

Rotorua District Council



Annual Report

2008

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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 Public Library, City Focus, and Civic Centre, Haupapa Street. The Annual Report can also be viewed on the internet at www.rdc.govt.nz.

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 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 2007 to 30 June 2008. 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.

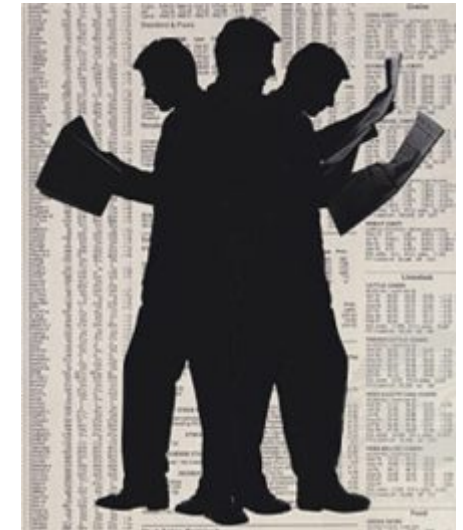
Annual Report

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 2007/08	Adopted 27 June 2007
Annual Report 2007/08	Adopted 31 October 2008



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 2007/08
Adopted 27 June 2007

Annual Report 2007/08
Adopted 31 October 2008

message from his worship the mayor and the chief executive

Tena koutou katoa

It is with some pride that we jointly introduce Rotorua District Council's Annual Report for the 2007/08 financial year – another very productive and successful period for the council. This document fulfils legislative requirements for publicly reporting on the council's performance on an annual basis.



The make-up of our council changed in October 2007 with local government elections taking place. This resulted in four first time councillors taking office - Maggie Bentley, Julie Calnan, Dave Donaldson and Karen Hunt – who have worked particularly hard to come up to speed with the complexities of local government, alongside eight re-elected councillors. We also welcomed to the council four newly elected members on the Rotorua Lakes Community Board - the district's first ever community board. They are Brentleigh Bond (chair), Geoff Palmer, Neil Callaghan and Philip Karauna.

It is no understatement to say the year has been a challenging one in many respects. Meeting our community's expectations, while remaining sensitive to the impact of rates and other council charges requires a delicate balancing act which we have to perform judiciously.

Achieving this is not made easier by the cost of a substantial range of central government compliance demands that we have to fund locally. At the same time, the actual cost of delivering many of our services runs at significantly higher levels than the CPI as a result of larger increases in the likes of the construction index, roading materials and fuel. However we believe we been successful in complying with our legislative obligations, remaining on track towards achieving our community's aspirations and continuing to provide a sound platform for the local economy to grow - all within the budgets set for the year.

For a number of years now we have had amongst the lowest general rates increases of all councils in the country, and this shows your council follows prudent budgeting processes and sets realistic and responsible objectives.

It is worth noting that, in round figures, rates covered less than two thirds of the cost of the services we provided our community, with more than a third coming from other areas such as funding partnerships and user pays fees. The council continues to work hard to identify alternative funding sources wherever we can, and we are proud of a number of very strong and effective business partnerships we have with the likes of the Rotorua Trust, and other public and private organisations. Their generous contribution to the Rotorua community allows RDC to provide many services that would not otherwise be possible from more conventional funding sources.

In the 2007/08 Annual Plan we identified a number of key areas to focus on during the year. We are pleased to report progress in these areas:

- **Lake 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.
- **Sustainable growth:** RDC is involved in a raft of measures to ensure the district is well positioned to achieve sustainable growth for the foreseeable future.
- **Trans-Tasman Airport:** During the year an Environment Court ruling cleared the final legal barrier to Rotorua's airport being developed to trans-Tasman capability. Work currently underway should see air services operating between Rotorua and Australia around mid-2009.
- **Maintaining service levels:** RDC 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.
- **Developing community facilities:** Our new Energy Events Centre has gone from strength-to-strength; the Museum Centennial Project has seen good progress with extension work; library development planning is underway; as are Civic Theatre upgrade plans and a range of other work aimed at developing community facilities.
- **Continuous service improvement:** During the year the council approved construction of an integrated one-stop customer centre to replace the 13 separate public counters currently operating at the Civic Centre. This is part of a wider programme to further boost the quality of service provided to our customers.

message from his worship the mayor and the chief executive

■ **Funding relationships:** It is appropriate to acknowledge the Rotorua Trust which remains our single most significant funding partner for a range of RDC community projects. We also work closely with many other partner organisations in the private, public and philanthropic sectors, and we are continuing on an ongoing basis to build productive new partnerships.

Our 'Bright Future' Community Outcomes programme includes a list of key aspirations which the community has identified. Having a safe and caring society is our community's top priority and we continue to be pleased with the way crime has been trending down in our city in recent years. This is just one example of partnerships with other agencies producing real results. Major projects, including a review of the rating system a review of the district plan, and work on a new Ten Year Plan have placed significant demands on elected members and staff during the 2007/08 year, and these projects are ongoing.

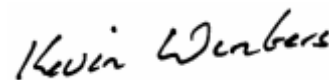
Council's work during the year was recognised by a number of awards. These included the Bay of Plenty Sustainable Business network's 'Not-for-Profit Sustainable Business Award', and SOLGM national awards for the 'Fresh Ideas' new district plan project for communication and community engagement.

Earlier in the year the council commissioned independent research organisation NRB (National Research Bureau) to survey residents to see what their perceptions were of the council. We're pleased to report that we scored a big tick from the overwhelming majority.

Some 89% of residents were satisfied with the performance of the mayor and councillors, and 86% satisfied with staff performance. These results are higher than the ratings most councils in New Zealand received from their own residents. A number of our services were singled out for even higher praise, with 99% of those surveyed satisfied with sewerage services, beautification/landscaping and water supply each receiving 93%, parks and reserves 91%, rubbish collection 90%, library and sports fields 86%, and event and tourism promotion 85%. Other well rated council services were noise control 82%, aquatic centre 81%, roads 80%, museum 79%, dog control 77%, footpaths 75% and stormwater drainage 72%.

During the year, the community has been well served by its elected members, managers and staff, and we extend our gratitude to them for their hard work and commitment. We also express our appreciation to the people of Rotorua for engaging with the council and for supporting this special community. Rotorua is in good shape thanks to you all.

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



Kevin Winters
Mayor



Peter Guerin
Chief Executive

Some 89% of residents were satisfied with the performance of the mayor and councillors, and 86% 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:

	2008	2007	2006	2005	2004
\$ in thousands					
General rates	42,919	41,905	38,328	36,379	34,692
Targeted rates	16,805	15,305	14,108	13,332	12,767
Other services	35,512	31,499	43,061	29,697	26,357
Non operating adjustments	4,345	2,178	8,916	423	514
Total Revenue	99,401	90,077	104,034	79,831	74,330
Operating expenditure	91,706	86,551	80,888	70,998	67,090
Non operating expenditure	0	40	0	6,145	0
Taxation	0	0	5	23	-18
Total expenditure	91,706	86,591	80,893	77,166	67,072
Net surplus	7,695	3,486	23,141	2,665	7,258

Statement of Financial Position (Council)

for the year ended 30 June:

	2008	2007	2006	2005	2004
\$ in thousands					
Current assets	19,815	15,046	21,403	50,980	46,244
Current liabilities	25,111	23,004	22,070	51,532	22,899
Working capital	-5,296	-7,958	-667	-552	23,345
Investments	2,500	2,092	1,794	1,888	6,411
Fixed assets	860,016	847,543	798,779	581,189	559,976
	857,220	841,677	779,906	582,525	589,732
Financed by:	781,994				
Rate payers equity	82,860	771,895	756,001	375,597	358,084
Debt	2,172	74,852	61,042	36,051	45,467
Other term liabilities	-9,805	2,405	2,603	1,421	1,454
Reserves		-7,475	-19,740	169,456	184,727
	857,220	841,677	799,906	582,525	589,732

Revenue

Revenue has increased by 10% from the 2007 financial year. This includes a 6% 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 59% compared to 63% in the previous year.

Expenditure

Expenditure has increased 6% on the previous year. Key areas of increase were in staffing and finance costs. CPI increase for the year 2007/08 was 4%.

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

5 year financial summary **cont.**

Working Capital

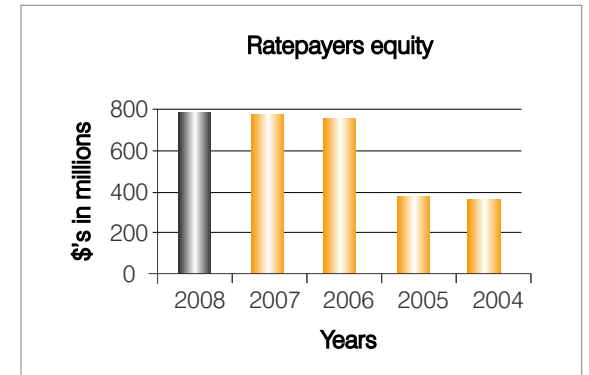
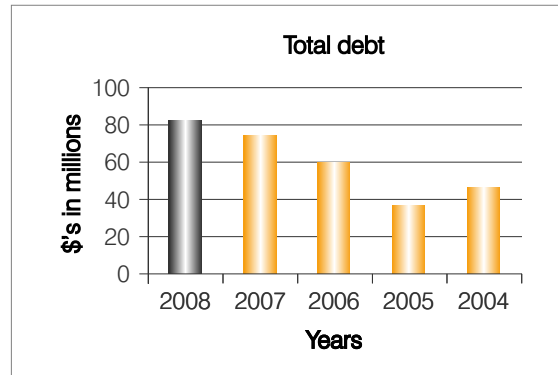
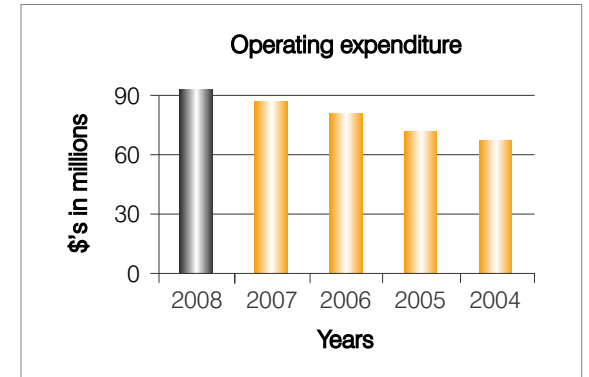
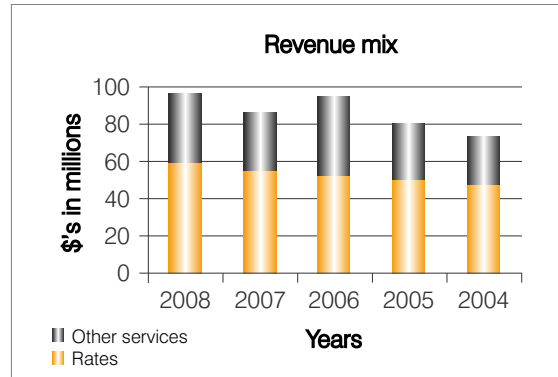
Working Capital improved by \$2.5 million on 2007, with current assets increasing by \$4.8 million (primarily one additional debtor for Museum project grant has now been paid) and current liabilities increasing by \$2.3 million (primarily one creditor -Regional Council, since been paid).

Fixed Assets

The value of Council's property, plant and equipment have increased by \$13.4 million with the significant items of capital expenditure being – Airport – Museum –Roading - Urban Water - Waste Water.

Public Debt

Council's public debt has increased by \$8 million to \$82.8 million. It was forecasted in the LTCCP that the debt would be at \$123 million by 30 June 2008, 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 REPORT

TO THE READERS OF ROTORUA DISTRICT COUNCIL AND GROUP'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2008

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 on his behalf. 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 2008, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 158 to 205:
 - o comply with generally accepted accounting practice in New Zealand; and
 - o fairly reflect:
 - the District Council and group's financial position as at 30 June 2008; 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 47 to 154 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 31 October 2008, 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.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

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 2008. 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.

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 partner programme

More than \$20 million in philanthropic support has been confirmed from our Rotorua Partners.

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.

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



Corporate Partners



Foundation 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. The review is scheduled to be completed in April 2009.

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.

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.

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.

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.

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 exposure to, and training in tikanga and te reo. The 2006 te reo and tikanga staff and Council training was run from 8th June to 24th August 2007. The unit provides whanau, hapu, iwi and marae contacts and consultation advice to various council departments. The department 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.

developing maori capacity to contribute to decision making **cont.**

Mana Whenua Funding Policy 2007

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.

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".

Further memoranda of understanding will be investigated and developed.

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.

Rotorua Lakes Strategy Joint Committee

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.

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.





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 3 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.

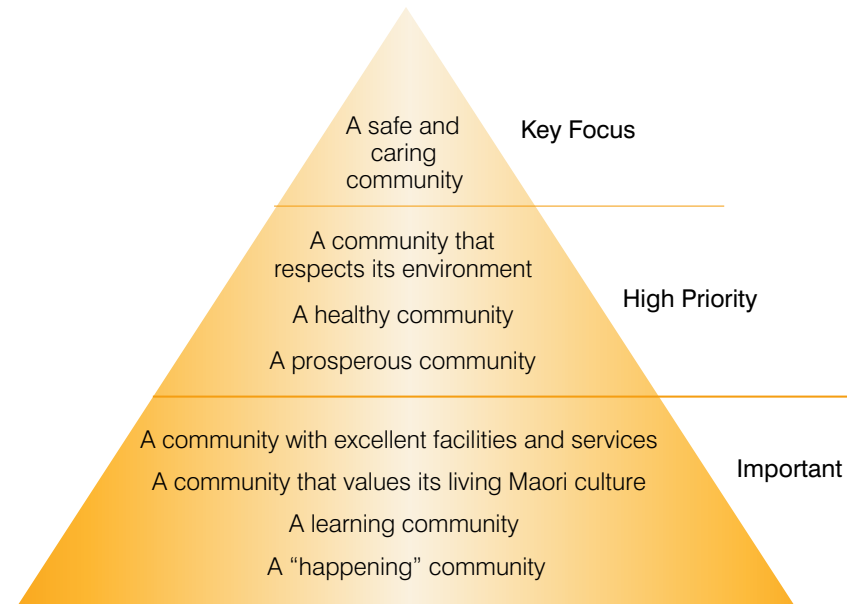
Rotorua District Council's contribution to promoting the community outcomes is described in the LTCCP (Ten Year Plan). It is a requirement of all LTCCPs to describe which community outcomes different council activities will contribute towards.

In accordance with the letter and spirit of the Local Government Act, Rotorua District Council takes a collaborative and inclusive approach to identifying and monitoring community outcomes. In mid-2004 the council discussed 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 show that a safe and caring community is the most important outcome for Rotorua residents. Other high priorities include a healthy community, a prosperous community and a community that respects its environment.

Council is undertaking a review of the community outcomes for the 2009-19 Long Term Council Community Plan to see if they need amending and the priorities are still the same.





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 helps 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.

The 2008 survey recorded a further increase in the number of Rotorua residents feeling 'very safe' or 'safe' in the CBD during the daytime (91.9% of respondents felt this way in 2008, up from 90.7% in 2007).

Also, 82.9% of respondents felt that Rotorua is either 'definitely' or 'mostly' a safe place to live.

These findings reflect the effective partnerships Council has with Police, Neighbourhood Support, Maori Wardens, and other organisations, to reduce crime.

The 2008 survey recorded a further increase in the number of Rotorua residents feeling 'very safe' or 'safe' in the CBD during the daytime (91.9% of respondents felt this way in 2008, up from 90.7% in 2007).

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 lwi 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 lwi 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 lwi Whanui tenei e ngakau nui ana ki tona ora

- 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 lwi 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 lwi Whanui tenei e mau pu motuhake ana ki ona taonga me onaratonga

- 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 lwi 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 lwi 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 lwi 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 65,901. This is a change of 2.2 percent since 2001. Rotorua ranks 5th in size out of the 58 districts in New Zealand, and 16th 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 2,708 km²
- Based on the 2006 Census, the district's usually resident population stands at 65,901.
- 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 2008 there was an average of 5,280 visitors per day staying in Rotorua commercial accommodation.
- There are 1,800 ha of reserves managed by Rotorua District Council.
- There are more than 1,000 km of local roads in the district, of which almost 70% are sealed.
- The gross capital valuation is almost \$10.3 billion and gross land valuation is around \$5.0 billion.
- Rotorua's GDP is estimated at \$2 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 Whakaue 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

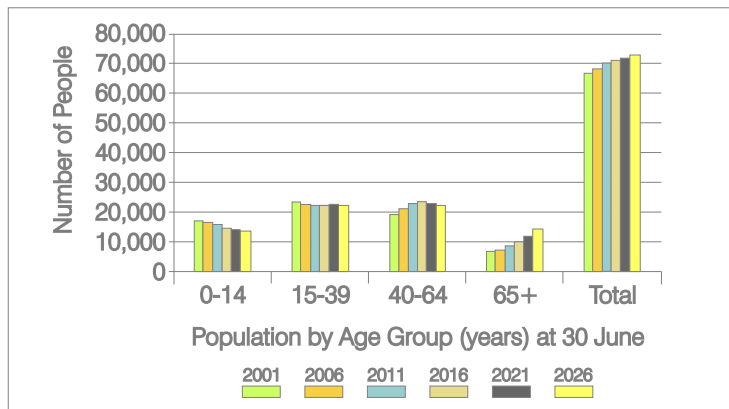
There are slightly more females than males in Rotorua, this is especially noticeable in some age groups. The 2006 census shows that males outnumber females among young children and youths but females predominate among adults from late 20s onwards. Based on the 2006 census 51% of Rotorua's population are female (33,897) and 49% male (32,004).

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.

*The district is centred
around a thriving urban
area on the southern shore
of Lake Rotorua*

about the district cont.

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



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.

Labour force participation in Rotorua has increased substantially over the past decade, and unemployment is at a 15-year low. 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.

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 1st 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 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.

about the district **cont.**

Council has undertaken a programme of constructing sewerage schemes for lakeside communities (Hinemoa Point, Brunswick/Rotokawa, Hamurana/Awahou, Okere Falls/ Otaramarae) as part of the programme to improve the lake water quality. Central Government has provided subsidy of \$32.4 million over the next seven years which will fund approximately half the capital cost. The remaining cost will be funded by a targeted rate charged to users and potential users of the schemes.

Rotorua is located in close proximity to vast plantation forestry resources, including the extensive Kaingaroa Forest. Forest Research – New Zealand's largest forestry research organisation – is located in Rotorua, as is the Radi Centre of Excellence in Wood Manufacturing, a partnership between Forest Industries Training, the University of Auckland and Waiariki Institute of Technology.

Te Arawa are the traditional kaitiaki (guardians) of Rotorua's environment for future generations, and partnership with Iwi is a key principle in the management of the district's environment. The District Plan lists 235 archaeological sites, 34 marae and 27 other heritage sites or structures that have cultural or historical significance to Iwi. The process of consultation with Maori is evolving as greater efforts are made for improved communication.

Population Projection - 2001 (base) to 2026

Introduction

Each year there are around 1,100 births in the Rotorua District and 1,000 deaths, so natural increase is around 0.1% per year.

The 2006 Census counted 65,901 residents in the Rotorua District. 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 0.3% per annum over the coming 20 year period (2006-2026), compared with a national growth rate of 0.7%. The Bay of Plenty as a whole is forecast to grow at 1.0% per annum over this period, due to an expected continuation in the rapid growth in the Tauranga (1.7%) and Western Bay of Plenty districts (1.6%).

The Rotorua District population is forecast to reach 72,800 in 2026. Assuming higher rates of in-migration and births, this figure could be as high as 80,500. Assuming lower rates of migration and births, Rotorua's population could drop to 65,200 over the next 20 years. These upper and lower limits are fairly arbitrary, but give some indication of the possible variation.

Improving our knowledge

To ensure there is accurate information for the basis of planning, further work is currently being undertaken to analyse growth in the district; and its likely impact.

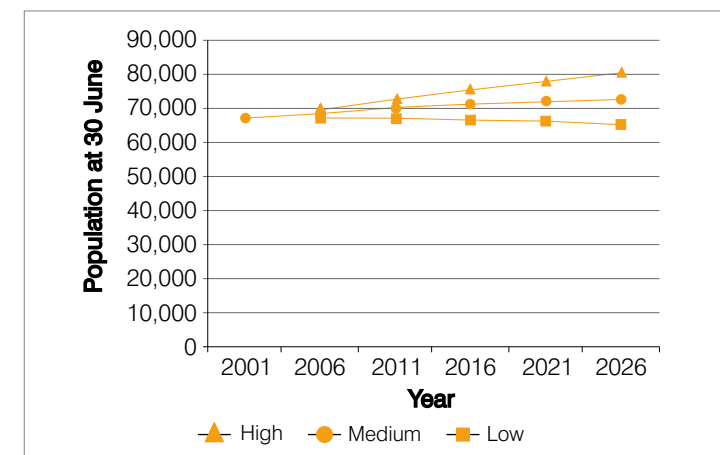
The work done was included in a growth model and also included assumptions around the type of growth, e.g. residents versus visitors and demographic make up. This information underpinned our projected services included in the 2006-16 LTCCP. It is crucial that our planning for services, infrastructure and funding are realistic and coordinated across the district.

Rotorua District Population Change 1996 to 2006

1996 Population	64,509	
Population at same address in 2001	24,921	
Population at different Rotorua address in 2001	17,172	
Population still in Rotorua in 2001:	42,093	65.3%
Population gain:		
Births	5,412	
In-migration - other NZ	9,087	
In-migration - overseas	2,625	
NEC/no fixed abode	5,256	
Total gain:	22,380	34.7%
Population loss:		
Deaths	2,429	
Ex-migration - overseas - other NZ	11,094	
NEC/Ex-migration - overseas (inferred = residual)	8,893	
Total loss (inferred)	22,416	34.8%
2001 population	64,473	
2006 population	65,901	

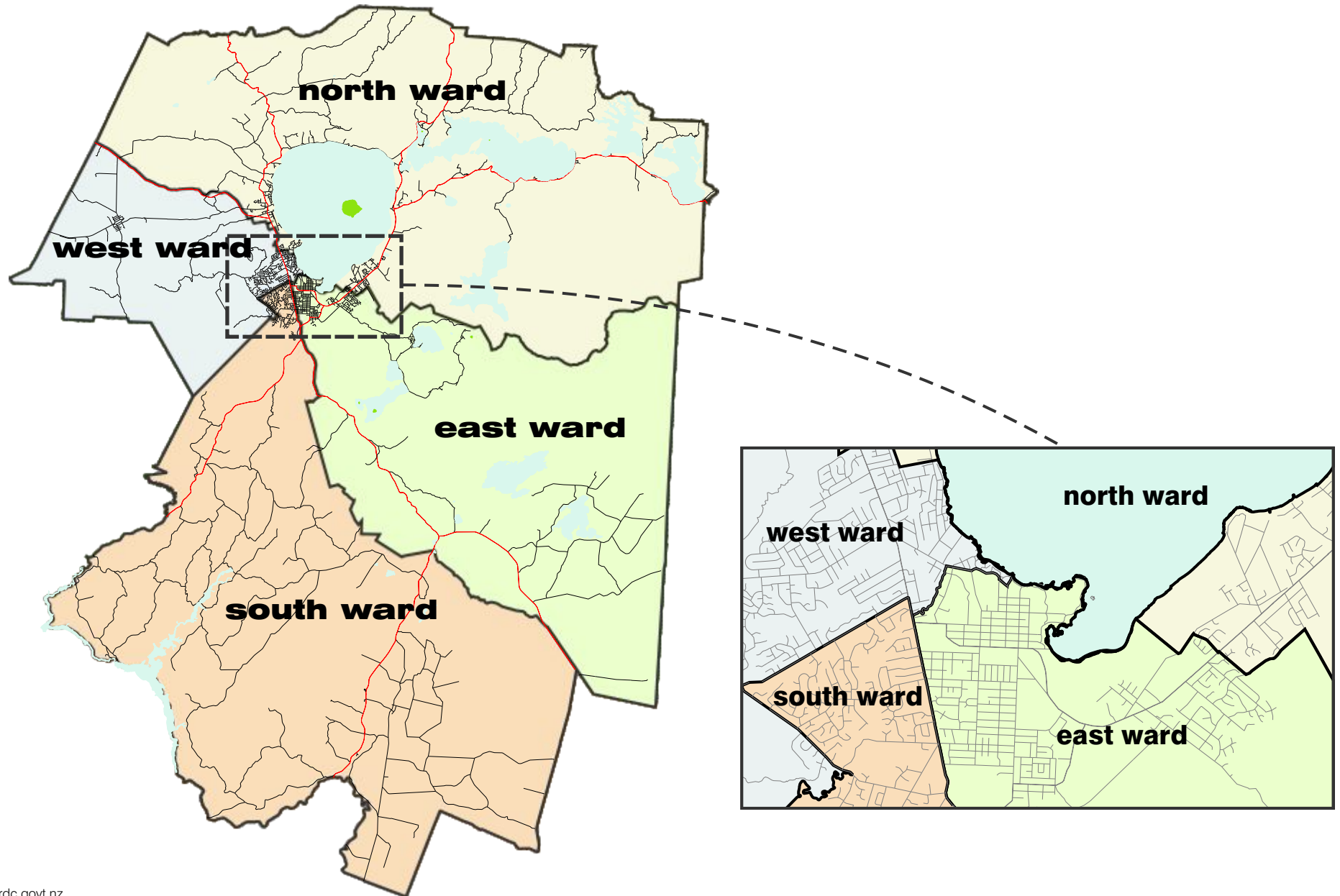
Population Projections 2001 (Base) - 2026

Rotorua District



Source: Statistics New Zealand Population Projections, released February 2005

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

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.

