assets	-	-			
Other financial assets					
- unlisted shares	2,478	2,478			
- local authority and government stock	-	-			
<b>Total</b>	<b>21,021</b>	<b>21,021</b>			
<b>Group 2008</b>					
Total cash and cash equivalents (including short term deposits 3mths or less)	3,300	3,300			
Debtors and other receivables (including community loans \$27,000)	16,774	16,774			
Nett settled derivative assets	-	-			
Other financial assets					
- unlisted shares	446	446			
- local authority and government stock	-	-			
<b>Total</b>	<b>20,520</b>	<b>20,520</b>			

# Notes to the financial statements **cont.**

## Derivatives Hedge Accounted

### *Financial Liabilities*

Derivative financial assets hedge accounted includes four interest rate swaps with a fair value totalling \$35,651,000. (2008 \$NIL.)

A movement in interest rates of plus 100bps has an effect on realised receipts/(payments) on the cashflow hedge interest swap during the period of \$938,000 through equity. A movement in interest rates of minus 100bps has an effect on realised receipts/(payments) on the cashflow hedge interest swap during the period of \$366,000 effect on profit and \$607,000 effect on equity (2008: \$NIL). There is no profit or loss sensitivity on fair value hedge as the hedges are 100% effective.

## Sensitivity analysis

The following table illustrates the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Rotorua District Council's financial instrument exposures at the balance date.

COUNCIL	Footnote	2009 \$000				2008 \$000			
		-100bps Other		+100bps Other		-100bps Other		+100bps Other	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
<b>INTEREST RATE RISK</b>									
<b>Financial assets</b>									
Cash and cash equivalents	1	( 18)	0	18	0	( 20)	0	20	0
Derivatives - held for trading	2a	0	0	0	0	0	0	0	0
Derivatives - hedge accounted	3a	0	0	0	0	0	0	0	0
Other financial assets:									
- unlisted shares	4	( 191)	( 53)	191	53	( 203)	( 45)	203	45
<b>Financial liabilities</b>									
Derivatives - hedge accounted	3b	( 366)	( 607)	0	938	0	0	0	0
Borrowings:									
- bank overdraft	5	0	0	0	0	0	0	0	0
- term loans	6	651	0	( 651)	0	829	0	( 829)	0
<b>Total sensitivity to interest rate risk</b>		<b>77</b>	<b>( 660)</b>	<b>( 443)</b>	<b>991</b>	<b>605</b>	<b>( 45)</b>	<b>( 605)</b>	<b>45</b>

# Notes to the financial statements **cont.**

## Explanation of sensitivity analysis - Council

### 1 **Cash and cash equivalents**

Cash and cash equivalents include deposits at call totalling \$1,750,000 (2008 \$2,045,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$18,000 (2008 \$20,000).

### 2 **Derivatives-held for trading**

#### a *Financial assets*

Rotorua District Council has no financial assets classified as derivatives held for trading.

#### b *Financial liabilities*

Rotorua District Council has no financial liabilities classified as derivatives held for trading.

### 3 **Derivatives-hedge accounted**

#### a *Financial assets*

Rotorua District Council has no financial assets classified as derivatives hedge accounted.

#### b *Financial liabilities*

Derivative financial liabilities hedge accounted includes interest rate swap fair value hedges with a fair value totalling \$35,651,000 (2008 \$0). A movement in interest rates of plus or minus 1.0% has no effect as the hedges are 100% effective.

### 4 **Unlisted Shares**

A total of \$2,440,000 (2008 \$2,478,000) of investments in unlisted shares are classified at fair value through P & L \$1,907,000 (2008 \$2,032,000) and fair value through equity \$533,000 (2008 \$446,000). A movement in interest rates of plus or minus 1.0% has an effect of \$191,000 (2008 \$203,000) on the fair value through P & L and \$53,000 through equity (2008 \$45,000).

### 5 **Bank overdraft**

Rotorua District Council has no bank overdraft.

### 6 **Secured loans**

Council has floating rate debt with a principal amount totalling \$65,100,000 (2008 \$82,860). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$651,000 (2008 \$829,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised using the effective interest method.

### 7 **Creditors and other payables**

Rotorua District Council has no creditor exposure to foreign exchange risk.

### 8 **Listed shares**

Rotorua District Council has no quoted share investments.