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.

mayor and councillors as at 30 June 2008



His Worship the Mayor
Kevin Winters JP

north ward



Cr Charles Sturt



Cr Karen Hunt



Cr Bob Martin

south ward



Cr Glenys Searancke



Cr Mike McVicker



Cr Julie Calnan

west ward



Cr Trevor Maxwell
Deputy Mayor



Cr Janet Wepa



Cr Geoff Kenny

east ward



Cr Maggie Bentley



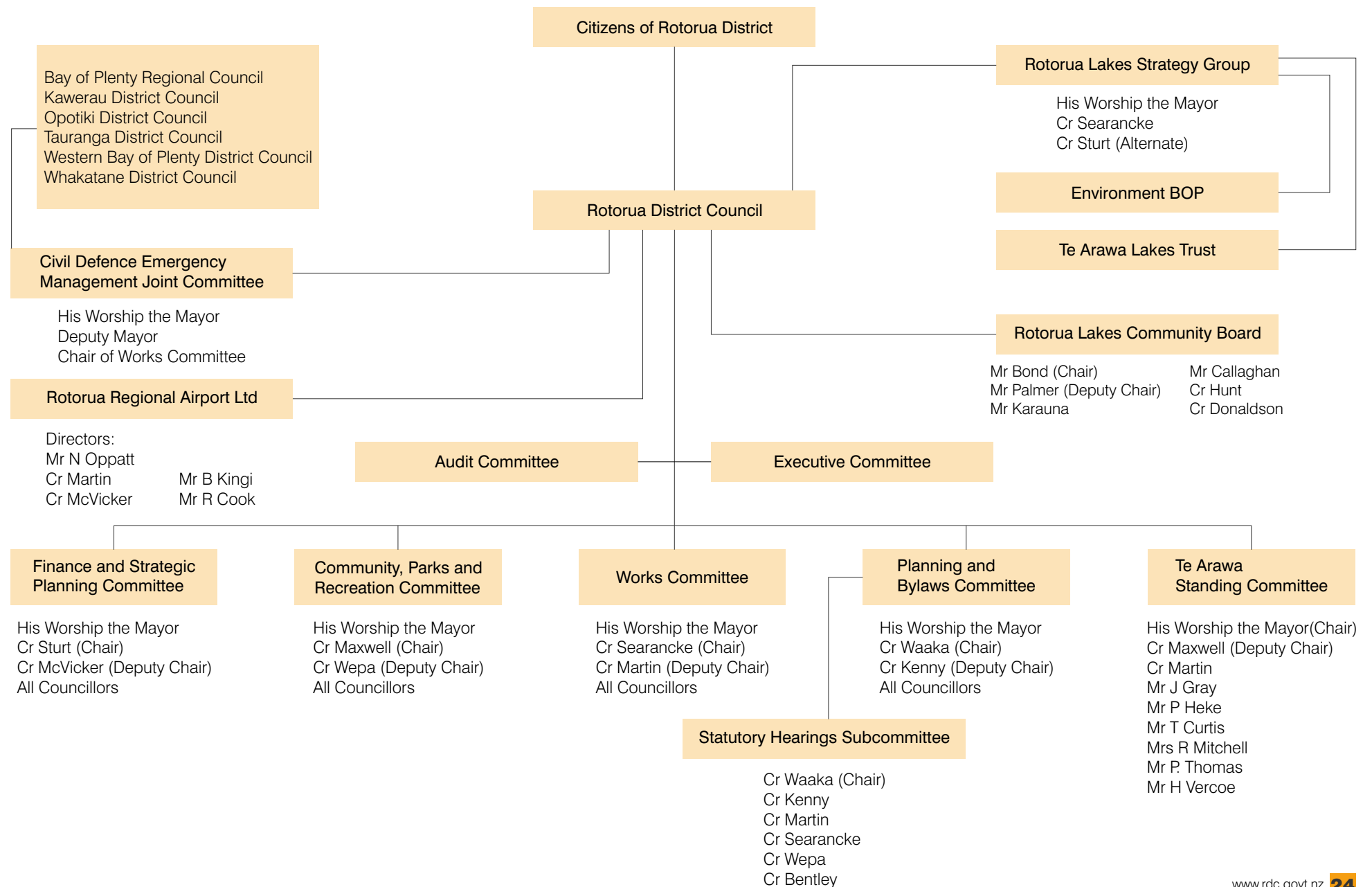
Cr Dave Donaldson



Cr Maureen Waaka

committee structure

governance report **cont.**



governance report **cont.**

committee terms of reference

■ Finance

LTCCP and Annual Plan, rates, financial, general, tourism marketing, economic development, Castlecop 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 applications for remission and/or postponement of rates in cases of extreme hardship, negotiation of leases and emergency matters.

■ 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 Lakes Strategy Joint Committee

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.**

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.

Te Arawa Standing Committee

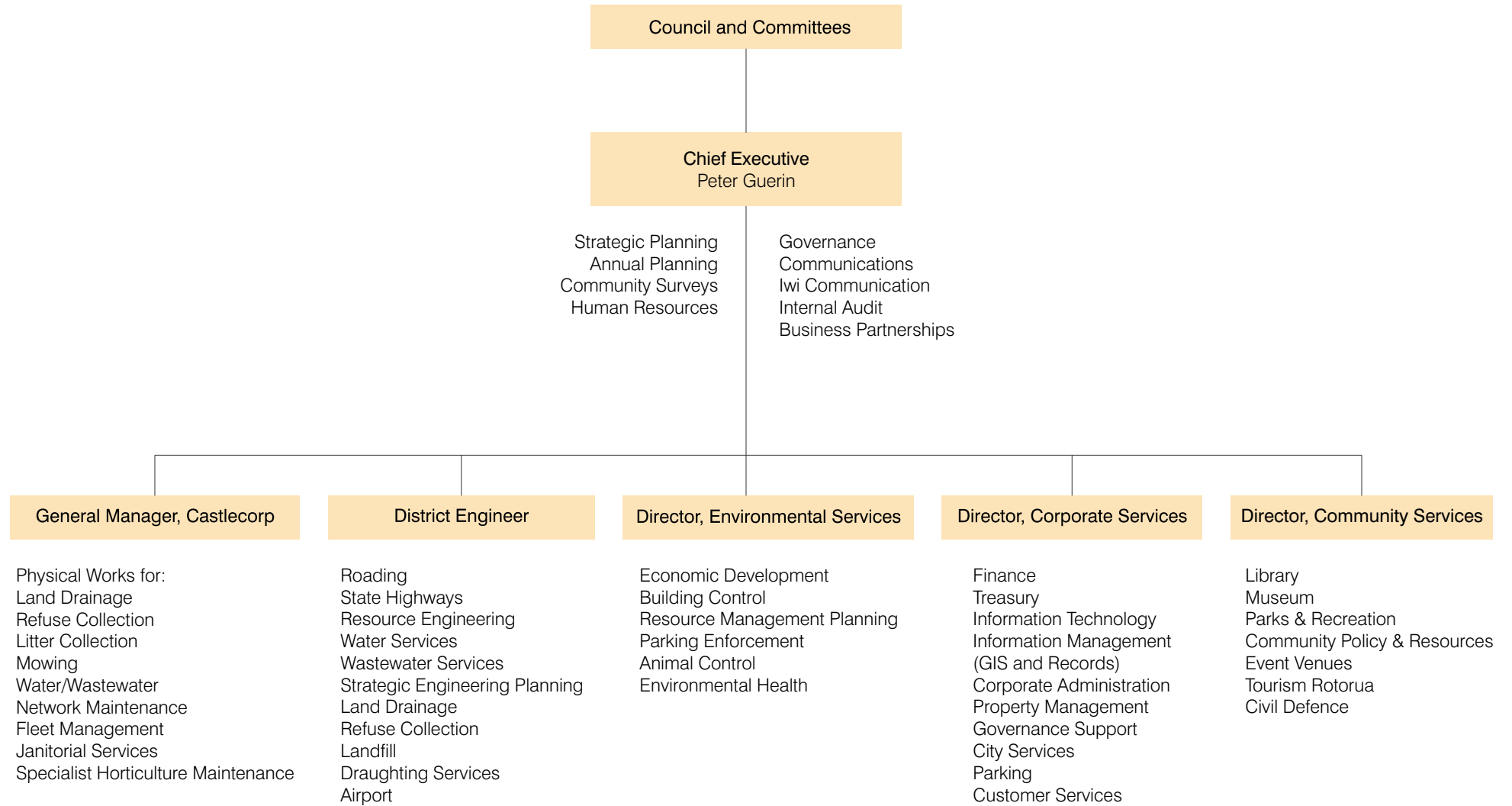
This committee has representatives appointed and elected from Te Arawa Iwi. The Committee's terms of reference are "to have responsibility for providing a Te Arawa perspective on all matters affecting Maori".



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, Piwiki Heke
Absent: Toby Curtis

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.

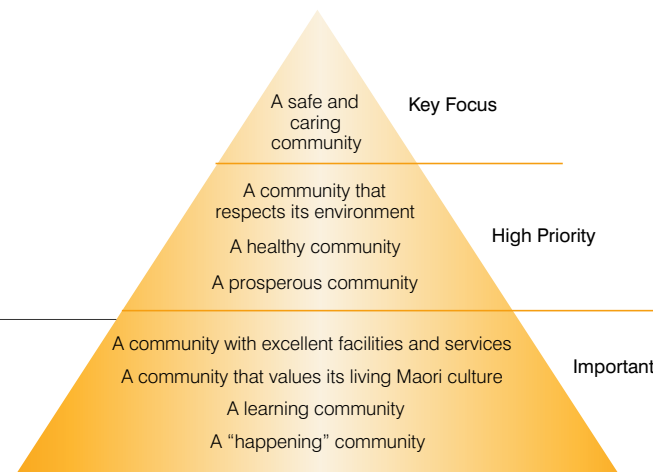
Our Mission for the District

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. These linkages are further explained in Part 3 Bright Future of this plan.

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

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 2007/08 was adopted on 27 June 2007 following public consultation. There were 65 submissions on a range of issues relating to Council's services and activities.

Amendments were also made to the Ten Year Plan 2006-16 to create additional targeted rates and establish a CCO (BOP LASS).

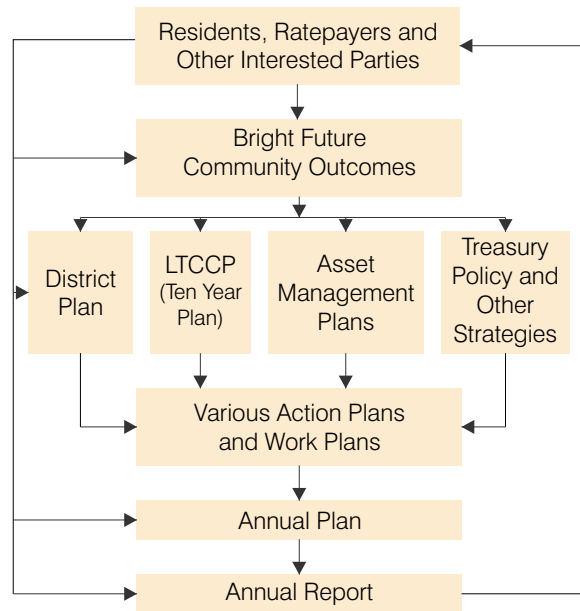
Annual Report

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 2007/08. 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



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 will be based around the:

- Long Term Council Community 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.

Annual Plan 2008/09

Council consulted with the community and subsequently adopted its Annual Plan on 27 June 2008. The 2008/2009 Annual Plan is a one year snapshot of the Ten Year Plan 2006-2016. It informs the community what projects and activities are intended for 2008/09 as well as the costs. Also included in the Annual Plan are the projected rates for 2008/09, which show an increase of 4.7% for the General Rate.

Other consultation and events during the year

Council undertook a significant amount of consultation with the community during the 2007/08 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)
- Eastern Structure Plan
- Western Structure Plan
- Landscape Assessments

- Geothermal Safety Bylaw 2008
- Signs on Roads Bylaw 2008
- Traffic Bylaw 2008

- Reserve User Survey
- Aquatic Centre User Survey
- Consultation with communities and residents on walkways, boatramps, playgrounds and other development
- Perception of Safety Survey
- Pensioner Satisfaction Survey

- Annual Community Satisfaction Survey
- 2008/09 Annual Plan consultation

Community Satisfaction Survey

The 2008 Community Satisfaction Survey undertaken by National Research Bureau indicated that 72% of those surveyed approved of Council's decisions and actions, which was an increase of 8% compared to 2007. Also, of those who contacted Council over the past 12 months, 82% were satisfied with the service received.

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

strategic direction

Rotorua Regional Airport Ltd

As at 30 June 2008 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 Rangiteaorere 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 - Ombudsman - Privacy Commissioner - Audit	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 10% above peer group average in satisfaction rating (Peer Group 56%, Council 66%)	Achieved
8. Staff Turnover (organisationally)	Staff turnover not to exceed 15% per annum	Achieved (Turnover 14%)
9. OSH Reports	OSH Audit Reports satisfactory ACC discount rating not less than 15%	Not achieved (discount = 10%)

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-being¹ 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, which 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

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.



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

¹Social 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](#)

sustainable development reports **cont.**

During 2007/08, Council has contributed to this area by:

- Involvement with a collaborative project with a focus on young people in transition.
- Hosting Mayors Taskforce for Jobs Industry Graduation Ceremony in May 2008. This event acknowledged all the apprentices who had qualified across a range of trades during 2007.
- Provision of recreational facilities and programmes for people to develop skills e.g. swimming, sports, arts, physical activity.
- Hosting static and rotating 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.
- Funding for Enviro-Challenge, educational opportunity for high school students.
- Production of four information reports based on the 2006 Census – Changing Communities; Aging Population, Young People, Patterns of Well-being.

Education

Educational opportunities refer to the formal education offered in Rotorua. They 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 2007/08, Council has contributed to this area by:

- Leading the Truancy Project which has been a focus within the Rotorua District Council Crime Prevention Plan.
- Provision of local seminars for those involved in education e.g. Nigel Lattas visit which focussed on supporting young people in school.
- 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.

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 2007/08, 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, Waitangi and Children's Day celebrations.
- Provision of pensioner housing services.
- Hosting meetings with six marae on a regular basis.
- 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.
- Development of guidelines for use and management of community halls.

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 2007/08, Council has contributed to this area by:

- Facilitation of the Maurangi Toi – Regional strengths Project, supported by Creative New Zealand funding. The project has seen the engagement of several local artists in entranceways art works.
- Involvement/support of Rotorua Career Month in May 2008. The project group supported career related activities for both young people and those wanting to change their work, during the month.
- Facilitated activities to support Rotorua Strategy – Youth Transition.
- Pathways to Health established with Lakes DHB – 12 students placed.
- Successful running of Career Choices in May 2008.

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 2007/08, 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 2007.
- Participation in the Local Air Management Area Group hosted by Environment BOP.
- Undertaking activities to improve community safety.
- Oversight of contracts with sports organisation 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 X-Zite 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 2008.

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 2007/08, 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, Children's Day celebrations and Matariki events.

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 2007/08, Council has contributed to this area by:

- Hosting Youth Council.
- Supporting the Te Arawa Standing Committee.
- Undertaking community consultation processes e.g. review of the Rotorua District Council Older Persons Policy, Art in Public Places Policy, and Safe Families Action Plan.
- Published Maori Committees and Advisory Groups – information about groups supporting the work of Rotorua District Council.
- Establishment of a Rotorua Lakes Community Board.

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 2007/08, 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 e.g. Social Monitor – November 2007, Patterns of Well-being 2008.

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 2007/08, Council has contributed to this area by:

- Facilitation of Project Papa Waka – focussing on improvements in crime at specific car parks, eg: Beat That Thief campaign.
- Implementation of Rotorua Project CARV action plan focussing on community action around alcohol.
- Implementing activities through the Drivewise group.
- Undertaking a 2008 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 two rounds of the Community Safety Projects Fund.
- Bi-monthly production of Safe Rotorua Newsletter.
- Provision of CPTED training to tourism industry members.
- Launch of City Assist programme over summer of 2007/08.
- Bi-monthly production of SOLA Clips newsletter.
- Co-ordination of monthly Rotorua CBD Alcohol Accord meetings.
- Trial of CBD licensed premises communication programme over summer of 2007/08.
- Production and screening of safety messages on i-TV and TV Rotorua.
- Gathering support for Rotorua's efforts to seek safe community designation, as per the criteria set by the World Health Organisation.
- 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

Rotorua's economic output is estimated at \$2.35 billion per year. Rotorua's estimated economic growth rate is currently up slightly on previous years at around 2.8% per annum, which is slightly above the national level. This is in line with national projections of a growth rate of around 2.8% per annum in the longer term.

Labour force participation has increased substantially over the past decade, and unemployment has remained at record low levels. Rotorua's occupational profile is gradually changing, with fewer agricultural workers and increased numbers of manufacturers, professionals, teachers and other service occupations. Census results show that the most significant industries in the District in terms of employment include retail trade (employing 3,890 people), manufacturing (3,840), property and business services (2,820), health and community services (3,330), agriculture and forestry (2,210), accommodation, cafés and restaurants (3,250) and education (2,720).

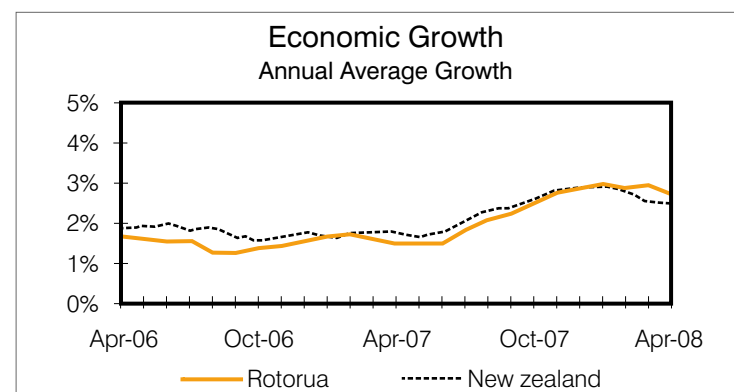
Economic growth in Rotorua is expected to come from the following sectors over the coming years trade and tourism, machinery and equipment manufacturing, wood products manufacturing, health, education,

forestry and transport along with the business and services sector. There are a number of available sites for new investment in the Rotorua District, particularly for light industry including Eastgate Business Park and the Te Papa Tipu Innovation Park located on the SCION site.

Recent major developments include the Rotorua Energy Events Centre, Skyline Skyrides gondola upgrade, construction of the Ibis Hotel, airport upgrade, Rotorua Central Mall developments, upgrade of the Red Stag Timber Waipa Sawmill site and many real estate developments including the impressive Parklands Estate development on the outskirts of the city. These are only a few of the major investments to have flowed into the city over the past 2 years, they indicate a relatively high level of confidence over the longer term in spite of current business confidence being slightly down but ahead of the national confidence levels in the future across all sectors of the economy.

The real estate market has eased compared to the strong growth of the past 18 months with the median house price in Rotorua for the year ending May 08 being at \$247 000. The annual average growth rate in the number of houses sold in Rotorua was negative 38.0% for the year ended May 2008

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 Volcanic, 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 June 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 reduced confidence, with householders being more pessimistic than Rotorua businesses.

On a positive note:

- personal income is expected to increase,
- profits for business are expected to rise,
- investment into businesses has increased.

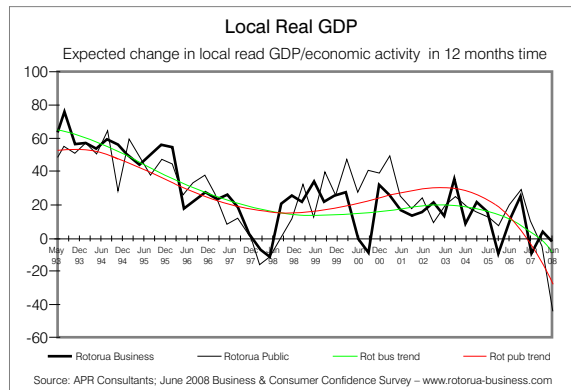
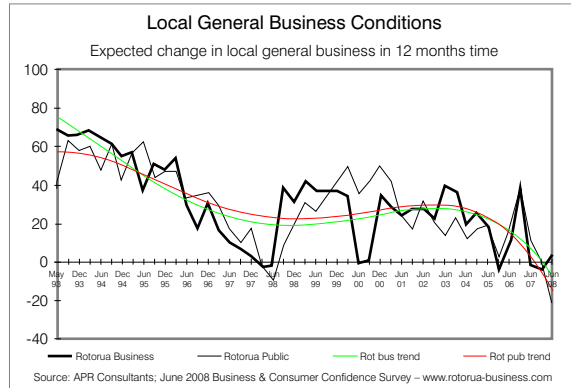
Rotorua businesses expect local general business conditions and local economic activity to remain steady (although households expect conditions to decrease in both cases).

- Business employment is expected to remain static.
- Both businesses and households report an expectation of interest rates staying at June 2008 levels.

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

Construction businesses involved in residential construction expected increasing levels of construction, while those involved in commercial construction expected reducing levels.

sustainable development reports **cont.**



Agriculture

The agricultural industry directly employs around 2,150 people in Rotorua, with a further 300 employed in agricultural services. Most of the farming units in Rotorua are dedicated to dairy, beef, sheep and deer farming. There is an increasing number of smaller lifestyle blocks in the District, with at least half of the 1200 units being under 5 hectares in size, as well as rationalisation and more intensive use of larger farming blocks. Dairy and deer farming have shown strong profitability in recent years. Horticulture remains a relatively minor industry in the Rotorua District, although there may be scope for introducing new crops based on specific soils and microclimates

Forestry

Rotorua's forestry sector directly employs more than 840 people. When indirect employment such as manufacturing and transport are accounted for, the local forestry sector supports around 3,350 jobs and an estimated \$235 million of income. This is slightly down due to the strong New Zealand Dollar as well as low log prices. Rotorua is located in close proximity to vast plantation forestry resources, including the extensive Kaingaroa Forest. The Central North Island supply area produces nearly 56% of New Zealand's annual wood harvest, and is projected to remain the dominant wood-producing region in New Zealand. There are opportunities for further investment in both planted production forestry and timber processing in the Rotorua area. Indirect investment opportunities also exist in terms of forestry inputs, harvest, and is projected to remain the dominant wood-producing region in New Zealand. There are opportunities for further investment in both planted production forestry and timber processing in the Rotorua area. Indirect investment opportunities also exist in terms of forestry inputs, engineering services, consulting, research, and education. The Waiariki Institute of Technology is the site for New Zealand's Centre of Excellence in Wood Processing Education and training known as the RADI centre. Also having a world leading science and research organisation such as SCION (formally Forest Research) within the Rotorua city provides an extra dynamic to the already extensive Rotorua and central North Island forest industry.



Manufacturing

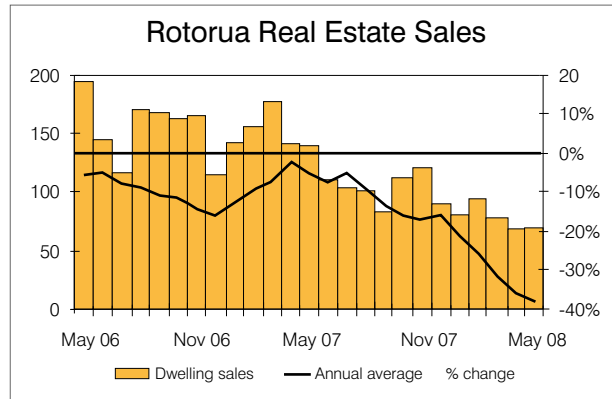
The manufacturing sector accounts for 13% of employment in the District. Around two-thirds of all manufacturing employment in Rotorua relates to wood products and machinery production, which reflects the importance of these sectors within the local economy. Food and beverage processing is also a significant local employer. There are 366 business units involved primarily in manufacturing in the District. Of these, 110 businesses produce machinery and equipment directly related to the forestry and agricultural industries. This compares to a national average of less than 11% relative to all manufacturing. Other manufacturing industries include metal products, printing and publishing, chemicals and associated products, textiles and clothing, and non-metallic mineral products. Many international and domestic companies have recently begun manufacturing in Rotorua and are producing products for both the domestic and export markets. This is a sector which is expected to continue experiencing growth and development in the future.

Construction and real estate

The construction sector, including building-related services such as plumbing and roofing, employs around 1,780 people in Rotorua. Approximately 65% of equivalent full-time jobs in this sector relate to trade services. The continued development of tourism and other business activity will be a key driver of commercial construction growth in the future.

A total of 69 houses were sold in Rotorua during May 2008, with the median sale price standing at \$247,000. While the volume of sales edged marginally higher than the 68 houses sold in April 2008, May 2008's level was less than half of the 139 sales recorded in May 2007. The annual average growth rate in the number of houses sold in Rotorua was negative 38.0% for the year ended May 2008.

sustainable development reports **cont.**



Source: Real Estate Institute of New Zealand

Transport

The District's transport and storage sector accounts for around 3.7% of the labour force in the District, with the majority being in road transport and related services. The agriculture, forestry and tourism industries contribute to most of the road cartage business. Wood products, dairy products and manufactured goods are intensively transported between Rotorua and the Port of Tauranga. The transport industry is forecast to grow at a rate of 2.6% annually to 2010, as a result of increased tourism and primary product exports. The central North Island location of the District provides the potential for further growth in this industry. The airport is being developed and extended over the coming years to future-proof Rotorua's position as a premier visitor destination.



Wholesale and Retail

The wholesale and retail sectors collectively account for around 5,420 jobs in Rotorua, or close to 19% of the total workforce. Increased rural incomes and visitor numbers have been major drivers of growth in recent years, and the opening of major chain stores has increased the attractiveness of Rotorua for shoppers.

The total nominal value of retail sales recorded in Bay of Plenty Region totalled \$362.8 million during April 2008, around \$16.4 million less than the sales recorded in the previous month. However, April 2008's level was greater than the \$348.5 million sold in April 2007. The annual average growth rate in the (total) nominal value of Bay of Plenty Region's retail sales was 4.6% for the year ended May 2008.



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 1.5 million overnight visitors and 1.4 million day visitors annually. The 1.5 million overnight visitors spend an average of 2.3 nights each in Rotorua, which equates to approximately 3.5 million visitor 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 forecasts visitor expenditure in the Rotorua region will be \$516 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. In the same forecast, visitor arrivals are expected to increase 2.0% annually and expenditure to increase 5.8% annually through until 2013. 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. The Wastewater Treatment Plant has also undergone an upgrade to further reduce nutrient levels reaching Rotorua's lakes and streams. 83% of residents are provided with a sewerage system of these, 99% 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 will assist in reducing contaminant runoff into the lakes of the district.

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.

sustainable development reports **cont.**

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 town recycling centre divert more than 20,000 tonnes (which is about 28% of the total waste stream) of material from the landfill each year. Increased use of these recycling facilities would help to reduce Rotorua's waste to landfill from the current rate of 21kg per person per week.

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 2,881 noise complaints received and 80% 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 \$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.

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 15 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 is a Communities for Climate Protection Council, joining 18 other councils in New Zealand. With 19 participating councils 63% of New Zealand's population is represented. The Communities for Climate Protection Programme addresses issues such as energy use, transport and waste. Since joining the programme, Rotorua District Council has received a recognition award and a Milestone 1 trophy. Council has recently employed a Business Manager with responsibility to oversee and facilitate ongoing corporate and community sustainability projects

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-being¹ 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 24 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

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.

¹ 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](#)

During 2007/08, Council has contributed to this area by:

- Co-ordinating Matariki events and producing a pamphlet and banner to advertise the events widely.
- Co-ordinating the Magma Film Festival in 2007 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 X-Zite programmes through the Rotorua Aquatic Centre, and train the trainer opportunities for local people who lead exercise programmes.
- 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.
- Provision of new walkway in Ngongotaha.
- Created 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 2007/08, Council has contributed to this area by:

- Co-ordination of Regional Strengths – Maurangi Toi project with Taupo District Council.
- 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 of the Te Pukenga – Kaumatua Committee of Museum who provide information regarding Te Arawa Maori Taonga in Museum and relationships between owners and the Museum.

- Reviewing the Rotorua District Council Art in Public Places Policy in 2008.
- 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 2008, NZ Music month.
- Hosting Arts Forum in August 2007 which brought people with an interest in arts, from all over New Zealand, together.

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 2007/08, Council has contributed to this area by:

- Engaging with the Office of Treaty Settlement, in relationship to Central North Island claim and lakes settlement.
- Commissioning the Oruawhata-Malfroy fence carvings.
- Hosting the Te Arawa Exhibition - Ko Tawa, in the Rotorua Museum.
- 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.

sustainable development reports **cont.**

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 2007/08, 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 Project Papa Waka which focussed on improving the safety of cars in local car parks visited by locals and tourists alike.
- 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 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 2007/08, 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.
- Developing community processes with Tuhourangi, which has resulted in a Memorandum of Understanding.
- Maintaining the community halls in the district.
- Supporting the activities of Keep Rotorua Beautiful group.
- Planning for the District Plan review.

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 2007/08, Council has contributed to this area by:

- Visiting and supporting the development and links with Nanjing, China as they built a city and shopping area modelled on Rotorua, NZ.
- Hosting the Sister City Conference in Rotorua in 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.

Access to information through print and electronic resources

Rotorua Public 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 2007/08, 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 Public 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.
- Commissioning of updated census data to produce up to date information about Rotorua.
- Supporting the servicing of the Bay of Plenty by broadband.
- Funding the work of the Rotorua Information and Communications Technology Trust (ICT Trust).
- Planning to extend public library facilities.
- Maintaining burial and cremation records for genealogical research.
- Youth websites established, www.rotaz.co.nz and www.working4youth.com.

Rotorua is reknown as the heartland of Maori culture in New Zealand and attracts thousands of visitors every year.

sustainable development reports **cont.**

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 2007/08, 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 by two Japanese schools and international students studying in Rotorua.
- Facilitated celebrations of diversity during Race Relations Week.
- Celebrating Maori Language Week activities in July 2007.
- Supporting the participation of cultural groups in public events like Santa Parade.
- Implementing consultation processes with the local community e.g. at Ngongotaha.
- Supporting Globalfest celebration.



employee relations report

Introduction

The NRB survey for 2008 indicates that the performance of Council staff over the 2007/8 financial year has dropped slightly by 1% in comparison with last year's results but in comparison to their Peer Group and National average, Rotorua District Council rates 10% and 7% respectively above these groups, making the Rotorua District Council one of the highest performing local authorities in New Zealand.

Maintaining a safe working environment, terms and conditions of employment and staff 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 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 respective collective agreements whilst salaried staff are represented by the Public Service Association which includes some third tier managers.

Approximately 27% of salaried staff and 73% 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 2008, which includes both wages and salaried staff but excluding fixed term and casual employees, was 14% compared with 18% in 2007 and 12% in 2006.

The labour market remains tight for recruitment activities which creates strong competition in attracting and retaining the best skills. 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 2008 there were 104 reported accidents compared with 105 for the previous year. This is a small decrease on 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 free flu vaccinations for staff during the year and 112 staff took up this opportunity in 2008 compared to 125 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 assist with arranging training by external providers to meet these training requirements

During 2007-08, 807 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 (378), first aid (146), NZQA standards/block courses/diploma studies (46), Microsoft/job related software training (37); customer services training (39), CDEM training (23). Compulsory bullying & harassment prevention training for all 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 12 long serving staff members in recognition of loyal service to Council and the community. Two long serving staff members completed 35 years service with three others having completed 30 years. In addition, six staff completed 25 years and one staff member completed 20 years service. These 12 staff have a total accumulation of 330 years of service with Council.

The loyalty of these staff to Council is commendable.

Employee Assistance Programme/ Support Systems

RDC's Employee Assistance Programme (EAP) is an independent, confidential, counselling service that is available to all staff. It provides professional and confidential assistance to staff who have personal problems which 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+

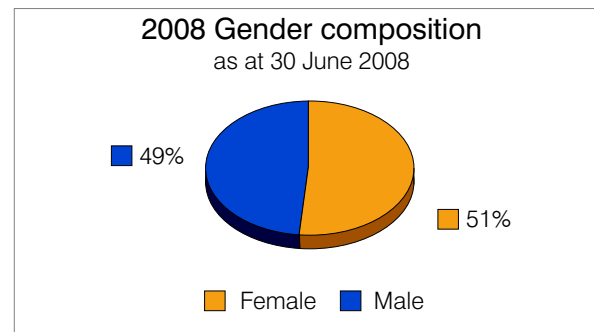
The performance planning, review and reward system for Council was reviewed during 2007-08 to ensure it supports our vision to be an outstanding organisation with exceptional people and to be a workplace of choice. Council's mission is to shape a great future together through inspired leadership and superb services. Values

have also been introduced that reinforce how people are expected to behave and will form 40% of all staff members' performance reviews.

The Rotorua District Council is committed to helping 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

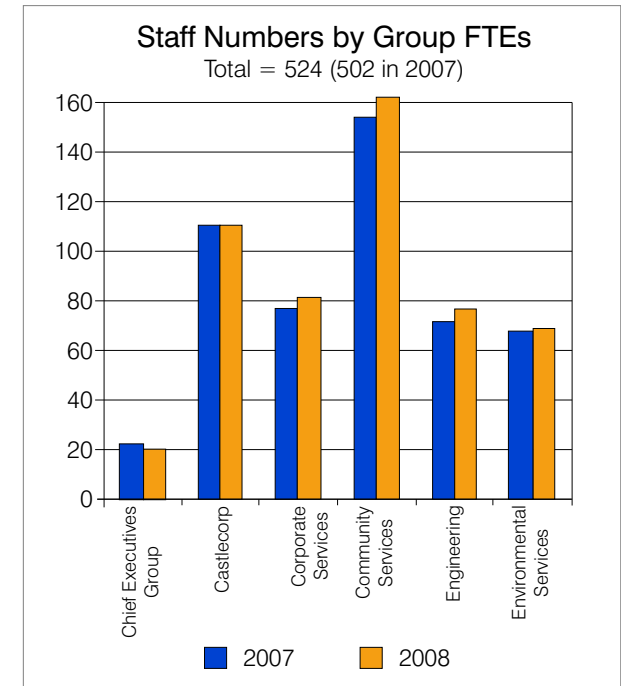
As at 30 June 2008, the gender composition of Council was 49% females and 51% males. In 2007 there were 53% females and 47% males. These numbers include staff employed either in full time, part time or casual positions.



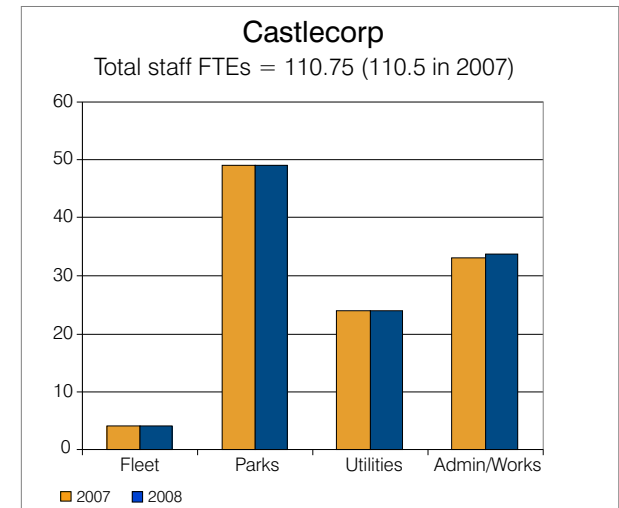
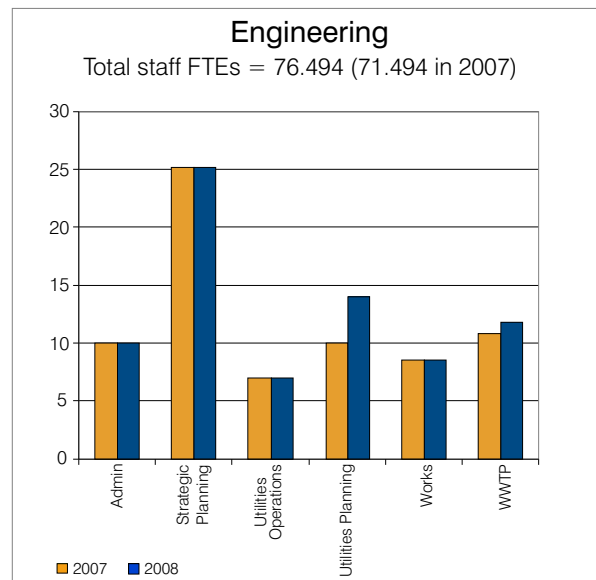
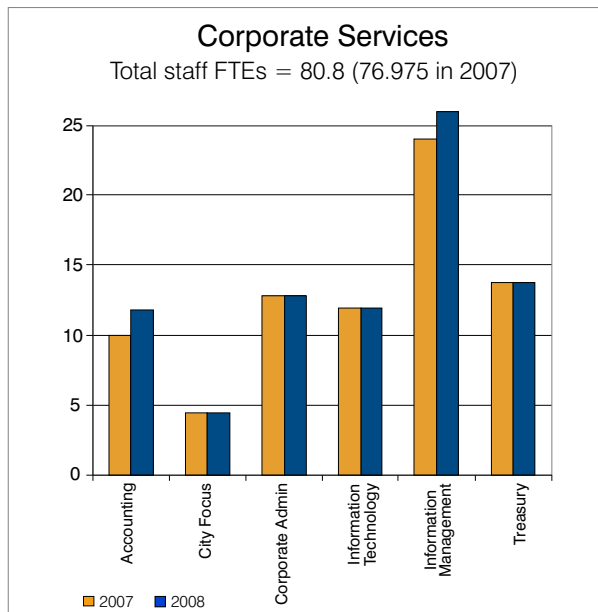
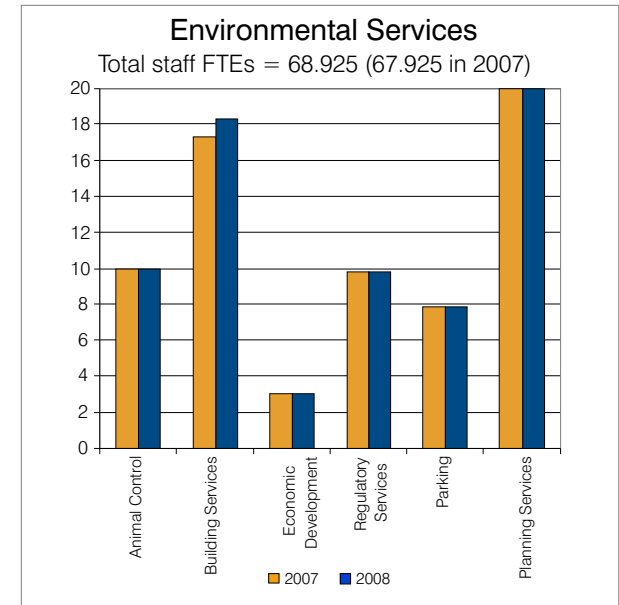
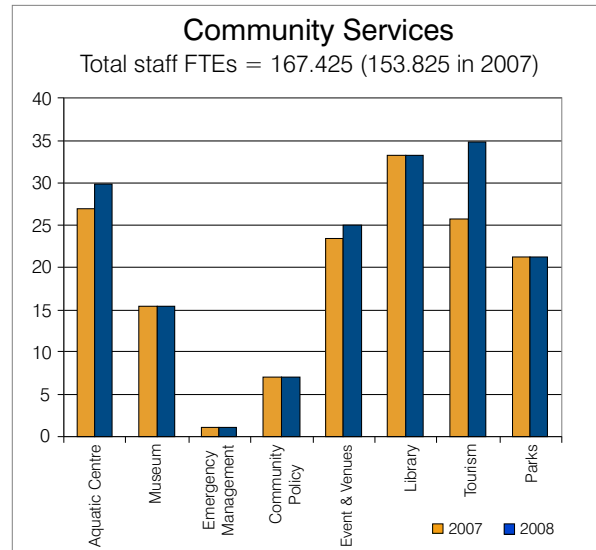
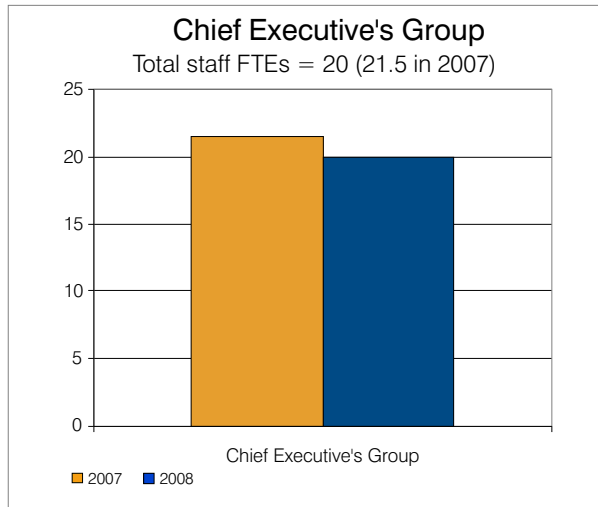
Staff Numbers

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

The staff numbers represent fulltime equivalents (FTEs).



employee relations report cont.



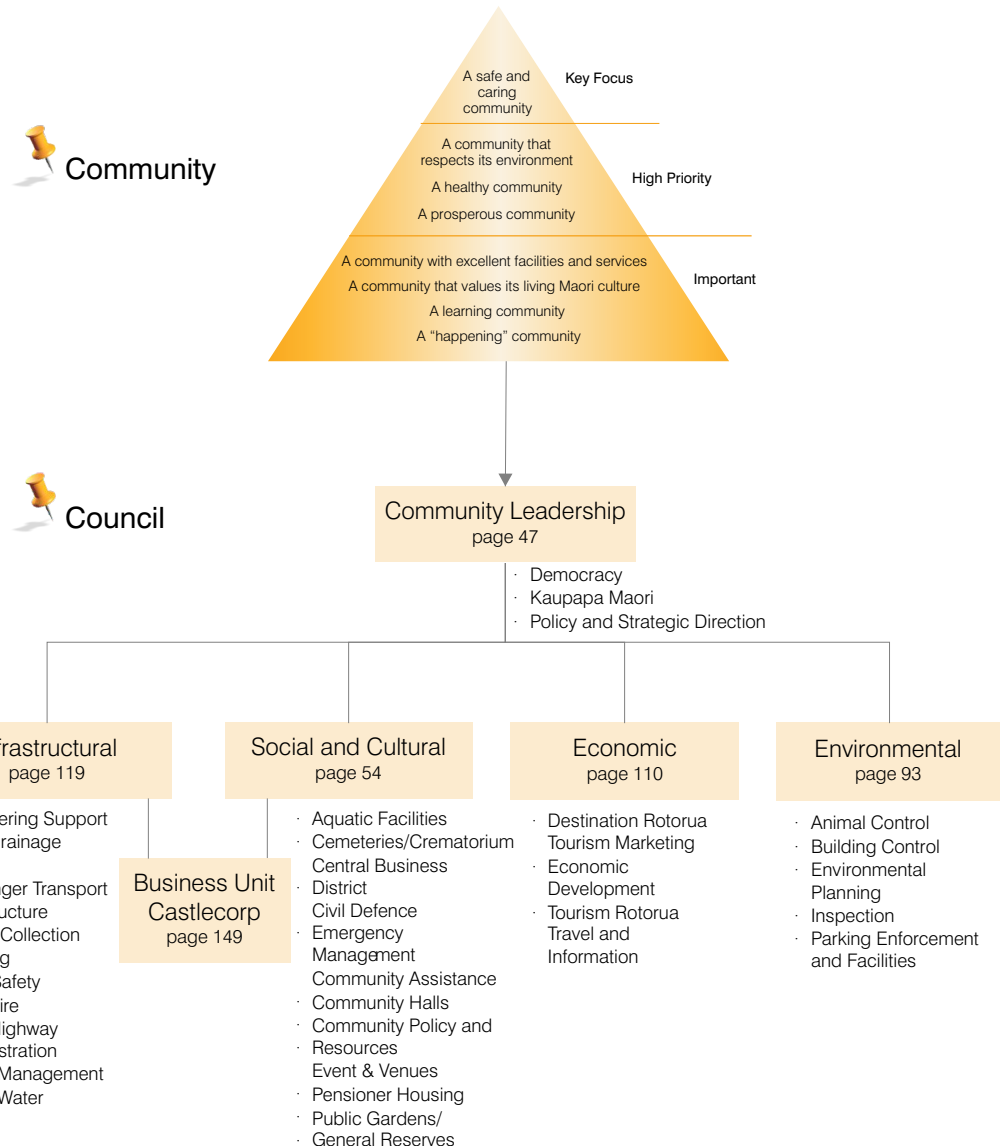
statements of service performance

Community Outcomes

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 2007 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 2001 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
 Whangarei District Council

5. Council has made minor alterations to some measures so as to improve their understanding for the reader. None, however, affect the intent of the original measure as stated in Council's Ten Year Plan.
6. 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 Castlecorp Business Unit. 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.

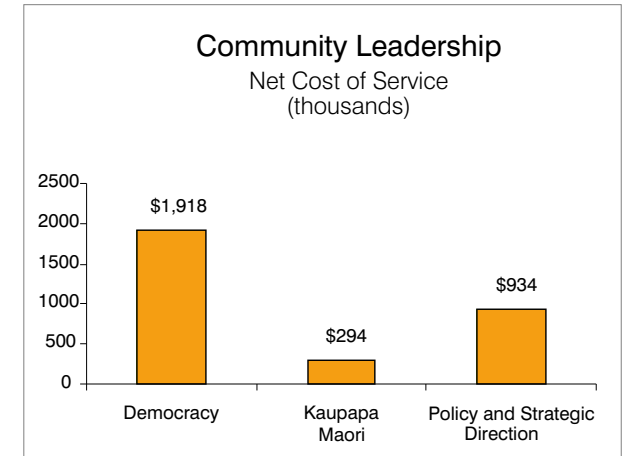
Some performance targets refer to an NRB survey. This is an annual community satisfaction survey relating to Council, its policies, its operations, its levels of service and how well it is meeting the needs of the community.

community leadership group

Contribution to Outcomes

		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	✓	✓	✓	✓	✓	✓	✓	✓
48	Democracy	✓	✓	✓	✓	✓	✓	✓	✓
50	Kaupapa Maori	✓	✓	✓	✓	✓	✓	✓	✓
52	Policy and Strategic Direction	✓	✓	✓	✓	✓	✓	✓	✓

How the Money is Used



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

- Elections were successfully undertaken for 2007 resulting in four new Councillors and the new Rotorua Lakes Community Board.
- Hosted over 100 overseas delegations in the Civic Centre.

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. The Te Arawa Standing Committee has three representatives from Council and six representatives from Te Arawa, and is a full standing committee of Council.

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

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

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

There are five 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.

Capital Expenditure

For the year ending 30 June:	2008	2008	2007
(thousands)	Actual	Budget	Last Year
Other renewals	8	11	2
Total Capital	8	11	2

Cost of Service

For the year ending 30 June:	2008	2008	2007
(thousands)	Actual	Budget	Last Year
OPERATING COSTS			
Direct costs	2,077	2,097	1,640
Depreciation	8	18	11
Total Costs	2,085	2,115	1,652
REVENUE			
Targeted rates	48	50	0
Fees and charges	119	104	31
Total Revenue	167	154	31
Net Cost of Service	1,918	1,961	1,621

How we pay for this activity

For the year ending 30 June:	2008	2008	2007
(thousands)	Actual	Budget	Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,918	1,961	1,621
Less Depreciation for Capital	(8)	(18)	(11)
Total Rates for/(from) Operations	1,910	1,943	1,610
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	8	18	11
Loans from/(to) Corporate Funds	1	(6)	(8)
Total Capital	8	11	2

community leadership group cont.

Performance for 2008

Outcomes Promoted - All outcomes

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
All sub outcomes	Open and participative democracy	NRB Survey	55% of community finds Councillors approachable.	Not achieved. 38% found Councillors approachable, and 41% found Councillors somewhere in between approachable and resistant.
	Triennial elections	Elections NZ results	50% of voter turnout at 2007 election	Not achieved. 43.5% returned voting papers.
	Governance, leadership and determination of policy	NRB Survey	89% of public approval for Council's policies and performance.	Not achieved. 72% approval of Council's decisions/actions (64% for 2007).



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

- Waiata classes held for staff. These were well attended.
- Workshops held during the year.

Activity purpose - why we provide the service

This activity is managed by the Director Kaupapa Maori, and it 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 ending 30 June:	2008	2008	2007
(thousands)	Actual	Budget	Last Year
OPERATING COSTS			
Direct costs	293	254	216
Depreciation	1	0	1
Total Costs	294	254	217
REVENUE			
Subsidies and grants	0	0	4
Total Revenue	0	0	4
Net Cost of Service	294	254	213

Capital Expenditure

For the year ending 30 June:	2008	2008	2007
(thousands)	Actual	Budget	Last Year
Other renewals	4	0	0
Total Capital	4	0	0

How we pay for this activity

For the year ending 30 June:	2008	2008	2007
(thousands)	Actual	Budget	Last Year
OPERATIONAL FUNDING			
Net Cost of Service	294	254	213
Less Depreciation for Capital	(1)	0	(1)
Total Rates for/(from) Operations	293	254	212
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	1	0	1
Loans from/(to) Corporate Funds	3	0	(1)
Total Capital	4	0	0



community leadership group **cont.**

Performance for 2008

Outcome Promoted – A community that values its living Maori culture

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Preservation and sustainable development of Maori resources • Improved opportunities 	To encourage the development of Iwi Management Plans.	Reported to Te Arawa Standing Committee.	Three new Mana Whenua Plans per year.	Achieved.
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.	Two workshops per year.	Achieved. Workshops by Office of Treaty Settlements, Te Pūmāutanga and Te Arawa Lakes Trust.
Fostering Maori cultural activities and expression	To hold Te Reo and Tikanga classes.	<ul style="list-style-type: none"> • Record of attendance. • Beginners, advance programmes continue. 	<ul style="list-style-type: none"> • One Te Reo 2 month course. • One Tikanga 2 month course. 	<p>Not achieved. Currently undertaking Waiata Maori courses.</p> <p>Not achieved. To be held through Waiariki Polytechnic late 2008.</p>
Respecting Te Arawa as part of the unique heritage of Rotorua District.	To conduct historical tours.	<ul style="list-style-type: none"> • Keep record of participants. • Evaluation forms. 	6 historical tours per year.	<p>Not achieved.</p> <p>To commence in September/October 2008.</p>
Strengthen relationships between cultures.	Development and maintenance of relationships between Council and Maori.	<ul style="list-style-type: none"> • Database. • Reporting/ reports. 	<ul style="list-style-type: none"> • Memorandum of Understanding • Protocol Agreements • Advisory Committee • Consultation Committee • Marae meetings 	<p>Ongoing. Some signed.</p> <p>Achieved. Protocol Committee in place.</p> <p>Achieved.</p> <p>Achieved.</p> <p>Deferred until issues from previous meetings addressed.</p>



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 2007 adopted with clear audit opinion.
- Annual Plan 2008/09 adopted 26 June 2008.
- Considerable progress towards preparation of the 2009-19 Ten Year Plan, including consultation on the Community Outcomes.

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.

It will be important to make distinction between:

- Policy
- Delegations
- Procedures
- Guidelines

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	(490)	(768)	(362)
Depreciation	2,016	2,171	1,755
Finance	61	487	(111)
Total Costs	1,588	1,891	1,281
REVENUE			
Subsidies and grants	29	0	0
Investment income	(40)	346	(186)
Fees and charges	665	673	705
Total Revenue	653	1,019	519
Net Cost of Service	934	872	762

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	2,453	2,826	1,930
Strategic properties	1,210	720	934
Total Capital	3,663	3,546	2,864

How we pay for this activity

For the year ending 30 June: (thousands)	2008	2008	2007
		Budget	Last Year
OPERATIONAL FUNDING			Actual
Net Cost of Service	934	872	762
Less Depreciation for Capital	(2,016)	(2,171)	(1,755)
Total Rates for/(from) Operations	(1,082)	(1,300)	(993)

CAPITAL FUNDING

Capital funded by:

Rates funding (depreciation equivalent)	2,016	2,171	1,708
Loans from/(to) Corporate Funds	1,635	747	1,031
Reserves net	0	0	(28)
Advances net	7	7	11
Asset sales	5	621	144
Total Capital	3,663	3,546	2,864

Variance from budget

Capital expenditure is overspent due to additional strategic property purchased for Lake Road widening.
Other renewals - Backup system bought forward overspent, offset by Imaging project being delayed

community leadership group cont.

Performance for 2008

Outcome Promoted – All outcomes

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
All sub outcomes	Community participation in setting strategic direction.	Question residents on approval/disapproval of Council decisions/actions.	Less than 35% of NRB respondees disapprove of recent decisions/actions.	Achieved. Only 16% disapproved of Council's actions/decisions.
		SOPs summary for consultation minimum 1 month.	Consult with public on draft LTCCP or Annual Plan and any LTCCP amendments.	Achieved. The Annual Plan and Summary was available for public submission April/May 2008.
	Community informed and consulted on major policies, decisions, projects and activities.	Ensure minimum number of publications undertaken annually.	Publication of at least 6 issues of District News for the year.	Achieved. There were 8 issues of the District News during the year.
		NRB public perceptions survey.	67% of residents rate level of council information to be sufficient.	Not achieved. 57% considered the information provided by Council to be 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
56	Aquatic Facilities			✓		✓			✓
60	Cemeteries/Crematorium					✓			
62	City Services Operations	✓							✓
65	Civil Defence Emergency Management	✓		✓					
67	Community Assistance	✓		✓			✓		✓
70	Community Halls	✓		✓			✓		✓
72	Community Policy and Resources	✓		✓			✓		✓
75	Events and Venues Rotorua			✓					✓
78	Pensioner Housing	✓		✓	✓				
80	Public Gardens/General Reserves	✓	✓			✓			
85	Public Library					✓	✓	✓	
89	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.