Notes to the financial statements **cont.**

GROUP	Footnote	2009 \$000				2008 \$000			
		Profit	-100bps Other Equity	Profit	+100bps Other Equity	Profit	-100bps Other Equity	Profit	+100bps Other Equity
<b>INTEREST RATE RISK</b>									
<b>Financial assets</b>									
Cash and cash equivalents	1	( 24)	0	24	0	( 33)	0	33	0
Derivatives - held for trading	2a	0	0	0	0	0	0	0	0
Derivatives - hedge accounted	3a	0	0	0	0	0	0	0	0
Other financial assets:									
- unlisted shares	4	0	( 53)	0	53	0	( 45)	0	45
<b>Financial liabilities</b>									
Derivatives - hedge accounted	3b	( 366)	( 607)	0	938	0	0	0	0
Borrowings:									
- bank overdraft	5	0	0	0	0	0	0	0	0
- term loans	6	651	0	( 651)	0	829	0	( 829)	0
<b>Total sensitivity to interest rate risk</b>		<b>261</b>	<b>( 660)</b>	<b>( 627)</b>	<b>991</b>	<b>796</b>	<b>( 45)</b>	<b>( 796)</b>	<b>45</b>
<b>FOREIGN EXCHANGE RISK</b>									
<b>Financial liabilities</b>									
Derivatives - held for trading	2(b)	0	0	0	0	0	0	0	0
Creditors and other payables	7	0	0	0	0	0	0	0	0
<b>Total sensitivity to foreign exchange risk</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EQUITY PRICE RISK</b>									
<b>Financial assets</b>									
Other financial assets:									
- quoted share investments	8	0	0	0	0	0	0	0	0
<b>Total sensitivity to equity price risk</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Notes to the financial statements **cont.**

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## Explanation of sensitivity analysis - Group

### 1 **Cash and cash equivalents**

Cash and cash equivalents include deposits at call totalling \$3,300,000 (2008 \$2,403,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$24,000 (2008 \$33,000).

### 2 **Derivatives-held for trading**

#### a *Financial assets*

The group has no financial assets classified as derivatives held for trading.

#### b *Financial liabilities*

The Group has no financial liabilities classified as derivatives held for trading.

### 3 **Derivatives-hedge accounted**

#### a *Financial assets*

The Group has no financial assets classified as derivatives hedge accounted.

#### b *Financial liabilities*

Derivatives financial liabilities hedge accounted includes interest rate swap fair value hedges with a fair value totalling \$35,651,000 (2008 \$0). A movement in interest rates of plus or minus 1.0% has no effect as the hedges are 100% effective.

### 4 **Unlisted Shares**

A total of \$533,000 (2008 \$446,000) of investments in unlisted shares are classified at fair value through equity. A movement in interest rates of plus or minus 1.0% has an effect of \$53,000 (2008: \$45,000) fair value through equity.

### 5 **Bank overdraft**

Rotorua District Council has no bank overdraft.

### 6 **Secured loans**

The group has floating rate debt with a principal amount totalling \$65,100,000 (2008 \$82,860). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$651,000 (2008 \$829,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised using the effective interest method.

### 7 **Creditors and other payables**

The Group has no creditor exposure to foreign exchange risk.

### 8 **Listed shares**

The group has no quoted share investments.

# Notes to the financial statements **cont.**

## Note 26: Capital Management

The Council's capital is its equity, which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its annual plan to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTCCP 2006-2016, (and subsequently updated by the Ten Year Plan 2009-19).

Rotorua District Council has self-funding reserves, council created reserves and restricted reserves.

Self-funding reserves are the net surplus or deficit held on behalf of activities undertaken by the Council on the basis that these activities generate enough revenue over time to cover the cost of their operations.

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

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

## Note 27: Explanation of Major Variances Against Budget

Significant variances in actual transactions from the Annual Plan have been detailed in the Cost of Service Statements.

Significant variances that are not explained in the Cost of Service Statements include \$6.6 million variance to budget (\$1 million variance to last year) in Trade and Other Receivables (Statement of Financial Position). This is primarily due to the budget balance being set too low, Comparing to the 2007/08 balance highlights this. Trade and Other Payables is \$4.7 million higher than budget and \$3 million higher than last year, the key variance being outstanding invoices for the Airport capital project at year end and a harder drive to get year end invoices in.

Borrowings current is \$12.9 million higher than budget and borrowings non-current is \$45.5 million lower than budget, netting a \$32.6 million favourable variance, primarily due to capital expenditure being \$25 million less than budget, primarily due to delays in wastewater sewerage schemes.

# Statement of financial involvement in Council-Controlled Trading Organisations (CCTOS) and other companies or organisations

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Rotorua District Council has 100% shareholding in Rotorua Regional Airport Limited. Details of transactions with this entity are detailed on page 154 and in note 12.

Rotorua District Council is also a part shareholder in Local Authority Shared Services Ltd (details on page 155) and Bay of Plenty Local Authority Shared Services Ltd (details are provided on page 156).

## Statement of compliance and responsibility

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### Compliance

1. The council and management of the Rotorua District Council confirm that all the statutory requirements of the Local Government Act 2002 in relation to the annual report have been complied with.

### Responsibility

2. The council and management of the Rotorua District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

3. The council and management of the Rotorua District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
4. In the opinion of the council and management of the Rotorua District Council, the annual Financial Statements for the year ended 30 June 2009 fairly reflect the financial position and operations of the Rotorua District Council.

*Kevin Winters* *P. Green*

Mayor

Chief Executive





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