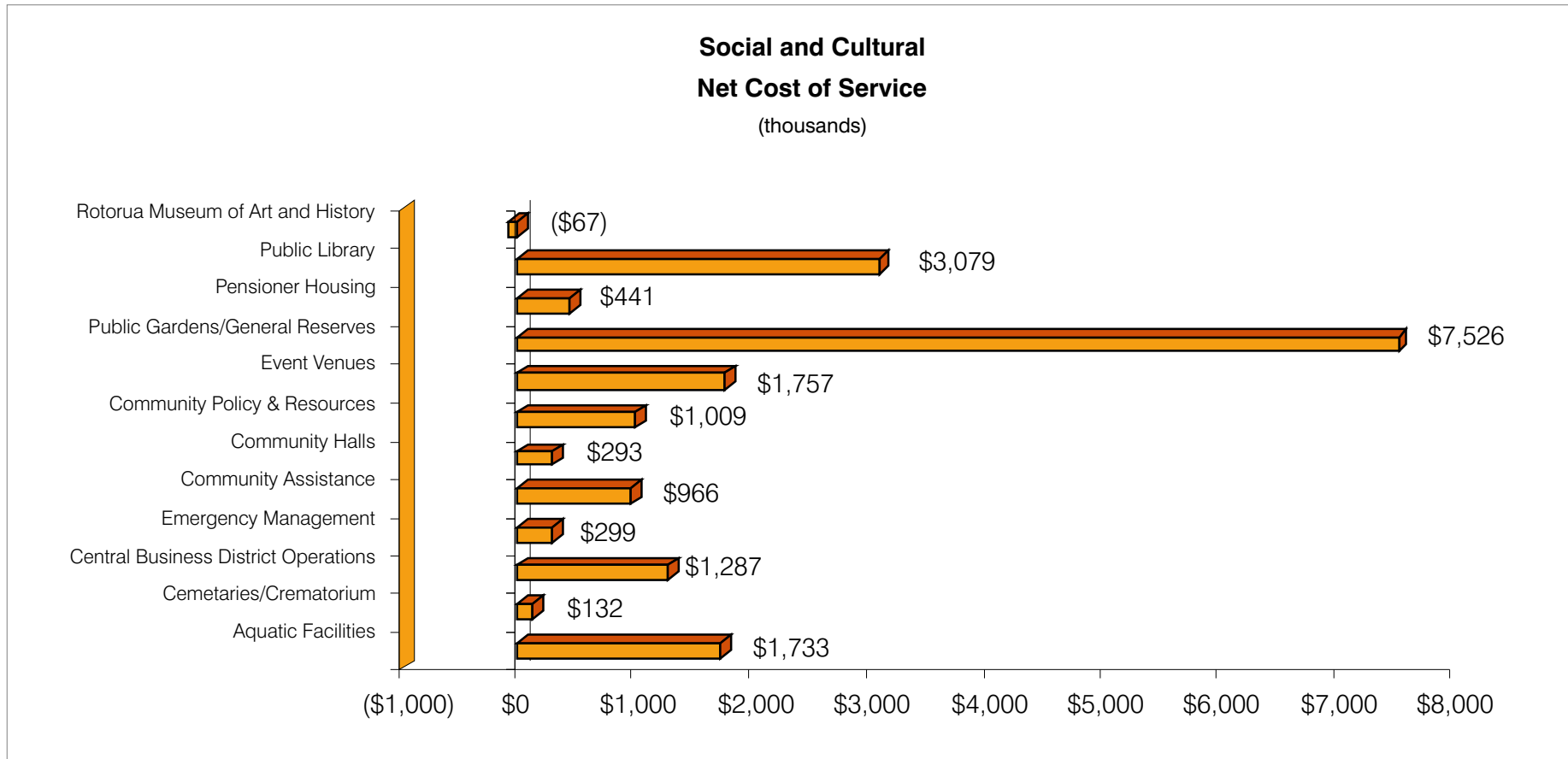
Pensioner Housing

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.

How the Money is Used



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

- Central North Island Pool Lifeguard Competition - First place for the second year running (July 2007).
- National Pool Lifeguard Competition – Achieved 4th place in completion in August 2007 in Wellington.
- NZRA Outstanding Pool Award 2007 – Highly Commended awarded at National Conference – November 2007.
- Finalist in National Pool Lifeguard of the Year - Sharni Kahukiwa (Lifeguard) - 1 of 3 top Lifeguards awarded in whole of New Zealand 2007.
- Qualmark Accredited – 5 Star Rating – Highest rating certified by NZ Tourism's official quality agency.
- Rotorua Sustainability Tourism Charter - Signed up and gained membership.
- Swimsation National NZ Marketing Award - Won for Rotorua Swimsation.
- Rotorua Swimsation Instructor of the Year – Won by Vernei Mullen. Awarded by Swimsation National Office 2008.
- Energy Savings of 125,000 kwh per annum (saving one month's total energy out of every 12 months operation).
- Revenue - Break through \$1.1 million dollar mark for the first time.
- Visitor Numbers exceed 360,000 – First time.
- NRB 2008 Customer Satisfaction - 81% satisfaction equals highest ever. 90% users satisfaction equals highest ever.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	2,509	2,505	2,149
Depreciation	285	253	274
Finance	69	74	45
Total Costs	2,863	2,832	2,468
REVENUE			
Subsidies and grants	9	12	5
Investment income	4	0	0
Fees and charges	1,043	1,114	999
Capital grants and contributions	74	58	17
Total Revenue	1,130	1,185	1,022
Net Cost of Service	1,733	1,647	1,446

social and cultural group cont.

Performance for 2008

Outcome Promoted – A healthy community, A happening community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Increasing recreational opportunities Improving health status for all Improved youth health Partnerships to promote healthy living Healthy whanau, healthy communities 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 	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.	Achieved and exceeded. Target was 66.6%. Result was 68%.
		Operations log	Open the Aquatic Centre 364 days a year, open to the public 105 hours each week.	Achieved.

Variance from budget

Operating - Higher than budgeted staff costs due to award settlements and lower than budgeted trading revenue.

Capital Expenditure

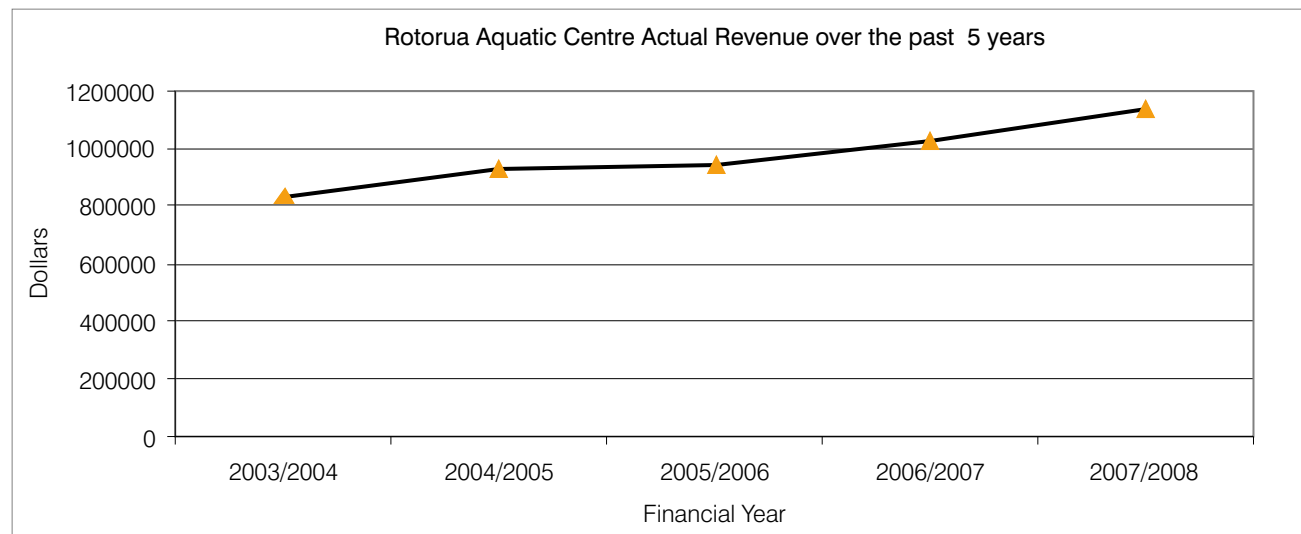
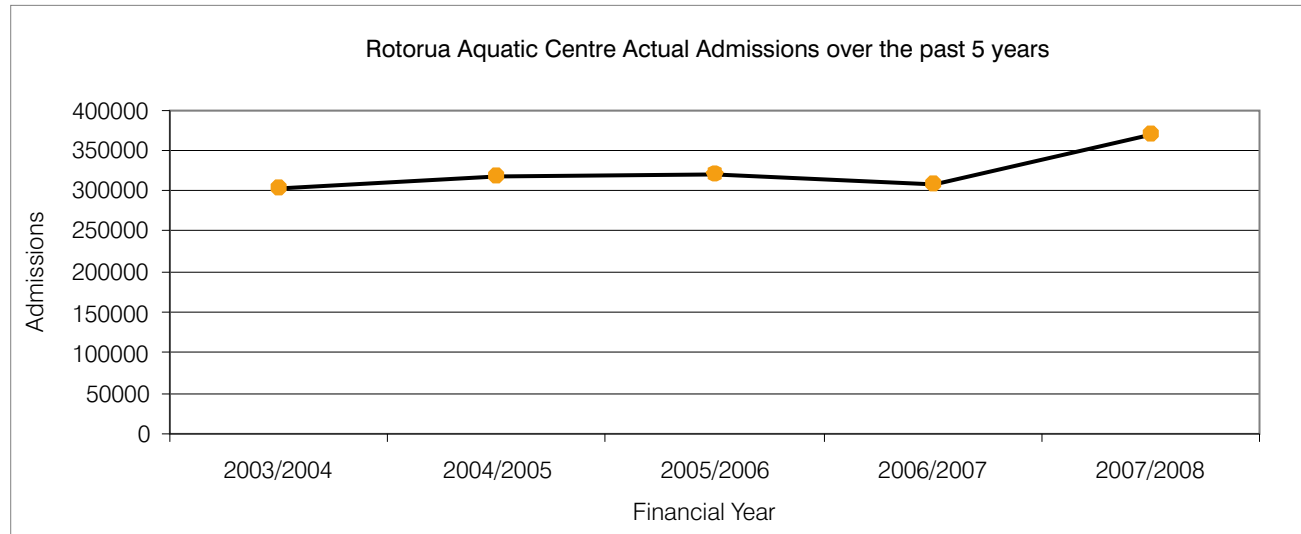
For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Aquatic Centre Upgrade			
Level of Service Change	89	74	12
Pool Equipment			
Renewal	15	0	75
Other renewals	25	34	9
Total Capital	129	108	96

How we pay for this activity

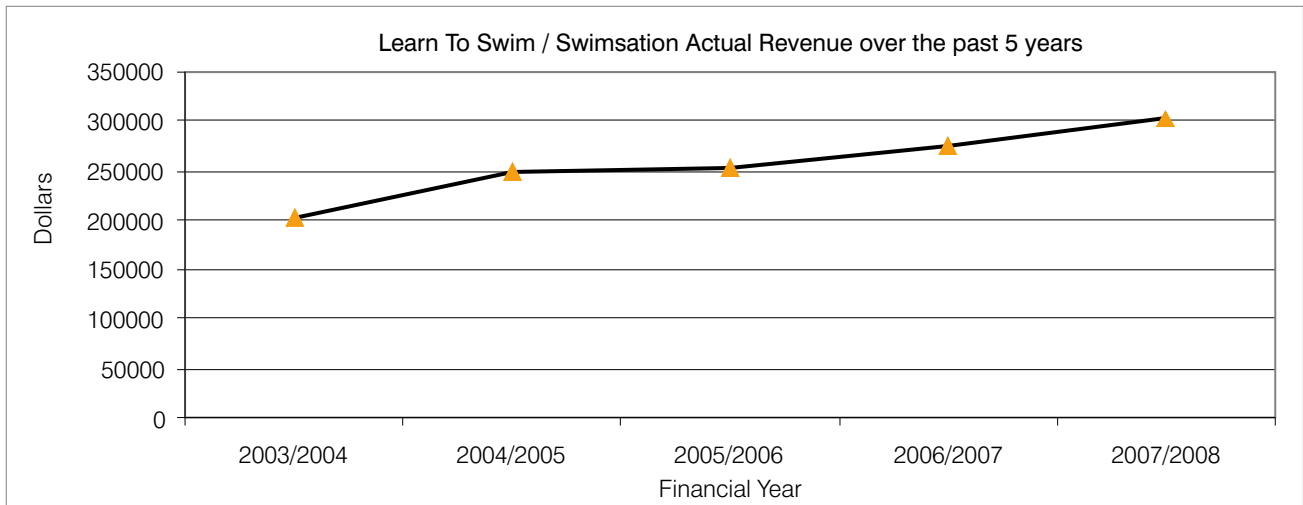
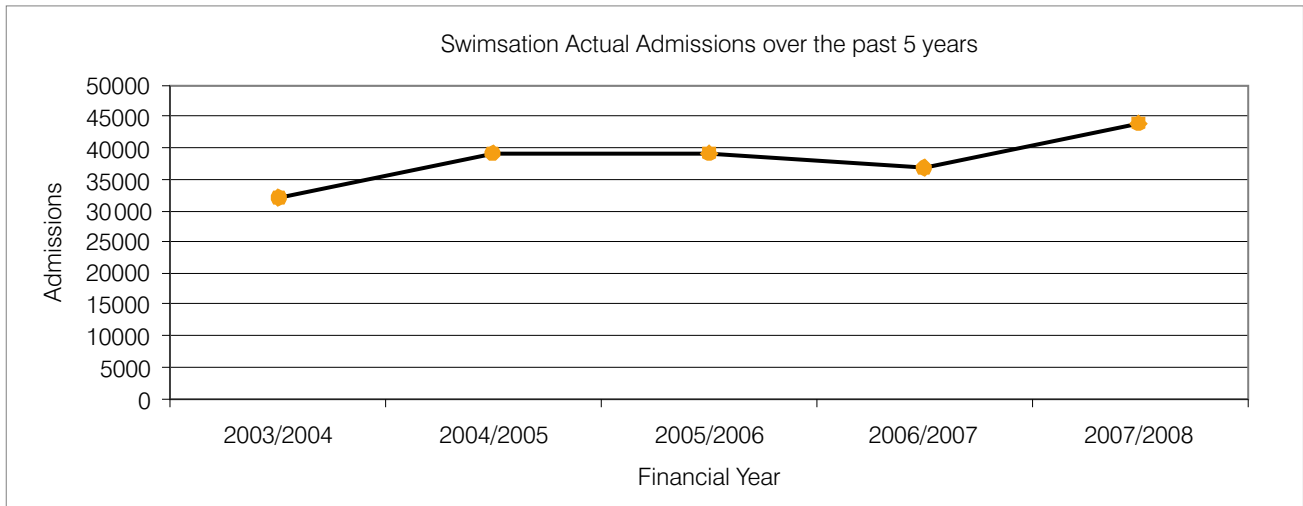
For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,733	1,647	1,446
Plus Capital Grants and Contributions	74	58	17
Funding	1,807	1,705	1,464
Less Depreciation for Capital	(285)	(253)	(274)
Total Rates for/(from) Operations	1,522	1,452	1,190
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	285	253	274
Loans from/(to) Corporate Funds	(152)	(203)	(178)
Development contributions	74	58	17
Reserves net	(79)	0	(17)
Total Capital	129	108	96

social and cultural group **cont.**

Other Indicators

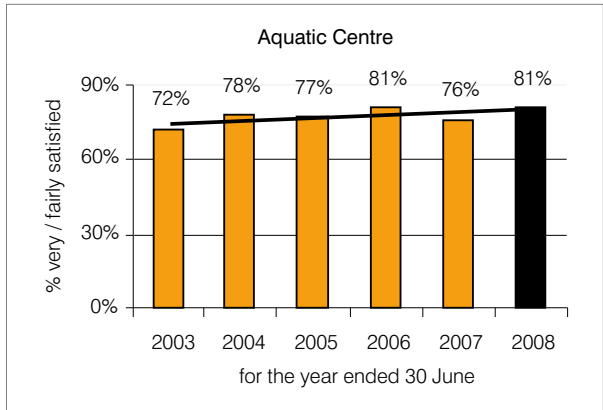


social and cultural group **cont.**

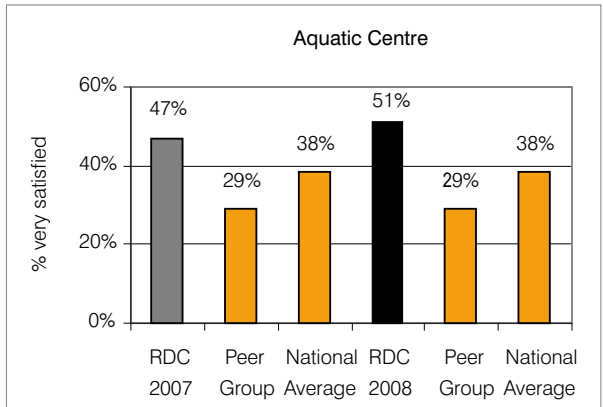


NRB Community Survey

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

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.

This year's highlights and achievements included

- Land purchased for new cemetery at Horohoro.

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

Variance from budget

Capital Costs - Cemetery Developments delayed to 2008/09 Year.

Cost of Service

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	318	311	293
Depreciation	22	27	22
Finance	33	36	22
Total Costs	374	374	337
REVENUE			
Investment income	1	0	
Fees and charges	225	172	208
Capital grants and contributions	16	15	9
Total Revenue	241	187	217
Net Cost of Service	132	188	120

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Cemetery Land Acquisition Investment			
Level of Service Change	0	0	1,150
Crematorium - General >\$1000 Renewal	10	12	0
Cemetery Toilet Level of Service Change	2	0	7
Cemetery Development Provision for Growth	0	205	0
Total Capital	12	217	1,158

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	132	188	120
Plus Capital Grants and Contributions	16	15	9
Funding	148	203	129
Less Depreciation for Capital	(22)	(27)	(22)
Total Rates for/(from) Operations	126	175	107
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	22	27	22
Loans from/(to) Corporate Funds	(9)	175	1,131
Capital Grants	0	3	5
Development contributions	16	12	4
Reserves net	(17)	0	(4)
Total Capital	12	217	1,158

social and cultural group cont.

Performance for 2008

Outcome Promoted – A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
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

- In consultation with Rotorua Police and Rotorua District Council Community Policy section, and a very generous donation of \$5,000.00 from the Sulphur City Lions Club, the CCTV network has been extended by two more cameras. They are located at the corner of Whakaue and Tutanekai Streets, and the corner of Arawa and Ranolf Streets.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	2,434	2,580	2,288
Depreciation	280	361	275
Finance	61	65	39
Total Costs	2,775	3,005	2,602
REVENUE			
Fees and charges	1,488	1,632	1,447
Total Revenue	1,488	1,632	1,447
Net Cost of Service	1,287	1,374	1,155

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Sound System			
Renewal	0	0	1
Parking Meter Acquisition			
Renewal	32	31	16
Other renewals	80	96	71
Total Capital	111	127	88

social and cultural group cont.

Performance for 2008

Outcome Promoted – A community with excellent facilities and services

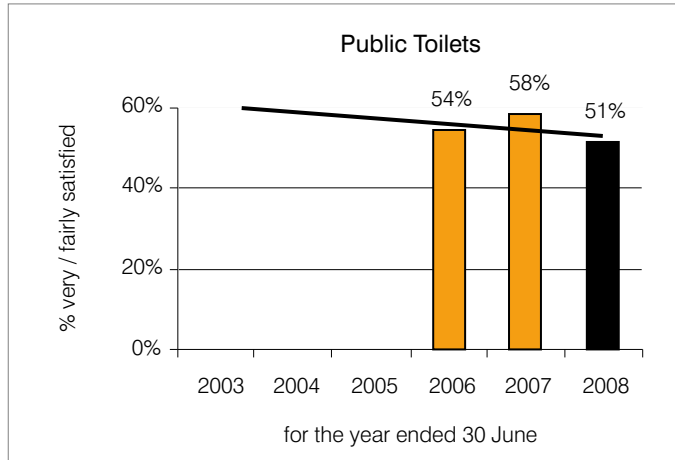
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Good, safe, maintained services and roads	High standards of CBD cleaning and maintenance	Reports (contractors) confirm that cleaning and maintenance completed to the required standards.	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 carparks 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.

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
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.

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,287	1,374	1,155
Less Depreciation for Capital	(280)	(361)	(275)
Total Rates for/(from) Operations	1,007	1,013	880
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	280	360	275
Loans from/(to) Corporate Funds	(169)	(233)	(187)
Total Capital	111	127	88

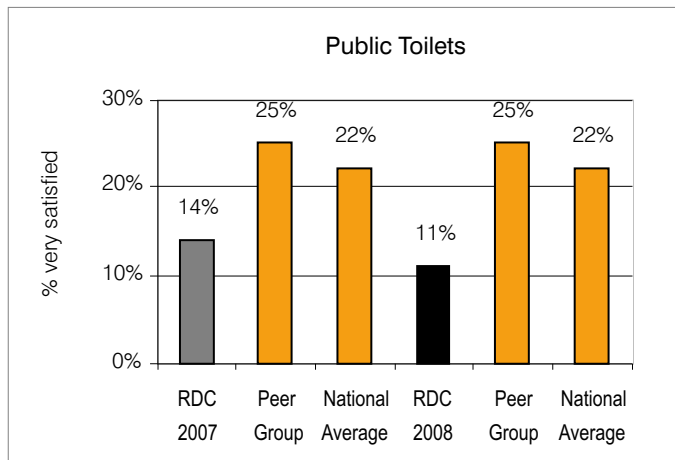
social and cultural group **cont.**



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.

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" 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

Training/ Exercises

- Exercise Ruaumoko - 12-14 March - National exercise beginning back in November 2007 with seismic rumblings in the Mangere area of Auckland. Over the three days in March successfully organised welfare services for nearly 12,000 evacuees.
- Police "call-outs" to assist in search and rescue (April/May 2008) – volunteer rescue team assisted in searching for missing people around Rotorua. Both call-outs were successful.

Awareness

- Selwyn School Family Awareness – Awareness Week 17–21 September 2007.
- National Disaster - Awareness Week 7-13 October 2007.
- Plunket Teddy Bears' Picnic – 9 March 2008.
- NRB Survey – An increase of 3% in the number of people prepared in Rotorua, rising to 39%. National average is 24%.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	306	326	275
Depreciation	7	12	4
Total Costs	313	338	280
REVENUE			
Subsidies and grants	13	20	14
Total Revenue	13	20	14
Net Cost of Service	299	318	266

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	10	19	18
Total Capital	10	19	18

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	299	318	266
Less Depreciation for Capital	(7)	(12)	(4)
Total Rates for/(from) Operations	293	306	262
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	7	12	4
Loans from/(to) Corporate Funds	3	7	14
Total Capital	10	19	18

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

social and cultural group cont.

Performance for 2008

Outcome Promoted – A Safe and caring community, a healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Safe home and streets • Organisations working together on agreed priorities • Safe public places 	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.	Partly achieved. 36% now have a survival pack – 2.85% increase. 39% now have an emergency plan – 8.33% increase.
<ul style="list-style-type: none"> • Partnerships to promote healthy living • Effective responses to developing health issues 	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.	Achieved. Draft Plan completed. Awaiting BOP CDEM Group input.



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

- Industry Graduation Ceremony May 2008.

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.
- 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.

social and cultural group **cont.**

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,

Cost of Service

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	833	883	853
Depreciation	239	217	240
Finance	3	4	3
Total Costs	1,075	1,104	1,096
REVENUE			
Subsidies and grants	1	0	0
Investment income	1	0	0
Fees and charges	63	64	63
Capital grants and contributions	44	69	44
Total Revenue	109	133	107
Net Cost Of Service	966	971	989

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	61	86	0
Total Capital	61	86	0

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	966	971	989
Plus Capital Grants and Contributions	44	69	44
Less Community Assets Funding	(178)	0	(195)
Funding	832	1,040	838
Less Depreciation for Capital	(239)	(217)	(240)
Total Rates for/(from) Operations	593	822	598
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	239	217	240
Loans from/(to) Corporate Funds	(20)	632	(95)
Capital Grants	44	69	44
Reserves net	(28)	0	(4)
Advances net	5	(832)	10
Grants for community assets	(178)	0	(195)
Total Capital	61	86	0

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

social and cultural group cont.

Performance for 2008

Outcome 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 2007/08	Achievement as at 30.06.08	
<ul style="list-style-type: none"> • Safe homes and streets • Organisations working together on agreed priorities • Less crime • Providing safe public spaces • Families and whanau work, play and talk together • Partnerships to promote healthy living • Healthy whanau, healthy communities • A community that recognises the value of partnerships including the Treaty of Waitangi • Strengthening relationships between cultures • 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 	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.	

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

- Guidelines for the Use and Management of Community Halls – Resource created for hall committees and users.
- Furniture Replacements – New chairs and tables were purchased and distributed amongst the halls.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	185	192	175
Depreciation	96	91	95
Finance	27	29	18
Total Costs	309	313	289
REVENUE			
Fees and charges	17	16	17
Total Revenue	17	16	17
Net Cost of Service	293	296	272

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	11	20	0
Total Capital	11	20	0

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Net Cost of Service	293	296	272
Less Depreciation for Capital	(96)	(91)	(95)
Total Rates for/(from) Operations	196	205	176
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	96	91	95
Loans from/(to) Corporate Funds	(85)	(71)	(95)
Total Capital	11	20	0

social and cultural group cont.

Performance for 2008

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 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Safe homes and streets • Organisations working together on agreed priorities • Less crime • Providing safe public spaces • Families and whanau work, play and talk together • Partnerships to promote healthy living • Healthy whanau, healthy communities • A community that recognises the value of partnerships including the Treaty of Waitangi • Strengthening relationships between cultures • Great facilities to visit, eg Museum, Arts Village, Aquatic Centre • Celebrating and nurturing traditional Maori culture • Foster artistic expression, art, music, dancing, public performances and exhibitions 	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

- www.rotaz.co.nz – New website created for young people.
- www.working4youth.com – New website created for people working for young people.
- City Assist Programme – Introduced to the CBD during the summer months.
- Pathways to Health – In conjunction with Lakes DHB, 12 students placed.
- Census 2006 based publications released – Changing Communities Rotorua 2007, Ageing Population Rotorua 2007, Young People Rotorua 2007 and Patterns of Wellbeing 2008.
- Project Papa Waka - Excellent vehicle crime reduction statistics at car parks targeted under Project Papa Waka, 56% between 2004 and 2007.
- I-TV and TV Rotorua – Production and screening of safety messages.
- Safe Communities designation – Industry partner secured to contribute to Rotorua's efforts to seek designation.
- Healthy Homes – Participation in the hosting of the first national Healthy Homes Hui in Rotorua, November 2007.
- Healthy Homes – Another 203 homes retrofitted in the district.
- Healthy Eating - Healthy Action – Participation in the development of the Lakes district HEHA strategic plan.
- Safe Families Campaign – Development of a Safe Families action plan for the Rotorua district.
- Crime in CBD – Overall 26% decrease in all recorded crime in the CBD area targeted under Project CARV actions.

- Amped4Life – All high schools in Rotorua District visited to deliver session on positive life choices.
- NZ Sister Cities Conference – Hosted by RDC, with support from the local community and CLAIR, in April 2008.
- 20th anniversary dinner – Celebrating Rotorua District's relationship with Beppu City - our sister city in Japan.

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).

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.

social and cultural group cont.

Cost of Service

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	1,193	1,252	1,036
Depreciation	45	53	49
Finance	23	25	15
Total Costs	1,261	1,330	1,099
REVENUE			
Subsidies and grants	251	128	124
Fees and charges	1	0	2
Total Revenue	252	128	126
Net Cost of Service	1,009	1,203	973

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	7	13	2
Total Capital	7	13	2

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,009	1,203	973
Less Depreciation for Capital	(45)	(53)	(49)
Total Rates for/(from) Operations	964	1,149	924
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	45	53	49
Loans from/(to) Corporate Funds	(38)	(40)	(46)
Total Capital	7	13	2

Performance for 2008

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 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Safe homes and streets Organisations working together on agreed priorities Less crime Providing safe public spaces 	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"> Graffiti legislation CSO Bill Police Review Sale of Liquor Act
<ul style="list-style-type: none"> Families and whanau work, play and talk together Partnerships to promote healthy living Healthy whanau, healthy communities 	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.

social and cultural group cont.

Performance for 2008

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 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • A community that recognises the value of partnerships including the Treaty of Waitangi • Strengthening relationships between cultures • 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. 	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% (76% in 2005).	Achieved. In 2008 82.9% of respondents said that Rotorua was “definitely” or “mostly” a safe place to live.

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

- Energy Events Centre – Continues to perform ahead of business projections, overall budgeted income projected at \$763,000, actual income \$1,157,000.
- Energy Events Centre – Contributes to the substantial increase in Rotorua's conference market share, especially in the Association Conference market, and the increase in the visitor numbers in the visitor off season.
- Re establishment of Rotorua as a major entertainment destination - Highlighted by the Ragamuffin Reggae Festival, the Bay of Plenty Searchlight Tattoo and indoor concerts at the Energy Events Centre.
- Increased major sporting activity - Including additional Rugby Union representative fixtures, hosting of major Basketball and Volleyball national tournaments and the hosting of three ANZ Cup Trans-Tasman netball fixtures.
- 2009 National Netball and 2009 Indo Pacific Trampoline and Tumbling Championships secured.

- Hosted major events - The World Water Ski Racing Championships, the World Fly Fishing Championships, the National Young Farmer of the Year contest and the University Games which was allocated to a non university city for the first time.
- TRENZ hosted for second year - Resulting in boost to the Rotorua tourism industry.
- Events attraction budget – Formed from RECT. Managed jointly between RDC and RECT.
- Convention Centre - Maintained high levels of activity following the commissioning of the EEC.
- Concept design plans for the Civic Theatre upgrade – Completed and Council commitment to the project confirmed, \$4 million dollars.
- Fundraising committee – Formed for the Civic Theatre
- 2011 Rugby World Cup - Bid preparation commenced in preparation for hosting of teams and games.
- Te Runanga TeaHouse - Growth in the income.

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.

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

social and cultural group cont.

Cost of Service

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	3,707	3,680	3,906
Depreciation	1,618	1,417	1,187
Finance	602	451	201
Total Costs	5,927	5,548	5,293
REVENUE			
Subsidies and grants	100	288	227
Investment income	34	0	0
Fees and charges	1,997	1,465	1,421
Capital grants and contributions	2,039	2,640	684
Total Revenue	4,170	4,393	2,332
Net Cost of Service	1,757	1,155	2,961

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Convention Centre Renewal	130	4,105	239
Theatre Renewals Renewal	2	605	0
Acoustical Improvements Level of Service Change	5	0	2
Sportsdrome Renewal	9	42	91
Stg 3 – Construction Provision for Growth	574	0	13,827
Recreation Scheme Renewal	3	5	0
Other Renewals	7	69	187
Total Capital	730	4,826	14,346

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,757	1,155	2,961
Plus Capital Grants and Contributions	2,039	2,640	684
Funding	3,796	3,795	3,645
Less Depreciation for Capital	(1,618)	(1,417)	(1,187)
Total Rates for/(from) Operations	2,177	2,378	2,458
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	1,618	1,417	1,187
Loans from/(to) Corporate Funds	(4,170)	770	12,474
Capital Grants	1,986	2,596	670
Development contributions	53	44	14
Reserves net	1,226	0	0
Asset sales	17	0	1
Total Capital	730	4,826	14,346

Variance from budget

Operating - Lower revenue due to funding coming in slower than anticipated. First year for the Events Centre up and running, has had more events than anticipated.

Capital Costs - Convention Centre Building upgrade postponed to 09-10 and other renewal not required this year.



social and cultural group cont.

Performance for 2008

Outcomes Promoted

- A "happening" community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> 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. 	Excellent well maintained and well used venues	NRB (new question).	2/3 of Rotorua residents will use an Event Venues facility during the year.	Achieved – 85%
		Analysis of bookings through Scheduler.	40% of hirers are from community groups at community hire rates.	Achieved – 62%
		Hire customer satisfaction surveys.	90% customer satisfaction.	Achieved. 98% satisfied with services provided.
		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.
	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.	A calendar of 1 major event per week average.	A calendar of 1 major event per week average.	Achieved.

Outcomes Promoted

- A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Rising average incomes Reducing unemployment rate More employment opportunities Encouraging growth 	Attract significant events and conferences to Rotorua.	Analysis of bookings.	25 conferences with over 11,000 delegates attending each year.	Achieved. 31 conferences with over 19,000 delegates in attendance.

Outcomes Promoted

- A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> 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 	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. Event updates provided to media groups. Weekly updates on Radio.

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

- Satisfaction Survey - 87 % of respondents reflected that contact with Council staff was 'good' or 'very good'.

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.

Cost of Service

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	560	566	518
Depreciation	407	406	394
Finance	85	0	0
Total Costs	1,052	972	912
REVENUE			
Investment income	0	22	19
Fees and charges	611	607	570
Capital grants and contributions	0	0	153
Total Revenue	611	629	742
Net Cost of Service	441	343	170

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	441	343	170
Plus Capital Grants and Contributions	0	0	153
Funding	441	343	323
Less Depreciation for Capital	(407)	(406)	(394)
Total Rates for/(from) Operations	34	(63)	(72)
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	407	406	394
Loans from/(to) Corporate Funds	(386)	2,810	299
Capital Grants	0	0	153
Total Capital	21	3,216	846

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Lucas Place Flats			
Renewal	18	16	13
Rawhiti Flats			
Level of service charge/backlog	3	3,200	833
Total Capital	21	3,216	846

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

Variance from budget

Capital costs - Rawhiti Flats Stage 2 upgrade not progressing.

Performance for 2008

Outcome Promoted – A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Safe homes and streets • Organisation's working together on agreed priorities 	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 2007/08	Achievement as at 30.06.08
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 and 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

- Ngongotaha upgrade development – Including Taiu Street reserve, Ngongotaha Road terraces (café area), youth facilities on Scout Hall reserve.
- Lakefront development – Engagement of design consultant and commencement of project.
- Playground renewals - Six completed.
- Westbrook land - Secured from Rotorua Rugby Sub Union.
- Takarangi signage – Implementation of policy for parks signage.
- Kuirau Park development – Including new play facilities, thermal fencing.
- Navigation lighting - Otaramarae, Ohakuri, Lake Okaro, Matahi Spit, Merge Lodge.
- New boatramp - Waikato River at Vaille Road Reserve.
- Matahi Spit Reserve - Boatramp renewal.
- Smokefree Policy – Created/adopted for Tokorangi Forest and Council playgrounds.
- Tarawera Landing Reserve Management Plan - Adopted in conjunction with Tuhourangi.
- NRB Survey – 91% very/fairly satisfied with Parks, Reserves and Playgrounds.
- NRB Survey – 86% very/fairly satisfied with Sportsfields.

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 Whakauae 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.

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)

social and cultural group cont.

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

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Nursery Glasshouse Renewal	0	0	30
City Entrance Ways Level of Service Change	0	250	0
Boat Ramps/Jetties Replacing Renewal	26	21	0
Bridges Replacement Renewal	0	0	1

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Boardwalk Replacement Renewal	0	0	18
Pathway Renewals Renewal	0	0	29
Government Gardens CCTV Level of Service Change	0	0	42
General Reserve Development Level of Service Change	67	95	0
Government Gardens Pergola Replacement Renewal	4	2	0
Government Gardens Boardwalk/Walkway Replacement Renewal	28	10	11
Hannahs Bay Wetland Development Level of Service Change	60	50	77
Hockey Improvements Renewal	144	900	14
Kuirau Park - Development Provision for Growth	59	0	757
New Jetties Level of Service Change	98	118	0
Replacement Fences Level of Service Change	103	100	93
Toilet Upgrades and Replacement Renewal	7	7	56
New Wharf Level of Service Change	203	416	26
Ngongotaha CBD Upgrade Provision for Growth	496	534	265

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Ngongotaha Stream Reserve Land Purchase Provision for Growth	9	0	3
Lake Okaro Revegetation Level of Service Change	0	0	68
Okere Trout Pool Toilets Level of Service Change	0	0	3
Parks Furniture Replacement Renewal	28	5	8
Playgrounds Replacement Renewal	169	138	126
Playgrounds New Level of Service Change	0	31	0
Pohutukawa Drive Reserve Development Level of Service Change	0	0	70
Reserve Lake Access Kawaha Point Level of Service Change	0	0	4
Retaining Walls Replacement Renewal	4	4	3
Rotorua Tree Trust Development Level of Service Change	82	0	267
Signage Replacement Level of Service Change	28	35	22
Tokorangi Triangle - Visitor Information Centre Renewal	5	7	1
Waikite Pools Upgrade/Replacement Renewal	32	32	0

social and cultural group cont.

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Irrigation Replacement Renewal	3	3	0
Westbrook Park Land Purchase and Development Level of Service Change	1	1,957	0
Westbrook Cricket Wicket New Provision for Growth	0	0	37
Westbrook Playing Fields Provision for Growth	0	0	133
Malfroy Geyser Road Renewal	2	0	18
Government Gardens Backup Bore Growth/Various	32	0	0
Other Renewals	13	10	21
Total Capital	1,703	4,726	2,201

Cost of Service

For the year ending 30 June: (thousands)	2008	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	8,054	7,765	7,470
Depreciation	1,076	1,048	1,056
Finance	1,064	1,130	691
Total Costs	10,193	9,943	9,217
REVENUE			
Subsidies and grants	9	7	5
Investment income	121	13	56
Fees and charges	1,119	984	1,012
Capital grants and contributions	1,418	828	771
Total Revenue	2,667	1,832	1,845
Net Cost of Service	7,526	8,111	7,372

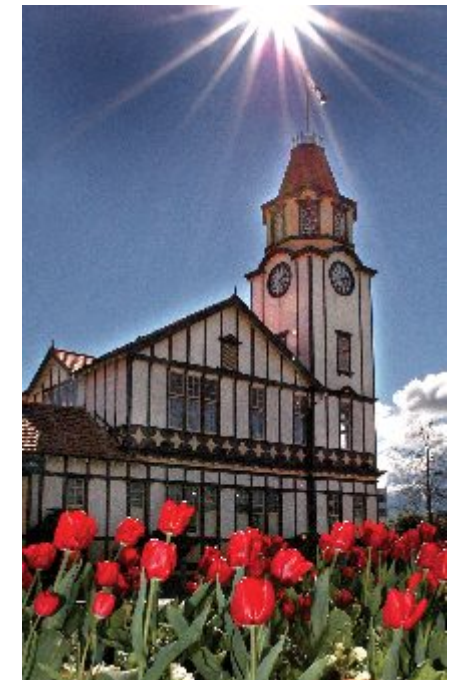
How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	7,526	8,111	7,372
Plus Capital Grants and Contributions	1,418	828	771
Funding	8,944	8,940	8,144
Less Depreciation for Capital	(1,076)	(1,048)	(1,056)
Total Rates for/(from) Operations	7,869	7,891	7,088
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	1,076	1,048	1,056
Loans from/(to) Corporate Funds	(562)	3,159	1,018
Capital Grants	128	150	157
Resource management fees	1,223	612	594
Development contributions	66	66	20
Reserves net	(229)	(310)	(644)
Total Capital	1,703	4,726	2,201

Variance from budget

Operating - Resource Management contributions - more developments than originally budgeted.

Capital Costs - Projects for Hockey delayed and Westbrook Park development purchased in 2008/09.



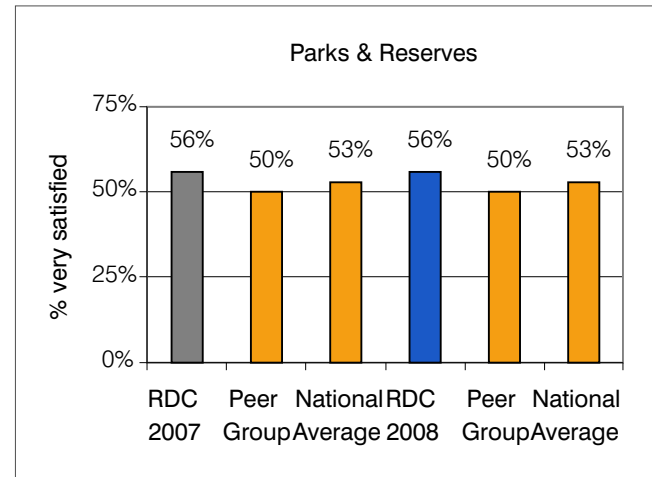
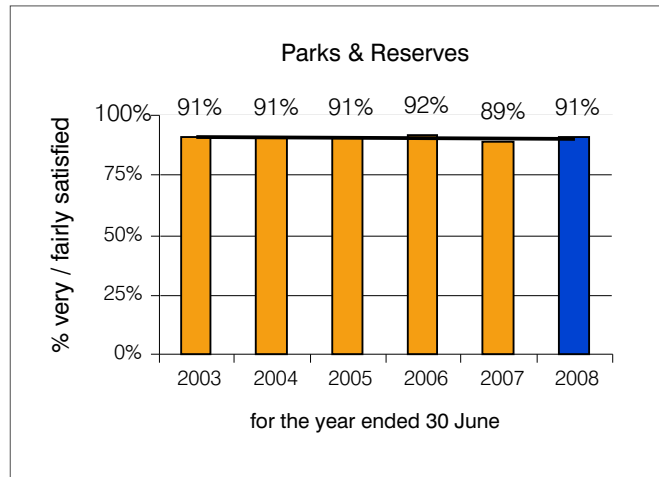
social and cultural group cont.

Performance for 2008

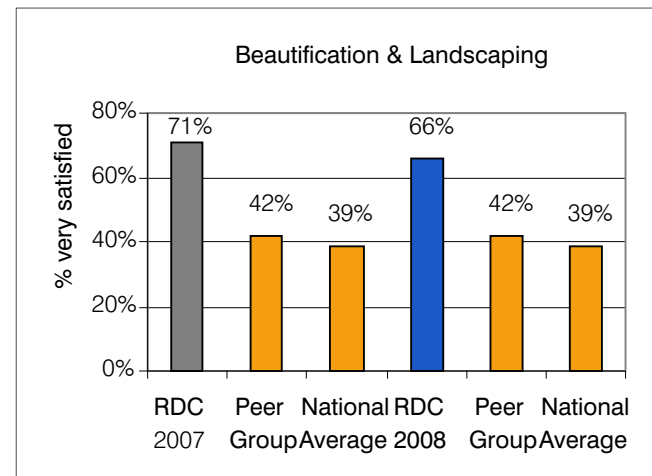
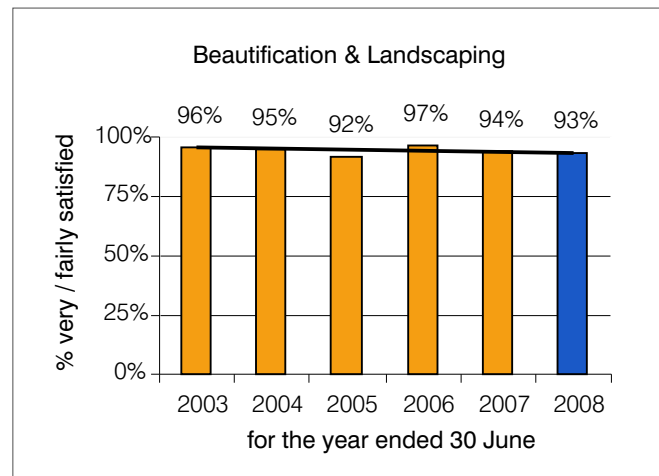
Outcomes Promoted - A safe and caring community - A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Providing safe public spaces • Families and whanau work, play and talk together • Increasing recreational opportunities 	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 and exceeded – 97.7%.
		Safety audit completed annually and reported to Council through CPR Committee.	97% of safety audits comply with NZ Safety Standards.	Achieved and exceeded – 98.29%. (These audits were undertaken by Council staff.)
	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.	Review not yet undertaken – due by 2009.
	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 – 86%.
Outcomes Promoted - A community that respects its environment				
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • 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 	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 – 93%.

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

- LIANZA Conference - Held in Rotorua in September – annual conference held at EEC for more than 700 participants.
- Author nights – Barbara Ewing, Lorraine Moller, Jeffrey Deaver, Joan Druett, Jill Mansell and Cassandra Easson.
- Monthly Reading Rounds – Covered a wide range of topics including NZ literature, historical writing, newspaper reporting, language, crafts and poetry.
- Art Auction - November – local artists donated work to help raise funds for the Children's Library - \$8,000 was raised.
- Speed Dating on Valentine's Day – Based around books an reading, an opportunity to meet and mix with other people.
- Poetry competition – Judged by Rotorua's writer in residence, Victoria Plumb, with a first prize of a weekend for two at a holiday resort in Maketu.
- Teens Battlestations – Opportunities for this age group to pit their skills against others in a variety of board games.
- Children's Holiday Programmes – Four very successful programmes with celebrity storytellers – Mary Kippenburger, Bringwonder and the Cat in the Hat.
- Halloween Fright Night – A night of spooky tales and cocoa.

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

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) 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

social and cultural group **cont.**

Cost of Service

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	2,627	2,717	2,508
Depreciation	741	848	752
Finance	74	81	56
Total Costs	3,443	3,645	3,316
REVENUE			
Subsidies and grants	11	5	7
Investment income	23	10	21
Fees and charges	318	340	400
Capital grants and contributions	13	11	4
Total Revenue	363	365	431
Net Cost of Service	3,079	3,280	2,885

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Renewal Books			
Renewal	535	525	486
New Books			
Provision for Growth	1	0	0
Buildings Upgrade			
Level of Service Charge/Backlog	150	1936	35
Lifts/Lift controls			
Renewal	0	0	168
Other renewals	76	142	76
Total Capital	762	2,604	765

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	3,079	3,280	2,885
Plus Capital Grants and Contributions	13	11	4
Funding	3,092	3,291	2,888
Less Depreciation for Capital	(741)	(848)	(752)
Total Rates for/(from) Operations	2,351	2,443	2,136
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	741	848	752
Loans from/(to) Corporate Funds	(59)	1,445	30
Capital Grants	8	0	0
Development contributions	5	11	4
Reserves net	67	300	(21)
Total Capital	762	2,604	765

Performance for 2008

Outcomes Promoted - A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
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.	Not achieved – 69%.
		Horizon database of library numbers.	65% of population are members of the library.	Not achieved – 61%.
		Log of opening hours.	Library open to the public Monday-Friday 9.30am-8.00pm, Saturday 9.30am-12.30pm.	Achieved.

Variance from budget

Operating - Lower than budgeted depreciation due to delay in Library upgrade.

Capital Costs - Library upgrade started in 2008/09.

social and cultural group cont.

Performance for 2008

Outcomes Promoted - A community that values its living Maori culture

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Improved opportunities. Fostering Maori cultural activities and expression. Respecting Te Arawa as part of the unique heritage of Rotorua District. 	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.	Approximately 97% achieved as network was down at different times.
		Log of opening hours.	Physical secure access to items in the local history collection Monday-Friday 9.30am-8.00pm, Saturday 9.30am-12.30pm	Achieved.

Outcomes Promoted - A learning community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Learning activities accessible for everyone. Excellent pre-school/infants facilities. Whanau supported learning. 	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 – 86%.
		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.	Achieved. 85 groups.
		Log of classes and packs delivered.	New Entrant packs will be delivered to every 5 year old starting school in the district.	Achieved. Deliveries completed.

social and cultural group cont.

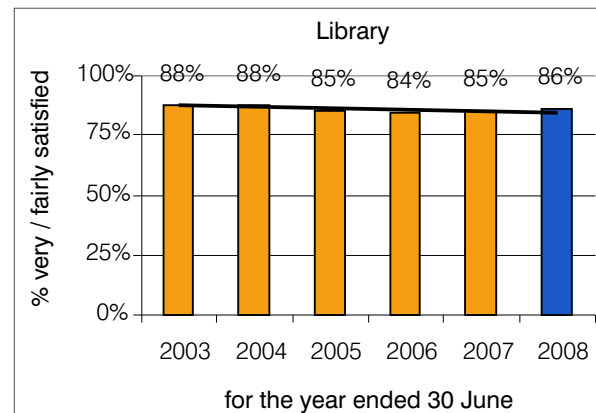
Performance for 2008

Outcomes Promoted - A "happening" community

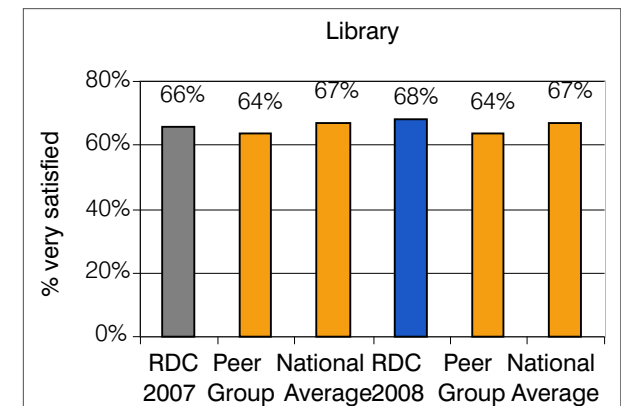
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Lots of events including sporting, cultural, festivals, arts. Leading edge activity events. Foster artistic expression, art, music, dancing, public performances and exhibitions. Great facilities to visit. 	Events that reflect the art and cultural interest of the community with a specific focus on literacy.	Programme logs.	4 children's programmers per year. 2 teens programmes per year. Toddler Time 2 times a week during school terms.	Achieved – 4 programmes. Achieved - 2 programmes. Achieved – Toddler Times held 2 times a week during school term.
		Noticeboard utilisation logs.	Noticeboards showcasing various community group/individual work or activities for no fewer than 50 weeks per year.	Achieved. Noticeboards fully booked.

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

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, chaired by Lyall Thurston, continued fundraising efforts for the Centennial Project to complete the Bathhouse building to original specifications and provide expanded facilities for Museum. By year end almost \$14 million had been committed. Highlights during the year included securing donations of \$750,000 from the Southern Trust, \$350,000 from the New Zealand Community Trust, and \$300,000 from the Ngati Whakaue Education Endowment Trust. An application to the Regional Museums Fund was submitted in February 2008 for \$7.5 million. A joint committee between the Centennial Trust and the Rotorua Chamber of Commerce worked tirelessly securing financial support from the business community. By the end of June over 50 business supporters had joined the project, demonstrating the broad support for the project that exists in the community.
- Exhibitions and Public Programmes – Staged 31 exhibitions during year, and 24 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 11,502 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.

- Visitor Numbers and Admissions Revenue – A total of 100,973 visitors came to the Museum during the year. Admissions revenue of \$629,750 was earned.
- Visitor Spend - Total spend for the year averaged \$9.12 per visitor, a 3% 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 – Announcement made that Rotorua Museum will host this conference in November.

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.

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.

social and cultural group cont.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	2,468	2,315	2,248
Depreciation	406	452	403
Finance	132	139	85
Total Costs	3,006	2,905	2,737
REVENUE			
Subsidies and grants	0	110	123
Fees and charges	960	1,013	985
Capital grants and contributions	2,113	1,257	3
Total Revenue	3,073	2,380	1,111
Net Cost of Service	(67)	525	1,626

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Monitoring Equipment			
Renewal	0	0	4
Cafe Development			
Renewal	4	5	4
Collection Purchase			
Provision for Growth	9	8	4
Rotorua Stories Moving Seats			
Renewal	11	265	0
Viewing Platform			
Level of Service Change	0	0	0
Centennial Development			
Provision for Growth	2237	1633	320
Theatre Equipment			
Renewal	6	26	16
Other renewals	27	91	51
Total Capital	2,294	2,028	400

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	(67)	525	1,626
Plus Capital Grants and Contributions	2,113	1,257	3
Funding	2,046	1,782	1,628
Less Depreciation for Capital	(406)	(452)	(403)
Total Rates for/(from) Operations	1,639	1,330	1,225
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	406	452	403
Loans from/(to) Corporate Funds	(303)	320	(6)
Capital Grants	2,102	1,247	0
Development contributions	11	9	3
Reserves net	78	0	0
Total Capital	2,294	2,028	400

Variance from budget

Operating - Project is ahead of schedule with capital spent brought forward. Is within budget offset in capital expenditure.

Capital Costs - Centennial Development is ahead of schedule, capital spent has been brought forward. Within budget and offset in revenue above.

social and cultural group cont.

Performance for 2008

Outcomes Promoted - A "happening" community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Great facilities to visit • Foster artistic expression, art, music, dancing, public performances and exhibitions 	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. 59% of residents state they have used or visited the Museum in the last 12 months.
		NRB Survey	At least 70% of local residents are very satisfied with the Museum and its services.	Not achieved. Actual - 57%.
		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. 31 completed to 30.06.08.

Outcomes Promoted - A community that values its living Maori culture

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
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.	Achieved.

social and cultural group **cont.**

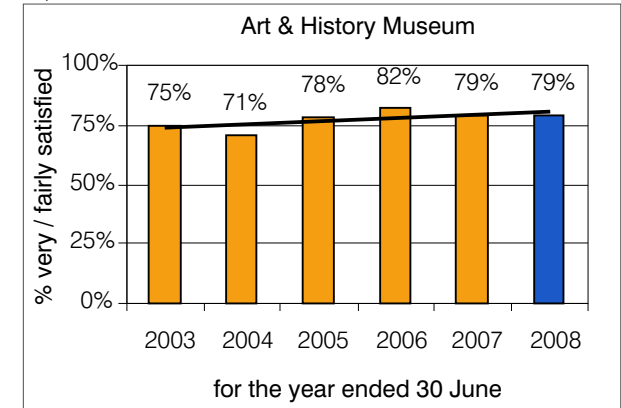
Performance for 2008

Outcomes Promoted - A learning community

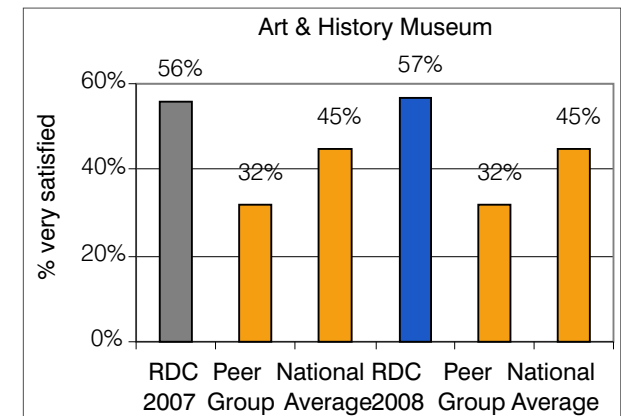
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Learning activities accessible for everyone Quality educational institutions.	A range of educational levels including primary, secondary, tertiary and adult learning.	Annual public programmes log.	Provide at least 20 Public Programmes (workshops/ lectures) per year.	Achieved. 24 completed as at 30.06.08.
		LEOTC Contract Milestone Reports.	Provide curriculum based learning programmes to at least 12000 students/year.	Not achieved. 11,503 students as at 30.06.08.
		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 guided tours a day by trained docents.

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

		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	✓	✓						
95	Animal Control	✓	✓	✓		✓			
97	Building Control	✓	✓						
99	Environmental Planning	✓	✓		✓		✓		
105	Inspection	✓							
109	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

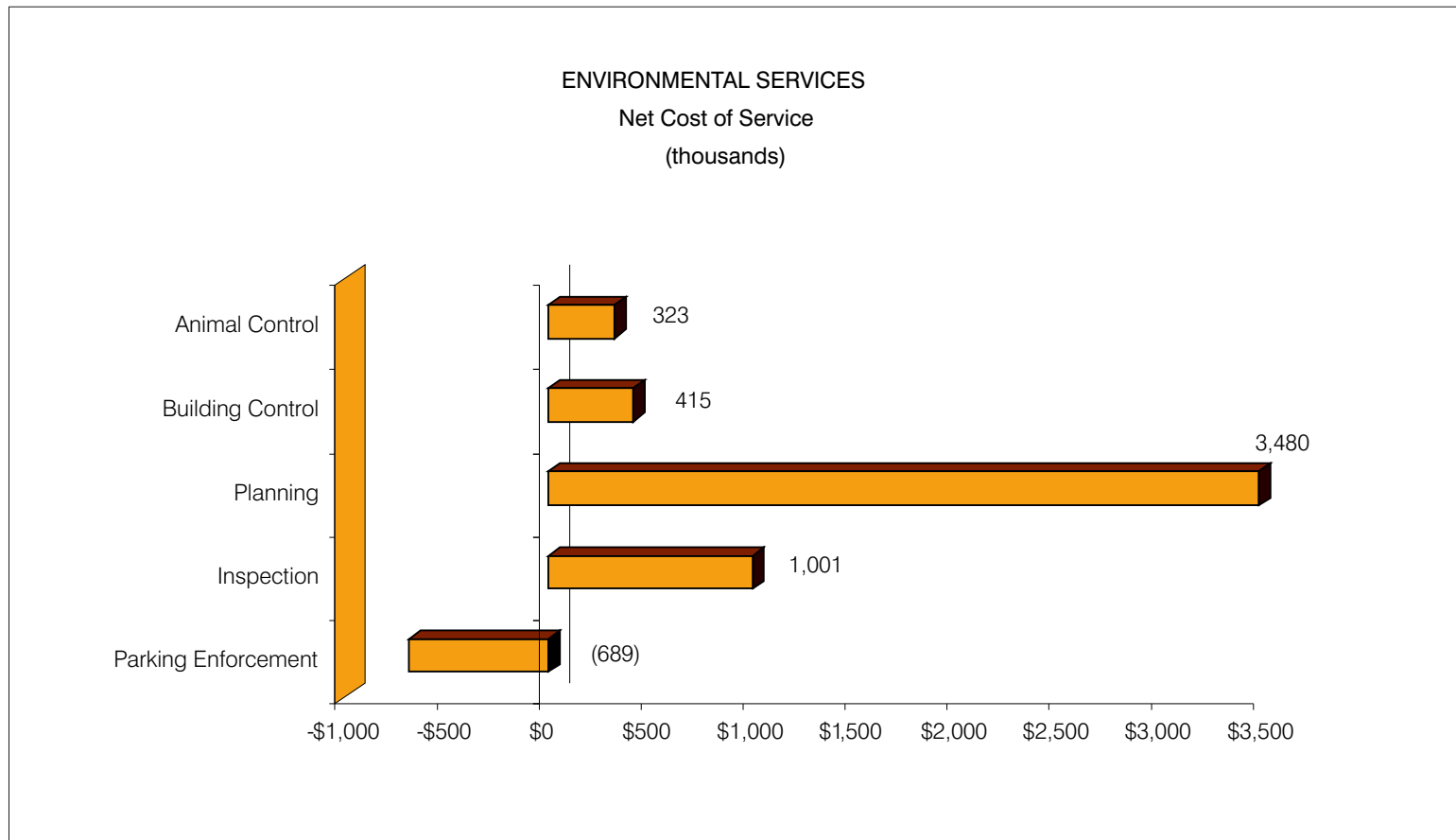
Potential negative effects may include:

- 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.

How the Money is Used



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.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	850	860	812
Depreciation	6	9	6
Finance	1	1	1
Total Costs	856	870	818
REVENUE			
Fees and charges	533	525	505
Total Revenue	533	525	505
Net Cost of Service	323	344	313

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Animal Pound			
Renewal	0	0	15
Other renewals	11	6	2
Total Capital	11	6	17

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	323	344	313
Less Depreciation for Capital	(6)	(9)	(6)
Total Rates for/(from) Operations	318	336	307
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	6	9	6
Loans from/(to) Corporate Funds	5	(2)	11
Total Capital	11	6	17

Performance for 2008

Outcomes Promoted - A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Providing safe public places	Complaint investigation/resolution.	Monitoring and auditing of complaints register.	Respond to complaints within 1½ days.	97.5% response rate achieved.
	Impounding wandering dogs.	Monitoring and auditing of register of dogs.	Achieve registration of known dogs by 30 June.	10,896 dogs registered.
	Impounding wandering stock.	Monitoring and auditing of complaints register.	Respond to all complaints immediately upon receipt.	Achieved 100%.

environmental group **cont.**

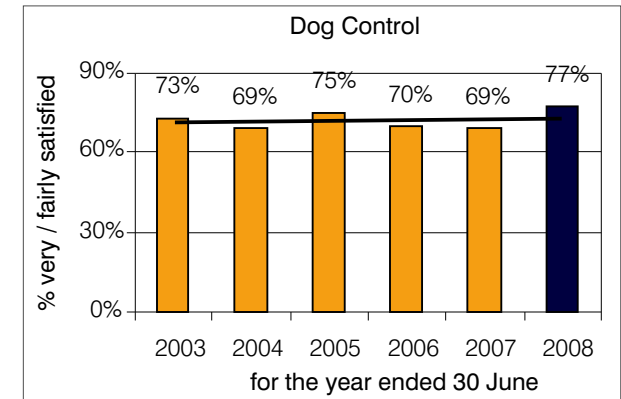
Performance for 2008

Outcomes Promoted - A community that respects its environment

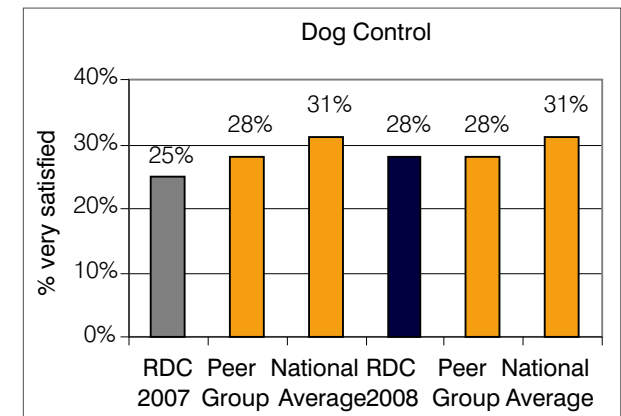
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
People using and enjoying our natural environment	Provision of dog exercise areas.	NRB survey.	Maintain 66% level of satisfaction in NRB survey.	Achieved. Exceeded 77% level of satisfaction.

NRB Community Survey

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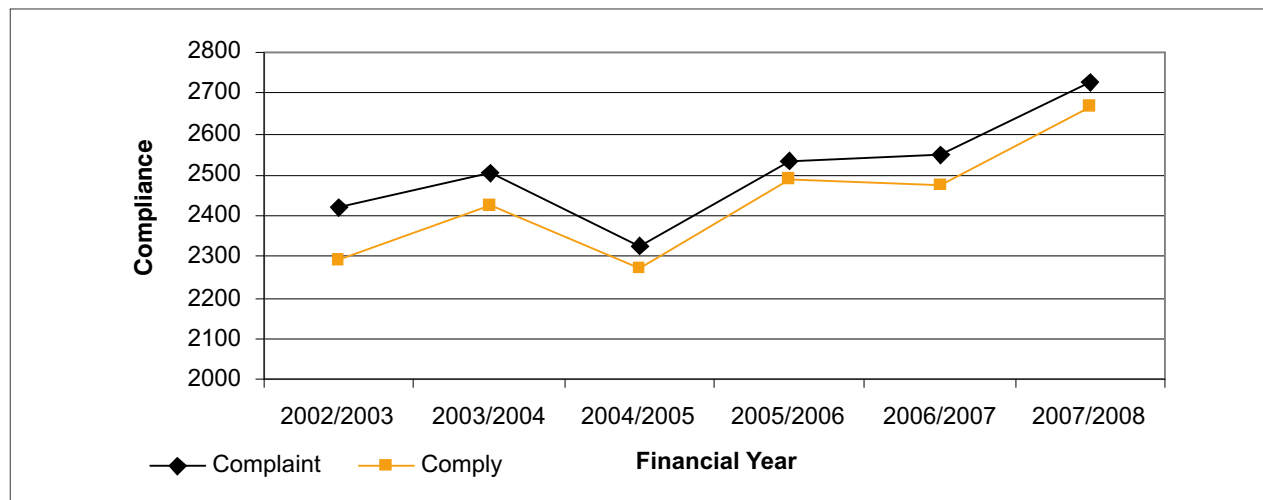


This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time



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

Animal Control Compliance Levels



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

- Building Consents – Reached 1,548.
- New Dwellings – 185 constructed.
- Accreditation – Council has been confirmed by IANZ as an Accredited Building Consent Authority.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	2,224	2,422	1,907
Depreciation	7	13	14
Total Costs	2,232	2,435	1,921
REVENUE			
Fees and charges	1,817	1,976	1,456
Total Revenue	1,817	1,976	1,456
Net Cost of Service	415	460	465

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	9	11	11
Total Capital	9	11	11

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	415	460	465
Less Depreciation for Capital	(7)	(13)	(14)
Total Rates for/(from) Operations	407	447	451
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	7	13	14
Loans from/(to) Corporate Funds	1	(2)	(3)
Total Capital	9	11	11

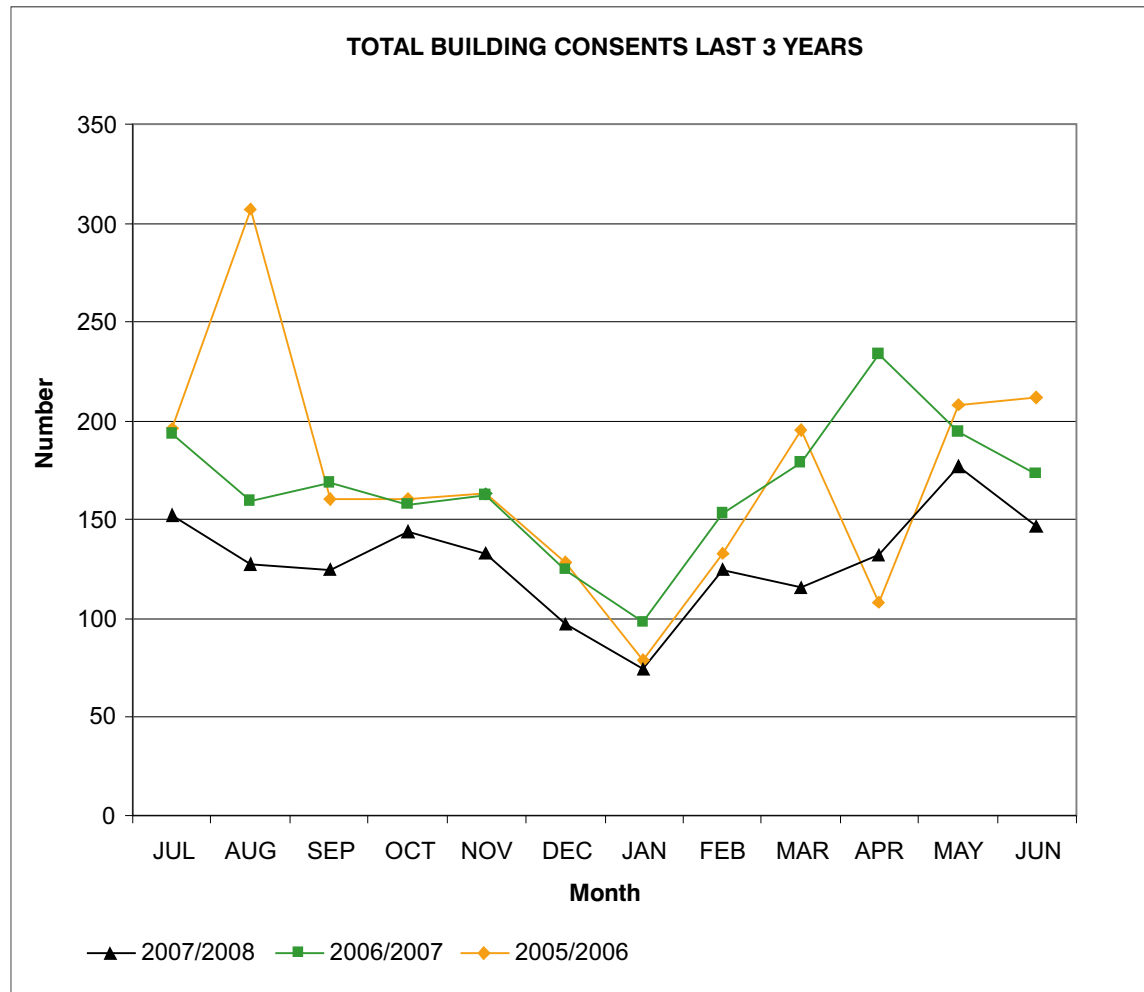
Performance for 2008

Outcomes Promoted- A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
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.	Not achieved – 90.2%

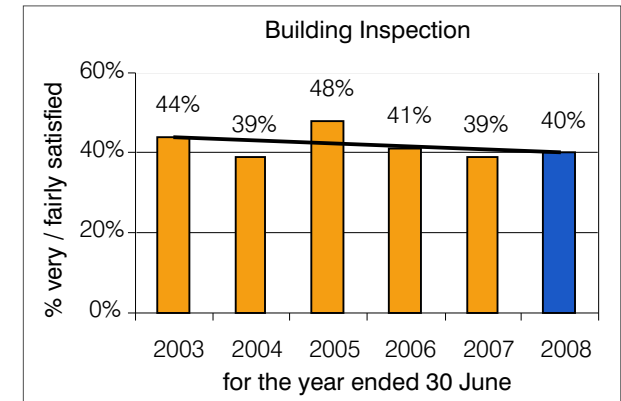
environmental group cont.

Building Consent Levels

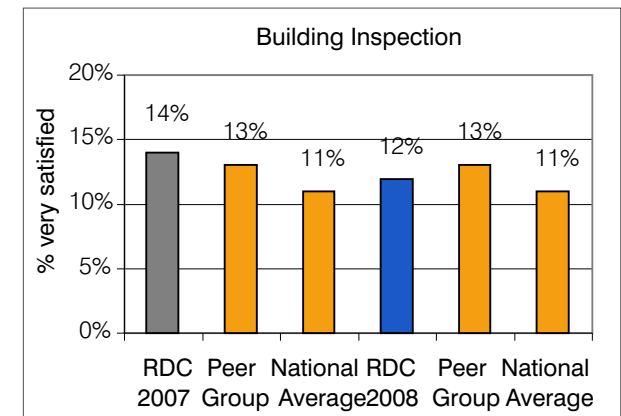


NRB Community Survey

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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.

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.
- Completed Plan Change 32, Rotorua Regional Airport Limited, which was made operative in April 2008.
- 'FRESH IDEAS' – District Plan community engagement phase of District Plan review completed.
- Recipients of the Society of Local Government Managers Local Government Communication Forum "Best of the Best Award" for the 'FRESH IDEAS' community engagement project.
- State of the Environment Report 2008 published.
- Completed the Eastern and North-Western Structure Plans.
- Completed the landscape Assessment documents for the majority of the Rotorua district.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	1,765	1,660	1,362
Depreciation	6	11	7
Total Costs	1,771	1,671	1,369
REVENUE			
Fees and charges	4	14	0
Total Revenue	4	14	0
Net Cost of Service	1,767	1,656	1,369

Cost of Service - Planning Implementation

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	2,044	2,172	1,910
Depreciation	9	14	11
Total Costs	2,053	2,186	1,921
REVENUE			
Fees and charges	340	292	347
Total Revenue	340	292	347
Net Cost of Service	1,713	1,894	1,574

Capital Expenditure - Planning Policy

For the year ending 30 June: (thousands)	2007 Actual	2008 Budget	2007 Last Year
Other renewals	7	8	0
Total Capital	7	8	0

Capital Expenditure - Planning Implementation

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	13	12	7
Total Capital	13	12	7

How we pay for this activity

Planning Policy

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,767	1,656	1,369
Less Depreciation for Capital	(6)	(11)	(7)
Total Rates for/(from) Operations	1,762	1,645	1,362
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	6	11	7
Loans from/(to) Corporate Funds	1	(3)	(7)
Total Capital	7	8	0

How we pay for this activity

Planning Implementation

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,713	1,894	1,574
Less Depreciation for Capital	(9)	(14)	(11)
Total Rates for/(from) Operations	1,704	1,880	1,563
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	9	14	11
Loans from/(to) Corporate Funds	5	(2)	(4)
Total Capital	13	12	7



environmental group cont.

Performance for 2008 Planning Policy

Outcomes Promoted - A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Looking after our air, land and water resources. Managing and protecting geothermal resources and our springs, trout, lakes, forests, geysers. Historical sites and buildings are protected and promoted. Kaitiakitanga (guardianship) 	Operative District Plan that is updated regularly through changes and reviews responsive to the district's environmental issues.	<ul style="list-style-type: none"> Keep web based Plan Change Update page current (www.rdc.govt.nz) Report Plan Changes to Planning and Bylaws Committee regularly. Monthly update of web Plan Change schedule. 	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"> Submissions prepared and presented in accordance with standard template and procedure. Project Plan reporting of key steps and milestones in process. Yearly matrix of community advocacy projects. 	Submissions lodged on time, and successful representation at national and local hearings.	Achieved.
Improved lake water quality.	Strategic research undertaken to keep abreast and be responsive to environmental issues.	Research projects completed on time and within budget as detailed in Project Plans..	Project Plan reporting of strategic research projects.	Achieved.

environmental group cont.

Performance for 2008 Planning Policy

Outcomes Promoted - A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Safe homes and streets. • Providing safe public spaces. 	Well planned buildings, spaces, and areas.	<ul style="list-style-type: none"> • CPTED assessment included in accompanying plan change Section 32 documentation. • Policy Project Plan input checklist annual review. 	Crime Prevention Through Environmental Design (CPTED) principles incorporated into District Plan policy framework.	No Section 32 assessments undertaken in 2007/08 year.

Outcomes Promoted - A community that values its living Maori culture

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • A community that recognises the value of partnerships including the Treaty of Waitangi. • Respecting Te Arawa as part of the unique heritage of Rotorua District. • Preservation and sustainable development of Maori resources. 	Tangata whenua input into decision making where activities impact Maori values.	<ul style="list-style-type: none"> • Maori input into policy development included in accompanying plan change Section 32 documentation. • Policy Project Plan input checklist annual review. 	Maori input is sought into the development of environmental policy.	Achieved.

Outcomes Promoted - A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • More investment in our district. • Encouraging growth. • Celebrating and promoting our district's unique qualities. 	District Plan acknowledges and provides for residential, commercial, industrial, and rural and urban growth.	Statistics NZ data and reports, industry reports, monthly monitoring reports.	Contribute to district growth through sound environmental policy.	Achieved.

environmental group **cont.**

Performance for 2008 - Planning Implementation

Outcomes Promoted - A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Safe homes and streets	Buildings, spaces, areas in district well planned and safe.	Sample survey of monthly consent reports.	Well planned buildings, spaces, and areas.	Achieved.

Outcomes Promoted - A community that respects its environment

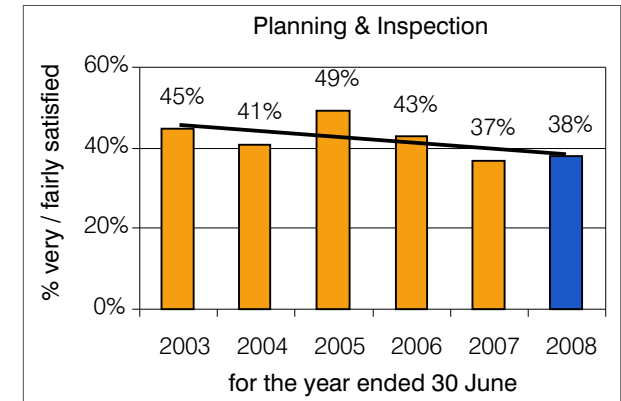
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Looking after our air, land and water resources. Managing and protecting geothermal resources and our springs, trout, lakes, forests, geysers. 	Timely 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 – 97% Subdivision – 92% Other – 98%
<ul style="list-style-type: none"> Historical sites and buildings are protected and promoted. Kaitiakitanga (guardianship). 	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.

Outcomes Promoted - A community that respects its living Maori culture

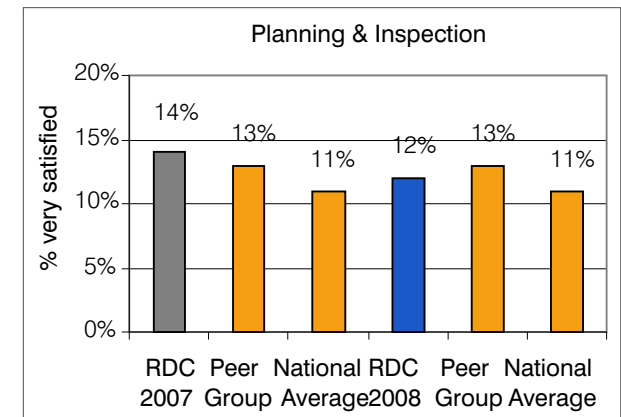
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
	Prompt response to complaints about planning and environmental issues.	Monthly complaints monitoring response report.	Complaints received responded to in 24 hours.	Achieved.

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.

environmental group cont.

Performance for 2008 - Planning Implementation

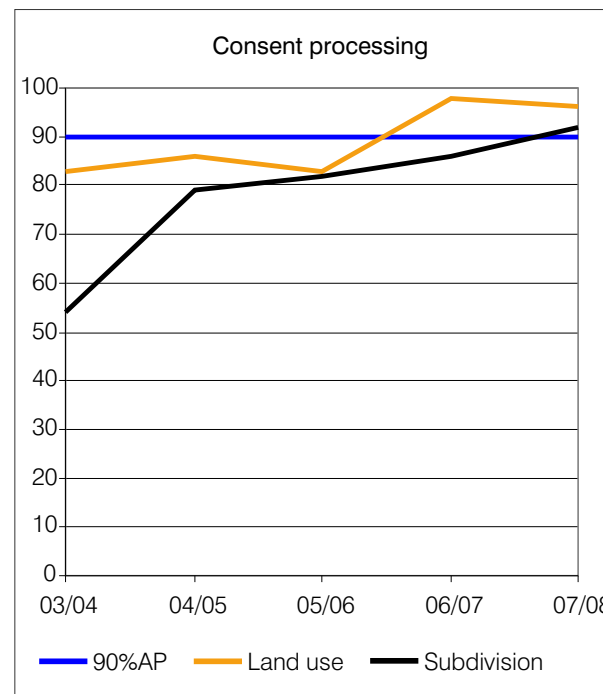
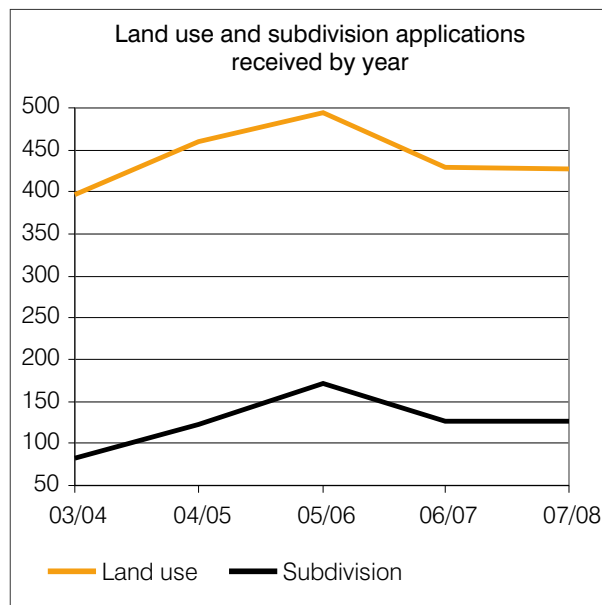
Outcomes Promoted - A community that values its living Maori culture

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> A community that recognises the value of partnerships including the Treaty of Waitangi. Respecting Te Arawa as part of the unique heritage of Rotorua District. 	Tangata whenua input into decision making where activities impact Maori values.	Monthly update of Iwi Consultative Committee Register.	<ul style="list-style-type: none"> Regular meetings of the Iwi Consultative Committee. Consent applicants are aware of tangata whenua contacts for consultation purposes. 	<p>Achieved.</p> <p>Achieved.</p>



Other indicators

Applications received



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.
- High (77%) level of satisfaction with Dog Control from NRB Survey.
- Geothermal Safety Bylaw review completed.
- Signs on Roads Bylaw review completed.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	1,336	1,461	1,279
Depreciation	19	30	21
Total Costs	1,356	1,492	1,300
REVENUE			
Fees and charges	355	358	363
Total Revenue	355	358	363
Net Cost of Service	1,001	1,134	937

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	11	11	11
Total Capital	11	11	11

environmental group cont.

Performance for 2008 - Planning Implementation

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,001	1,134	937
Less Depreciation for Capital	(19)	(30)	(21)
Total Rates for/(from) Operations	982	1,103	916
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	19	30	21
Loans from/(to) Corporate Funds	(8)	(20)	(10)
Total Capital	11	11	11

Outcomes Promoted - A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Providing safe public spaces	General complaint investigation/ resolution.	Complaint response time analysis report.	To respond to general complaints within 1 working day.	Not achieved - 97.5%
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.	Not achieved - 98%

Outcomes Promoted - A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
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.	Not achieved - 97.5%
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.	Not achieved - 97.5%
	Noise complaint investigation/ resolution.	Complaint response time analysis report.	Respond to noise complaints within 2 hours.	Achieved.

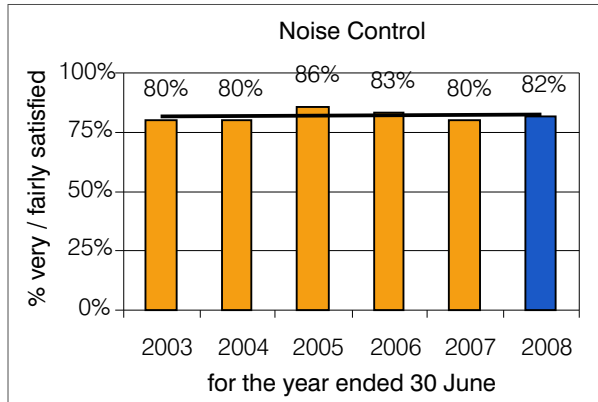
Outcomes Promoted - A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Partnerships to promote healthy living	Health complaint investigation/ resolution.	Complaint response analysis report.	Respond to health complaints within 1.5 working days.	Achieved 100% response rate.
Improving health status for all	Food inspection/ registration of food premises	Premises inspection status report.	Register food premises.	Achieved. 100% of premises existing at 30.06.08 registered.

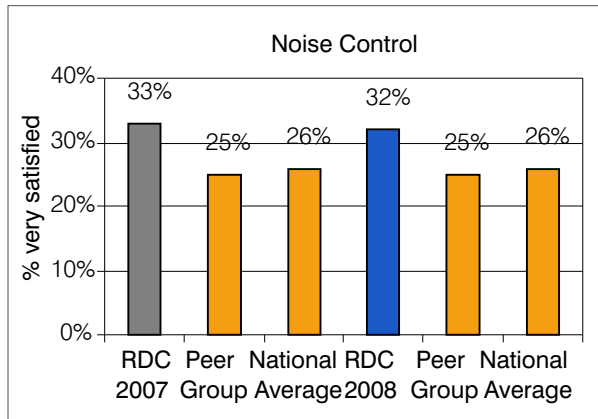
environmental group **cont.**

NRB Community Survey

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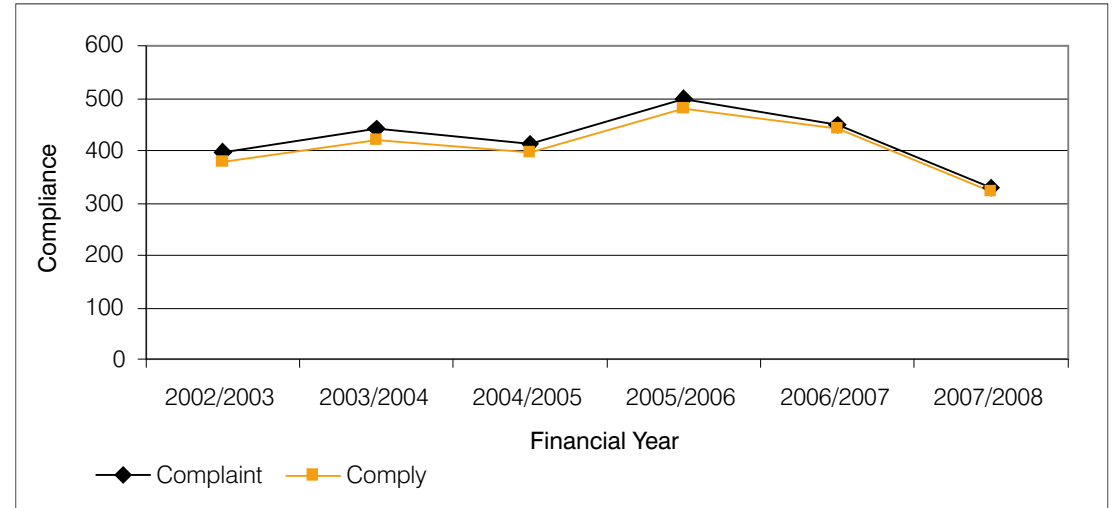
This graph shows the percentage of survey respondents that are very or fairly satisfied with this service over the last six years. There is a trend line which helps show the general direction of service satisfaction over time



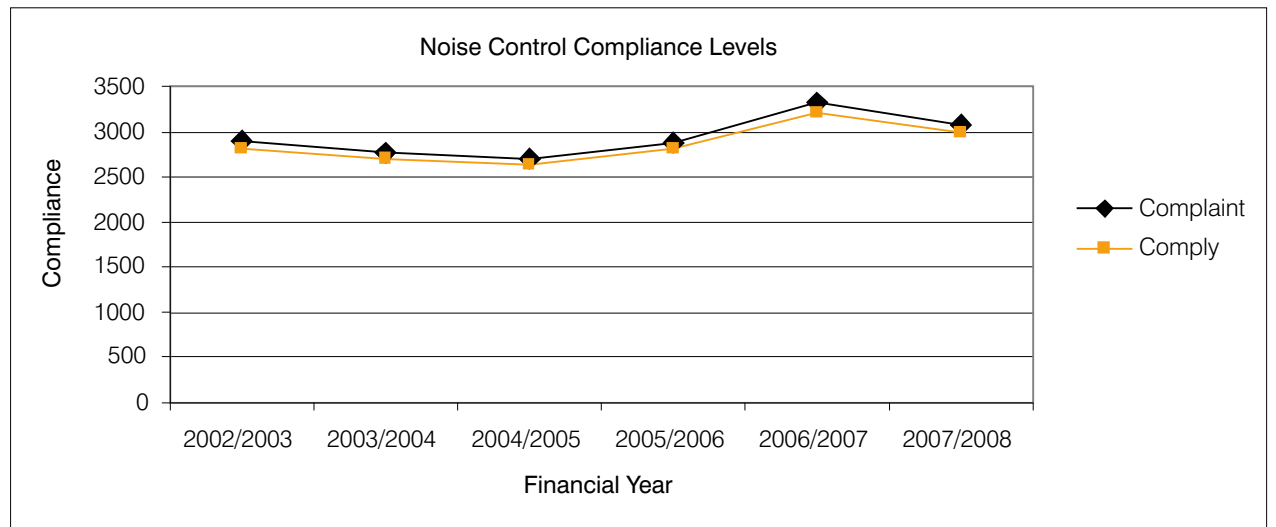
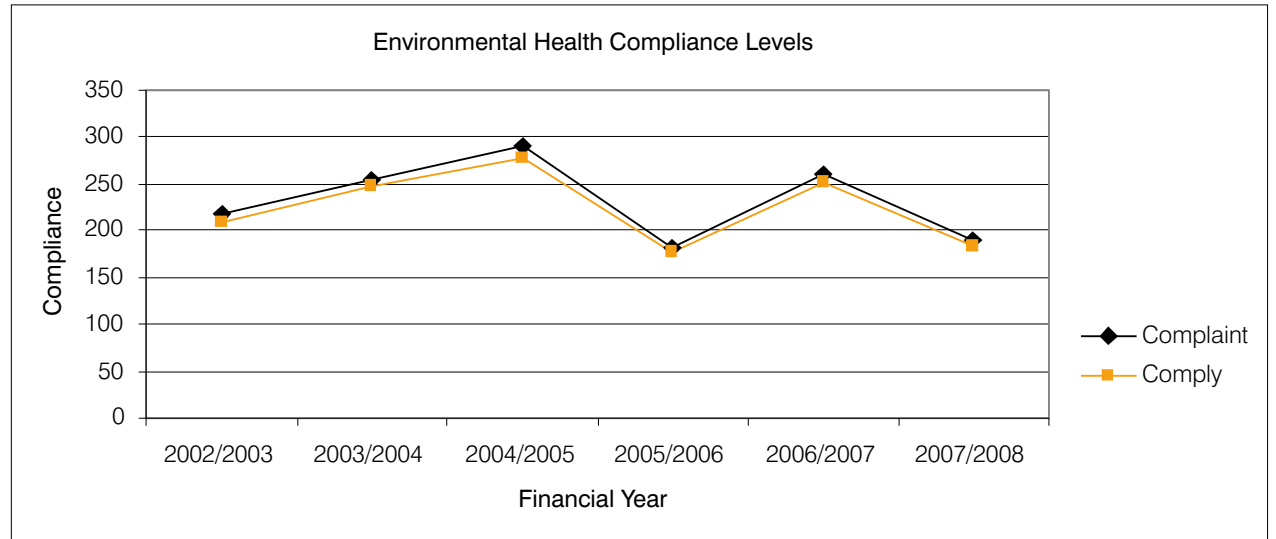
This graph shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average

Other indicators

General Inspection Compliance Levels



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.

Variance from budget

Operating - Increase in revenue primarily due to prosecutions.

Cost of Service

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	990	959	898
Depreciation	13	16	11
Total Costs	1,002	975	909
REVENUE			
Fees and charges	1,691	1,457	1,508
Total Revenue	1,691	1,457	1,508
Net Cost of Service	(689)	(482)	(599)

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	3	7	47
Total Capital	3	7	47

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	(689)	(482)	(599)
Less Depreciation for Capital	(13)	(16)	(11)
Total Rates for/(from) Operations	(701)	(498)	(609)
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	13	16	11
Loans from/(to) Corporate Funds	(10)	(9)	36
Total Capital	3	7	47

Performance for 2008

Outcomes Promoted

- A safe and caring community
- A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Safe homes and streets • Fewer road accidents • More investment in our district • More new business 	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
111	Destination Rotorua Economic Development	✓	✓		✓	✓	✓	✓	✓
115	Destination Rotorua Tourism Marketing		✓		✓		✓		
117	Tourism Rotorua Travel and Information		✓		✓		✓		

Overview of Group

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

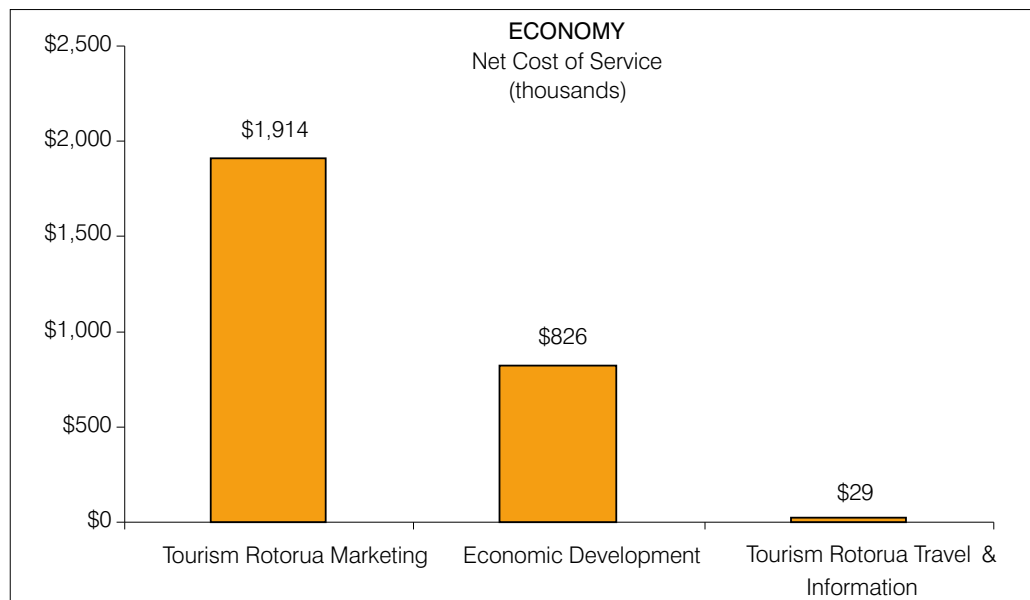
- Destination Rotorua Economic Development
- Destination Rotorua Tourism Marketing
- Tourism Rotorua Travel and Information

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.

How the Money is Used



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

- CBD Revitalisation momentum.
- BrightEconomic Advisory Board Energy Champion role and output.
- Young Enterprise Scheme (doubling numbers).
- Regional economic development collaboration.
- Film Volcanic strategy development.
- Settlement support services and activity.
- Business support, development, funding and training.
- Managed and delivered Career Choices Month.

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.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	1,012	1,243	995
Depreciation	5	5	4
Total Costs	1,017	1,248	999
REVENUE			
Subsidies and grants	185	292	183
Fees and charges	7	11	68
Total Revenue	191	303	251
Net Cost of Service	826	945	748

economy group cont.

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	4	8	8
Total Capital	4	8	8

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	826	945	748
Less Depreciation for Capital	(5)	(5)	(4)
Total Rates for/(from) Operations	821	940	744
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	5	5	4
Loans from/(to) Corporate Funds	(1)	3	4
Total Capital	4	8	8

Performance for 2008

Outcomes Promoted - A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • More investment in our district • More new business 	Provide public access to timely, accurate and relevant Rotorua economic information.	Website statistics.	<ul style="list-style-type: none"> • Website visits to reach 10,000 per month by June 2008. 	Achieved.
<ul style="list-style-type: none"> • Celebrating and promoting our districts unique qualities • Encouraging Growth • Encouraging development of Maori Land 	Facilitate public access to economic development initiatives, networks and activity within Rotorua	<ul style="list-style-type: none"> • Inquiry database system. • BITC¹ database and tracking system. • Inquiry database and client management system. 	<ul style="list-style-type: none"> • Respond to 95% of business and relocation inquiries within 3 working days. • Attract and maintain 90 new clients into the BITC¹ program. 	Achieved.
<ul style="list-style-type: none"> • Reducing unemployment rate • More employment opportunities 			<ul style="list-style-type: none"> • Attract \$150K business development funding into Rotorua companies from Government Business Development Programs. 	Not achieved.
	Market Rotorua as a great place to live, work, invest and do business nationally and internationally.	<ul style="list-style-type: none"> • Website statistics. • Skilled migrant inquiry tracking database. • Inquiry database system. 	<ul style="list-style-type: none"> • Website visits to reach 20,000 per month by June 2008. • Generate 600 UK skilled migrant relocation inquiries – NZ Opportunities Expo 2007. • Generate 500 new Rotorua specific business and relocation inquiries by June 2008. 	<ul style="list-style-type: none"> Achieved. Not achieved. Not achieved - unrealistic.

economy group cont.

Performance for 2008

Outcomes Promoted - A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
	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"> BrightEconomy appointment and review panel board performance appraisal. Monitor BEAB⁴ Project achievement against strategy targets. 	<ul style="list-style-type: none"> To attract \$150K government and private sector funding to assist in implementing the Bright-Economy Strategy. To implement 50% of the BEAB⁴ focus work program for 2007/08. 	<p>Achieved.</p> <p>Achieved.</p>

Outcomes Promoted - A "happening" community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Lots of events including sporting, cultural, festivals, arts. Leading edge activity events. Foster artistic expression, art, music, dancing, public performances and exhibitions. 	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 30 screen production inquiries within the region by June 2008.	Not achievable.

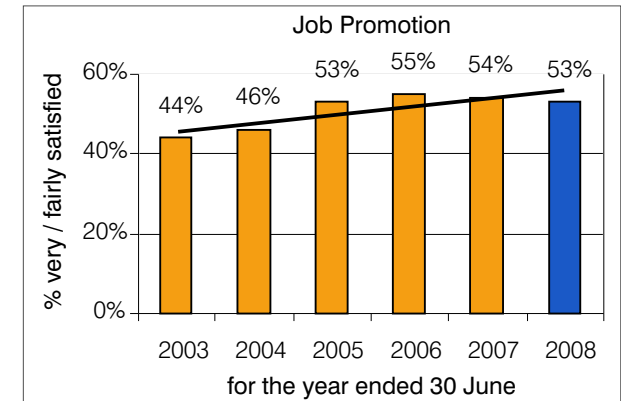
Performance for 2008

Outcomes Promoted - A learning community

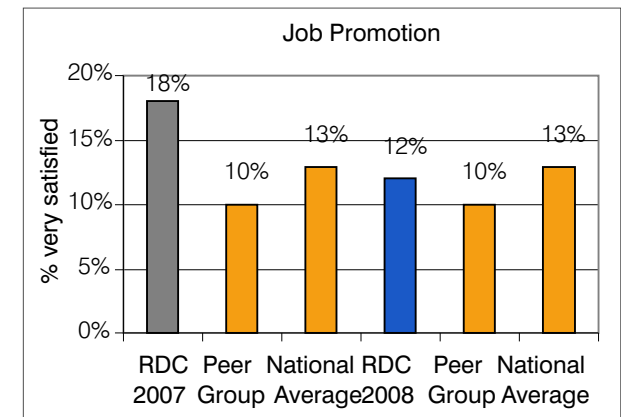
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Learning activities accessible to everyone. Addressing skill shortages through the right training. Increasing participation in tertiary education. 	Work 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"> RESP* database system and action plans. Lion Foundation – Rotorua Energy Charitable Trust Young Enterprise Scheme database system. 	<ul style="list-style-type: none"> Have 400 businesses involved in the Rotorua Employment Skills cluster program. Have 150 students involved in the Rotorua Young Enterprise Scheme. Attract \$120K external funding towards the implementation of the RESP⁵. 	<p>Not achieved.</p> <p>Not achieved (50 registered).</p> <p>Achieved.</p>
<p>¹ BITC = Business Mentors NZ ² NZTE = New Zealand Trade and Enterprise ³ MRI = Major Regional Initiative ⁴ BEAB = BrightEconomy Advisory Board ⁵ RESP = Rotorua Employment Skills Project</p>				

NRB Community Survey

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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

- www.rotoruanz.com – Launch of new look – resulted in huge visitation growth resulting in ranking number 4 out of 29 RTO websites at year end.
- Amazing Race Asia Episode - Filmed in Rotorua, screened to 25 million viewers through out Asia.
- rotoruanz.com – Four foreign language versions launched (Korean, Chinese, Japanese and Spanish).
- Rotorua Sustainable Tourism Charter - Now self funding with 68 members.
- Destinalional DVD – Revamped and produced a Spanish and French version.
- DRTM & Rotorua Backpackers and Adventure Network (RBAN) - Highly Commended Showstopper Award at the Melbourne Adventure Travel and Backpackers Expo, placing it in the top three of 167 stands.
- Domestic marketing activity – Resulted in an increase of 3.1% in domestic visitors.
- TRENZ – Hosted for the second year in a row with extremely positive feedback for Rotorua.

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 ending 30 June: (thousands)	200* Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	2,360	2,412	2,158
Depreciation	16	25	34
Finance	1	1	0
Total Costs	2,377	2,438	2,193
REVENUE			
Fees and charges	463	548	448
Total Revenue	463	548	448
Net Cost of Service	1,914	1,890	1,745

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	8	16	16
Total Capital	8	16	16

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,914	1,890	1,745
Less Depreciation for Capital	(16)	(25)	(34)
Total Rates for/(from) Operations	1,898	1,865	1,711
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	16	25	34
Loans from/(to) Corporate Funds	(8)	(8)	(19)
Total Capital	8	16	16

Performance for 2008

Outcomes Promoted

- A prosperous community - A community that values its living Maori culture - A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08	
<ul style="list-style-type: none"> Celebrating and promoting our district's unique qualities More employment opportunities 	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		Run extended low/shoulder season domestic promotional campaign	Achieved.
		Media placement and campaign activity plan		Facilitate the attraction of 14 conferences per annum to Rotorua	Achieved.
		Bid Log		Contribute to 1.36 million visitors staying on average 2.3 nights and spending \$239 per day/person	Partly achieved. Year ended May 2008 1.48 million visitors staying on average 2.38 nights and spending \$117 per day per person.
Analysis of monthly visitor arrival statistics					
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08	
<ul style="list-style-type: none"> Fostering Maori cultural activities and expression A community that recognises the value of partnerships including Treaty of Waitangi 	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.	
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08	
<ul style="list-style-type: none"> Managing and protecting geothermal resources and springs, trout, lakes, forests and geysers People using and enjoying our natural environments 	Market and promote major events taking place in Rotorua District.	Log of events	20 Events marketed and promoted per year	Achieved.	



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 10%.
- www.rotoruahotdeals.com was created.
- The Organiser – New website created (www.theorganiser.co.nz). New Zealand wide group bookings, education network bookings and the management and running of six large, national and international Conferences.
 - i-SITE New Zealand Conference
10 - 12 September 2007
Royal Lakeside Novotel
Delegates: 165
 - Early Childhood Convention
Energy Events Centre Rotorua
Delegates: 1,650
Exhibition: 44
 - ECANZ Conference
21 - 23 September 2007
Millennium Hotel Rotorua
Delegates: 225
 - First National Breast Cancer Network
Conference
26 - 28 October 2007
Distinction Hotel Rotorua
Delegates: 475
 - Sister Cities Conference
10 - 12 April 2008
Royal Lakeside Novotel
Delegates: 165
 - HERDSA Conference
01 - 04 July 2008
Millennium Hotel Rotorua
Delegates: 300

- Sydney Base – Relocated a groups and conventions coordinator to Sydney.

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

Variance from budget

Operating - Revenue increase due to higher than budgeted ticket sales/ commission.

Cost of Service

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	1,762	1,672	1,526
Depreciation	64	88	64
Finance	6	7	5
Total Costs	1,833	1,767	1,594
REVENUE	0	0	
Investment income	119	12	86
Fees and charges	1,685	1,416	1,427
Total Revenue	1,804	1,428	1,513
Net Cost of Service	29	339	81

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	6	36	26
Total Capital	6	36	26

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	29	339	81
Less Depreciation for Capital	(64)	(88)	(64)
Total Rates for/(from) Operations	(36)	251	18
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	64	88	64
Loans from/(to) Corporate Funds	(59)	(53)	(38)
Total Capital	6	36	26

Performance for 2008

Outcomes Promoted
- A prosperous community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Celebrating and promoting our district's unique qualities • More employment opportunities 	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 900,000 visitors per annum through the travel office.	Achieved.



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
121	Engineering Compliance		✓			✓			
123	Land Drainage		✓			✓			
125	Rotorua Regional Airport				✓	✓			
127	Rural Fire	✓							
128	Transport	✓	✓		✓	✓			
132	Transport (Road Safety)	✓		✓					
134	Transport (State Highway Administration)	✓				✓			
136	Waste Management		✓			✓			
141	Wastewater		✓	✓		✓			
144	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.

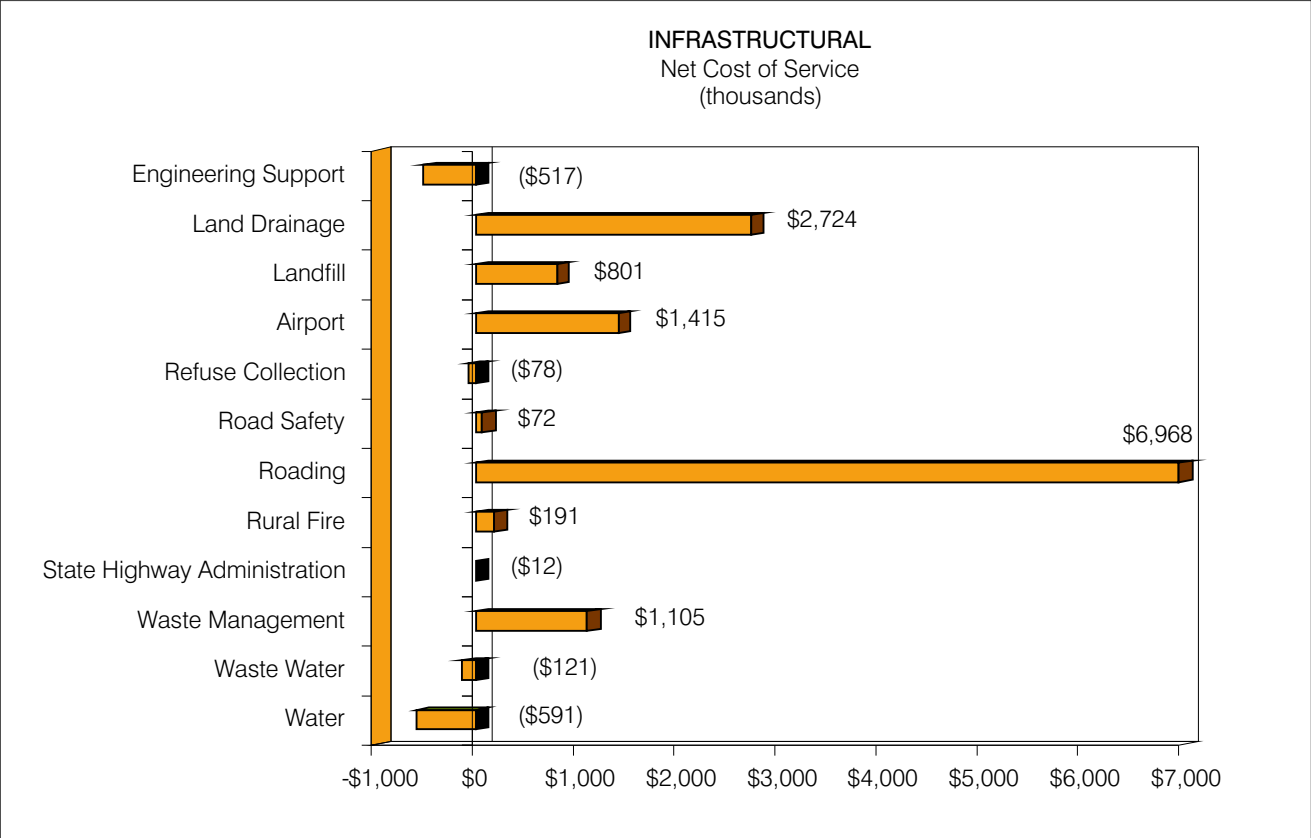
Waste Management

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.

How the Money is Used



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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	369	218	230
Depreciation	134	189	139
Finance	4	4	4
Total Costs	507	411	373
REVENUE			
Fees and charges	1,024	667	775
Total Revenue	1,024	667	775
Net Cost of Service	(517)	(256)	(402)

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	90	92	166
Total Capital	90	92	166

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	(517)	(256)	(402)
Less Depreciation for Capital	(134)	(189)	(139)
Total Rates for/(from) Operations	(651)	(445)	(542)
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	133	189	139
Loans from/(to) Corporate Funds	375	155	423
Asset sales	(420)	(252)	(396)
Total Capital	90	92	166

Variance from budget

Operating - Higher revenue due to increase in trade waste volume as well as external revenue not budgeted.



Performance for 2008

Outcomes Promoted
- A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Looking after our air, land and water resources Waste reduction 	Manage and control discharges to the community waste systems, to protect the systems and environment.	Pollution Control Database.	<ul style="list-style-type: none"> Reduce the impact of illegal discharges by ensuring that 40% of consented trade waste premises are audited annually. 90% of complaints are responded to within two hours. 	<p>Achieved.</p> <p>Not achieved – 80.7%.</p>



Outcomes Promoted
- A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Good, safe, maintained services and roads Good quality infrastructure for the future 	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 Fenton Street drainage upgrade.
- Completed second stage renewal Whittaker/Bennett Roads.
- Overall system successfully managed the stormwater during the year (with some heavy rainfall).

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	1,237	1,300	1,162
Depreciation	1,049	1,031	1,028
Finance	579	612	374
Total Costs	2,865	2,943	2,564
REVENUE			
Investment income	1	0	0
Fees and charges	118	102	118
Capital grants and contributions	22	10	3
Total Revenue	141	112	120
Net Cost of Service	2,724	2,831	2,444

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Stormwater Renewals			
Renewal	673	344	243
City Stormwater Upgrades			
Provision for Growth	673	470	530
Fencing Contributions			
Renewal	4	0	
Total Capital	1,349	813	773

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	2,724	2,831	2,444
Plus Capital Grants and Contributions	22	10	3
Funding	2,746	2,841	2,446
Less Depreciation for Capital	(1,049)	(1,031)	(1,028)
Total Rates for/(from) Operations	1,697	1,810	1,418
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	1,049	1,031	1,028
Loans from/(to) Corporate Funds	301	(228)	(255)
Capital Grants	0	5	0
Development contributions	22	5	3
Reserves net	(23)	0	(3)
Total Capital	1,349	813	773

Variance from budget

Capital Costs - Unfavourable budgeted spend due to higher than anticipated storm damage.

Performance for 2008

Outcomes Promoted - A community that respects its environment

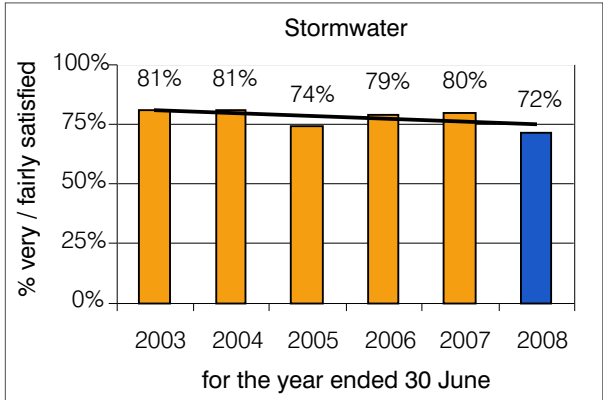
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Improved lake water quality	Provision of a stormwater network to minimise the impact on the environment.	<ul style="list-style-type: none"> •Environment Waikato •EBOP •Compliance reports 	Contribution to improved lake water quality by complying with discharge consents.	Achieved. No compliance breaches.

Outcomes Promoted - A community with excellent facilities and services

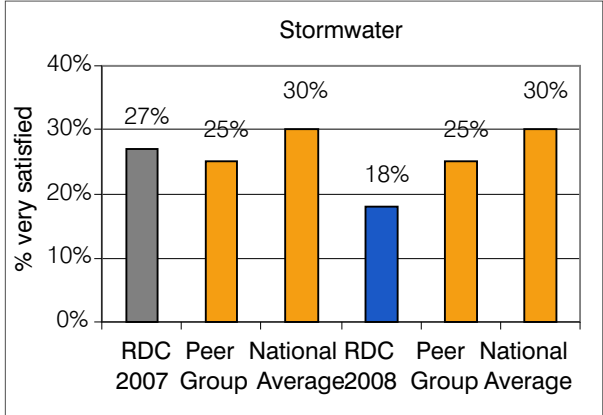
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Good quality infrastructure for future	To minimise the impact of flooding to property.	Annual flooding report.	No habitable building inundated in a 50 year return period event.	Not achieved. Six dwellings flooded in April 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



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

- The designation change to the District Plan was approved to allow the expansion of the airport runway for trans-Tasman aircraft. Council has acquired some of the property so the runway extension can commence construction. Also the upgrade to the passenger lounge was completed.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	151	92	141
Depreciation	865	479	1,041
Finance	1,739	1,708	1,429
Total Costs	2,755	2,279	2,612
REVENUE			
Fees and charges	1,340	1,141	1,255
Total Revenue	1,340	1,141	1,255
Net Cost of Service	1,415	1,138	1,357

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Southern Extension			
Level of Service Change	326	884	310
Strengthen Aprons			
Level of Service Change	4	0	0
New Aprons/Taxiway			
Level of Service Change	0	0	43
Runway			
Renewal	0	22	7
Other Improvements (Non Trans-Tasman)			
Level of Service Change	0	104	6
Fire Station			
Renewal	0	10	0
Wetlands Mitigation			
Level of Service Change	6	395	101
Secure Lounge Extension			
Level of Service Change	325	0	1,937
Road & Carpark			
Level of Service Change	1	4	249
Stat. Planning Trans Tasman Development			
Level of Service Change	311	60	418
Northern Starter			
Level of Service Change	0	0	1,350
Property Purchases			
Level of Service Change	2,288	936	0
Other Costs/Consultants			
Level of Service Change	0	0	1
Asset Transfer Ex Airport			
Level of Service Change	5	0	0
Total Capital	3,266	2,414	4,421

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,415	1,138	1,357
Less Depreciation for Capital	(865)	(479)	(1,041)
Total Rates for/(from) Operations	550	659	315
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	865	479	1,041
Loans from/(to) Corporate Funds	2,401	1,935	3,373
Asset sales	0	0	7
Total Capital	3,266	2,414	4,421

Variance from budget

Operating - Budgeted depreciation lower than actual.

Capital Costs - Southern Extension/Wetland Mitigation - delays in getting approvals and consents. Secure lounge extension project brought forward from 2006/07. A property purchase had not been allowed for in this financial year.

Performance for 2008

Outcomes Promoted

- A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Good, safe, maintained services and roads • A great airport 	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, Castlecorp.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	168	129	192
Depreciation	33	32	37
Finance	3	3	2
Total Costs	205	164	231
REVENUE			
Subsidies and grants	8	5	30
Fees and charges	6	1	44
Total Revenue	13	6	74
Net Cost of Service	191	158	157

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Volunteer Rural Fire Forces (VRFF)			
Renewal	13	21	4
Total Capital	13	21	4

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Net Cost of Service	191	158	157
Less Depreciation for Capital	(33)	(32)	(37)
Total Rates for/(from) Operations	158	126	120
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	33	32	37
Loans from/(to) Corporate Funds	(20)	(10)	(33)
Total Capital	13	21	4

Performance for 2008

Outcomes Promoted - A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Safe homes and streets • Organisations working together on agreed priorities • Providing safe public places 	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. Fire Plan updated

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 7 km 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 Roding

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	5,122	5,248	5,358
Depreciation	0	27	12
Finance	1	1	1
Total Costs	5,123	5,276	5,371
REVENUE			
Subsidies and grants	3,715	2,237	4,510
Investment income	8	0	0
Fees and charges	87	3	16
Capital grants and contributions	1,424	3,142	116
Total Revenue	5,233	5,382	4,642
Net Cost of Service	(110)	(106)	729

Cost of Service

Works General & Unsubsidised roading

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	1,287	1,550	1,314
Depreciation	5,329	5,153	5,544
Finance	1,112	1,265	885
Total Costs	7,728	7,968	7,743
REVENUE			
Subsidies and grants	633	673	640
Fees and charges	0	5	24
Capital grants and contributions	16	208	419
Total Revenue	649	887	1,083
Net Cost of Service	7,079	7,081	6,660



infrastructural group **cont.**

Capital Expenditure Subsidised Rooding

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Bus Shelter Renewals			
Renewal	1	67	40
Bus Shelter New			
Backlog	20	0	23
Structural Replacements			
Renewal	49	52	62
Cycleway Construction			
Backlog	25	21	22
Emergency Capital Reinstatement			
Renewal	119	0	0
Major Drainage Control			
Backlog	111	34	102
Minor Safety Projects			
Backlog	652	620	555
Preventative Maintenance			
Backlog	127	69	181
Project Investigation/Planning			
Provision for Growth	196	103	191
Rehabilitation Renewals			
Renewal	1,190	776	856
Malfroy / Ranolf Roundabout			
Provision for Growth	0	1086	0
Road Reseals			
Renewal	2,756	2721	2,183
Seal Widening			
Backlog	0	558	496
Transportation Centre			
Provision for Growth	43	0	0
Traffic Services Renewals			
Renewal	110	155	151
Total Capital	5,401	6,263	4,861

Capital Expenditure Works General & unsubsidised Rooding

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Contributions to Development			
Provision for Growth	47	51	18
Footpath Renewals			
Renewal	122	126	125
Kerb & Channel Renewals			
Renewal	6	50	18
Land Acquisition			
Backlog	56	49	131
Maori Road & Unformed Road Lines			
Backlog	194	162	1
Minor Safety Improvements			
Backlog	37	31	62
Parks Rooding Renewals			
Renewal	80	90	63
Rural Seal Extensions			
Backlog	894	1,077	1,228
Rural Street Improvements			
Backlog	208	202	616
Security Lighting			
Backlog	0	0	295
Urban Street Improvements			
Backlog	300	354	579
Urban Streetlight Undergrounding			
Backlog	0	300	0
Western Heights Shopping Centre			
Backlog	18	424	0
Total Capital	1,962	2,917	3,137

How we pay for this activity Subsidised Rooding

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	(110)	(106)	729
Plus Capital Grants and Contributions	1,424	3,142	116
Funding	1,314	3,036	845
Less Depreciation for Capital	0	(27)	(12)
Total Rates for/(from) Operations	1,314	3,009	833
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	0	0	12
Loans from/(to) Corporate Funds	4,216	3,094	4,733
Capital Grants	1,075	3,007	37
Development contributions	349	135	79
Reserves net	(239)	0	0
Total Capital	5,401	6,263	4,861

How we pay for this activity

Works General & Unsubsidised Roothing

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	7,079	7,081	6,660
Plus Capital Grants and Contributions	16	208	419
Funding	7,094	7,290	7,079
Less Depreciation for Capital	(5,329)	(5,153)	(5,544)
Add back half share roading depreciation	2,439	2,566	2,426
Total Rates for/(from) Operations	4,205	4,703	3,961
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	5,329	5,153	5,544
Loans from/(to) Corporate Funds	(972)	122	(400)
Capital Grants	(8)	200	407
Development contributions	24	8	12
Reserves net	29	0	0
Roothing half depreciation funded by grants	(2,439)	(2,566)	(2,426)
Total Capital	1,962	2,917	3,137

Variance from budget

Subsidised Roothing

Capital Costs - Malfroy roundabout upgrade delayed.

Works General & Unsubsidised Roothing

Capital Costs - Western Heights Shopping Centre project delayed.

Performance for 2008

Outcomes Promoted - A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Fewer road accidents	Provision of a transport network that meets nationally accepted safety standards.	<ul style="list-style-type: none"> A database of accident blackspots prioritised annually through the minor safety programme Triennial LTNZ audits. Scrim testing for skid resistance Geometric design standards. 	Contribute to fewer road crashes by: <ul style="list-style-type: none"> Annually re-assess accident blackspots and propose solutions for following year. Roads maintained to LTNZ standards. 95% of arterial network compliant. Design of all new works meet standard. 	Achieved. Achieved. Achieved – 98% Achieved.

Outcomes Promoted - A community that respects its environment

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
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"> Compliance with Air Discharge Standards. Compliance with water discharge consents. 	Achieved. Achieved.

infrastructural group **cont.**

Performance for 2008 Outcomes Promoted - A safe and caring community

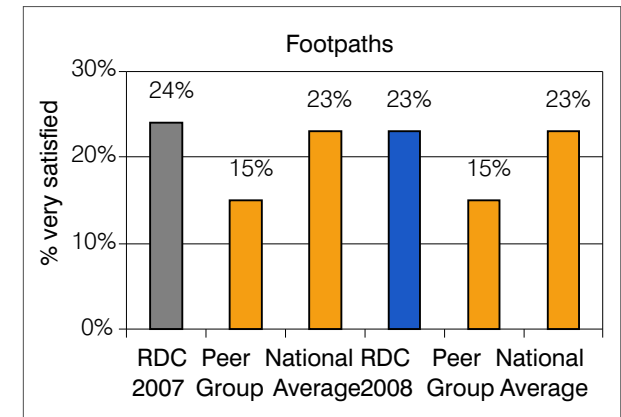
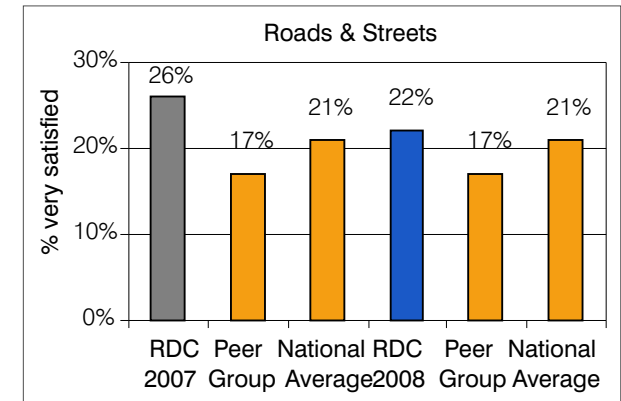
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Easy to get from place to place • Good, safe, maintained services and roads 	Provision of maintenance of a transport network that is easy to get around and does not result in driver frustration	LOS D ¹ at peak times and LOS C ² at off-peak times.	Minimise travel delay and congestion by maintaining LOS for 95% of the network.	Achieved – 98%.
		National benchmarking surveys.	Ride quality in top 50% of national benchmarking survey.	Achieved. About 2% above national average.

¹ 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.

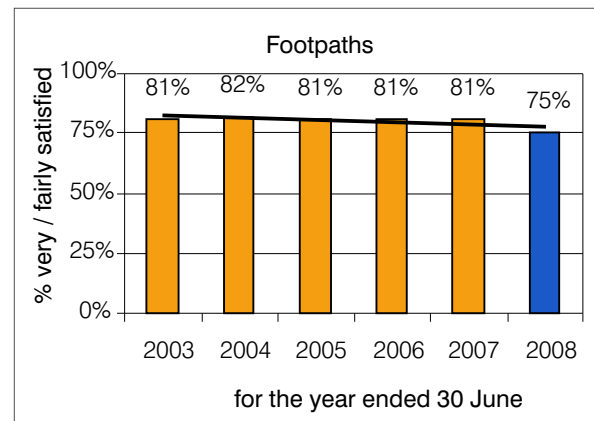
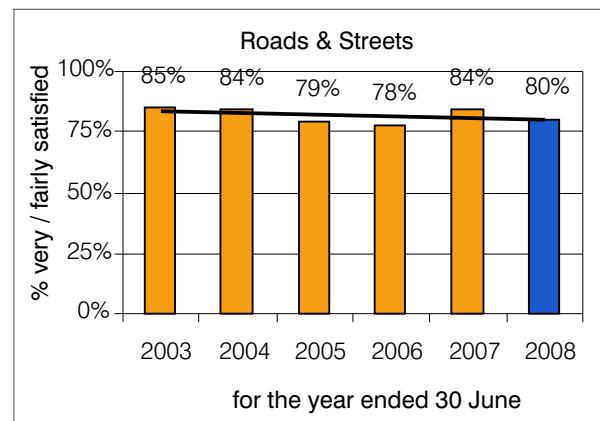
² LOS C is in the zone of stable flow but most drivers are restricted to some extent in their freedom to select their desired speed and manoeuvre within the traffic stream. The general level of comfort and convenience declines noticeably at this level.

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" satisfied with this service over the last two years and compares it with our peer group and the national average



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

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

- Decreasing crash rate continuing for 2007/08.
- Hinemaru/Hinemoa Streets roundabout constructed to improve road safety.
- Continued promotion of road safety through Drivewise.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	374	358	196
Depreciation	0	1	0
Total Costs	374	359	196
REVENUE			
Subsidies and grants	272	252	71
Capital grants and contributions	30	0	49
Total Revenue	302	252	120
Net Cost of Service	72	107	76



infrastructural group **cont.**

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	72	107	76
Plus Capital Grants and Contributions	30	0	49
Funding	102	107	125
Less Depreciation for Capital	0	(1)	0
Total Rates for/(from) Operations	101	106	125
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	0	1	0
Loans from/(to) Corporate Funds	(30)	(1)	(49)
Capital Grants	30	0	49
Total Capital	0	0	0

Performance for 2008

Outcomes Promoted
 - A safe and caring community
 - A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Fewer road crashes. Providing safe public places. 	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.	LTNZ reports discontinued.
<ul style="list-style-type: none"> Improving health status Increasing recreational opportunities 	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.	5 year count is due in Summer 2008/09.



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

- Funding approved for Fairy Springs Road four laning.
- Improvements to State Highway 36.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	125	132	109
Depreciation	1	1	1
Total Costs	126	133	110
REVENUE			
Fees and charges	139	171	119
Total Revenue	139	171	119
Net Cost of Service	(12)	(38)	(9)

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Other renewals	3	0	3
Total Capital	3	0	3

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	(12)	(38)	(9)
Less Depreciation for Capital	(1)	(1)	(1)
Total Rates for/(from) Operations	(14)	(39)	(10)
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	1	1	1
Loans from/(to) Corporate Funds	1	(1)	2
Total Capital	3	0	3



infrastructural group **cont.**

Performance for 2008

Outcomes Promoted - A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
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.

Outcomes Promoted - A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Good, safe maintained services and roads. • Good quality infrastructure for future. 	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.



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

- Completion of another new landfill cell.
- Increase in recyclable material recovered.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	1,071	1,100	1,081
Depreciation	23	23	23
Finance	12	12	7
Total Costs	1,105	1,135	1,111
Net Cost of Service	1,105	1,135	1,111

Cost of Service Landfill

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	1,478	1,328	1,403
Depreciation	1,188	1,222	729
Finance	137	88	47
Total Costs	2,804	2,638	2,179
REVENUE			
Fees and charges	1,996	1,829	2,070
Capital grants and contributions	7	0	26
Total Revenue	2,003	1,829	2,096
Net Cost of Service	801	809	83

Cost of Service Refuse Collection

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	1,890	1,960	1,863
Total Costs	1,890	1,960	1,863
REVENUE			
Targeted rates	1,709	1,705	1,639
Investment income	18	14	15
Fees and charges	242	234	213
Total Revenue	1,969	1,954	1,867
Net Cost of Service	(78)	7	(4)

Capital Expenditure Waste Management

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Rural Transfer Station Development Backlog	30	250	31
Total Capital	30	250	31

Capital Expenditure Landfill

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Landfill Capital Development Renewal	1,798	1,344	1,867
Total Capital	1,798	1,344	1,867

How we pay for this activity Waste Management

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	1,105	1,135	1,111
Less Depreciation for Capital	(23)	(23)	(23)
Total Rates for/(from) Operations	1,082	1,112	1,088
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	23	23	23
Loans from/(to) Corporate Funds	7	227	8
Total Capital	30	250	31

infrastructural group **cont.**

How we pay for this activity

Landfill

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	801	809	83
Plus Capital Grants and Contributions	7	0	26
Funding	808	809	110
Less Depreciation for Capital	(1,188)	(1,222)	(729)
Total Rates for/(from) Operations	(380)	(413)	(619)
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	1,188	1,222	729
Loans from/(to) Corporate Funds	602	122	1,112
Capital Grants	7	0	26
Total Capital	1,798	1,344	1,867

How we pay for this activity

Refuse Collection

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	(78)	7	(4)
Total Rates for/(from) Operations	(78)	7	(4)

Performance for 2008

Outcomes Promoted - A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
• Waste reduction	Managing the collection, re-use and disposal of waste to always have landfill capacity available.	Annual waste statistics.	Decrease in landfilled waste.	Achieved. Trending down.
• Looking after our air, land and water resource		EBOP compliance reports.	Compliance with consent conditions.	Not achieved. One abatement notice

Outcomes Promoted - A safe and caring community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Good quality infrastructure for future	Provision of collection, disposal and recycling facilities.	Monthly capacity surveys.	Always have landfill capacity available.	Achieved.
		Surveys.	95% of population within 13kms of recycling facilities.	Achieved.
		Contractor records.	To complete weekly refuse collection as scheduled.	Achieved. Completed as scheduled.

Variance from budget

Refuse Collection

Capital Costs - Transfer Station Project cancelled.

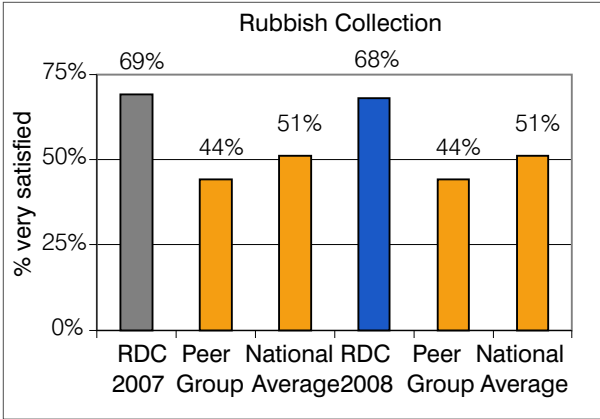
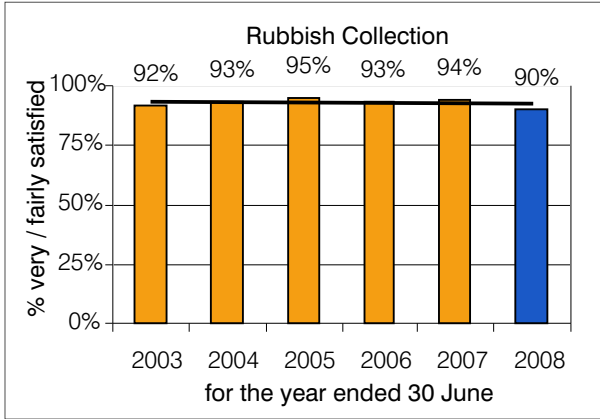
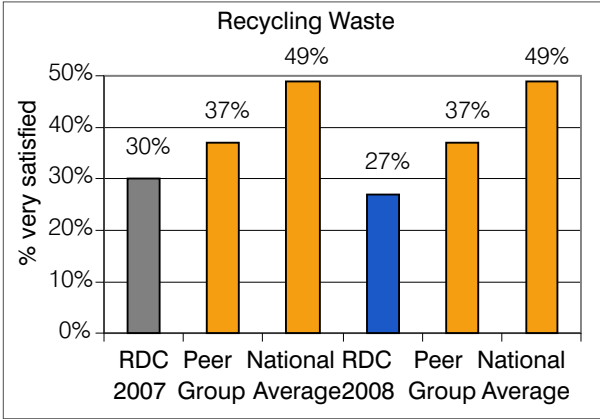
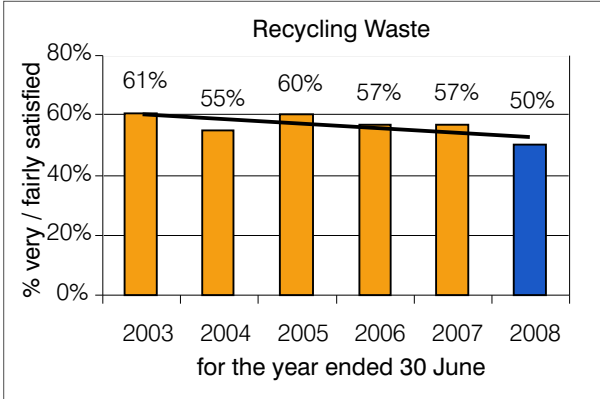
Landfill

Capital Costs - Landfill / Earthworks brought forward plus additional monies spent to meet EBOP requirements.



NRB Community Survey

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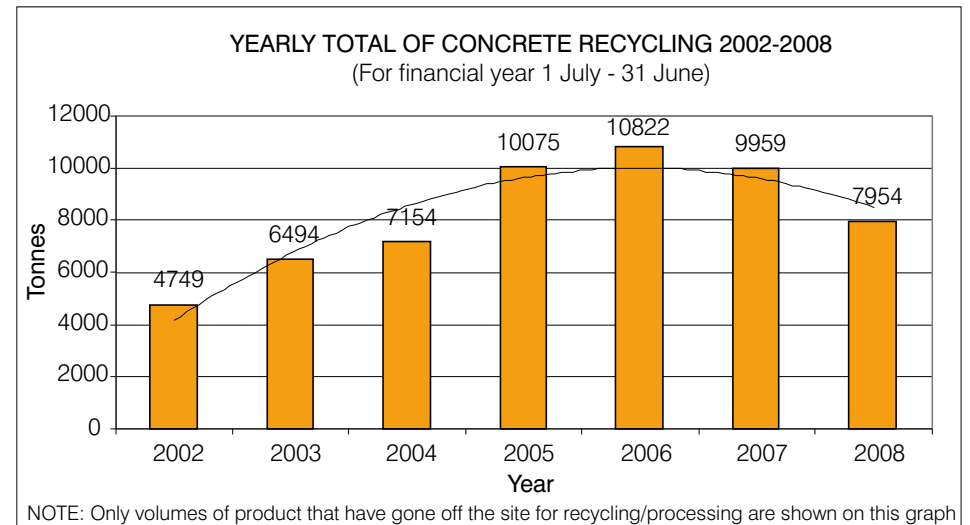
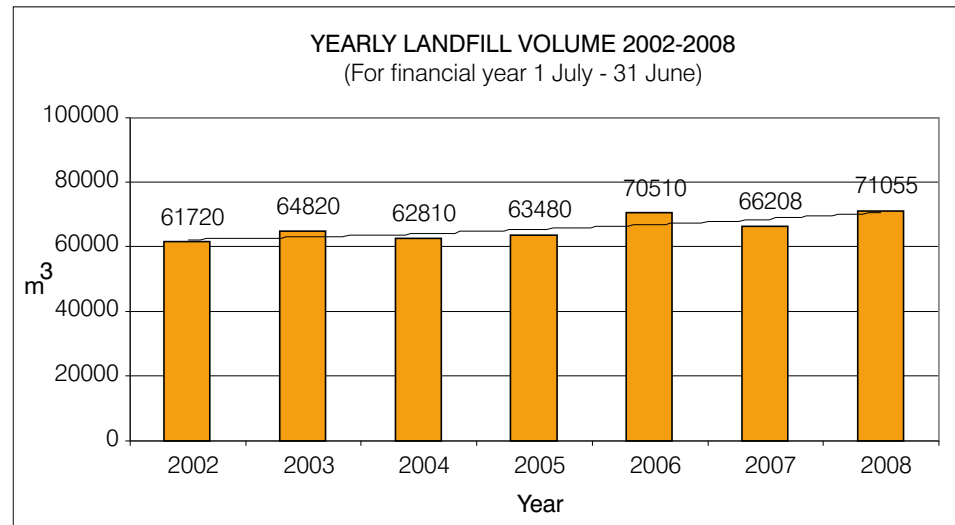
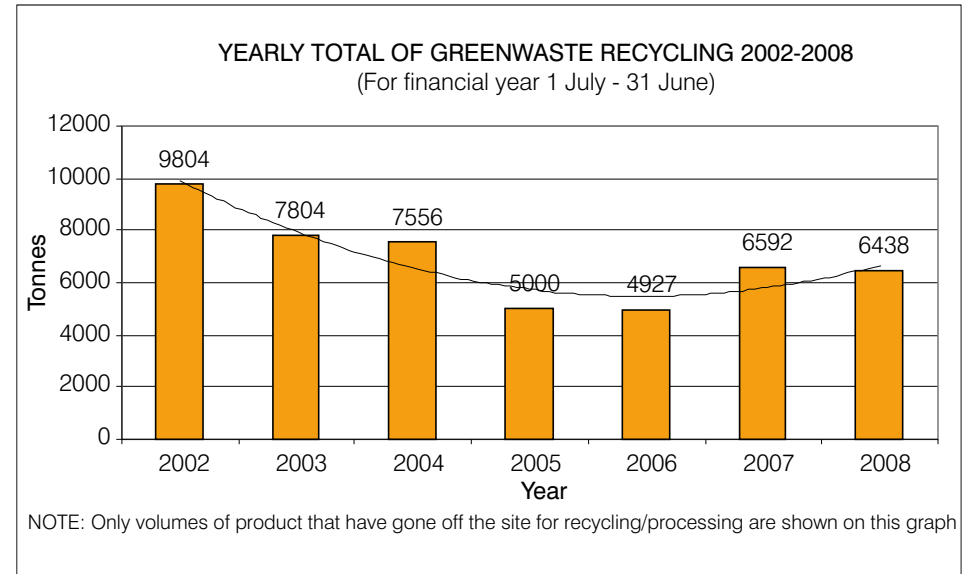
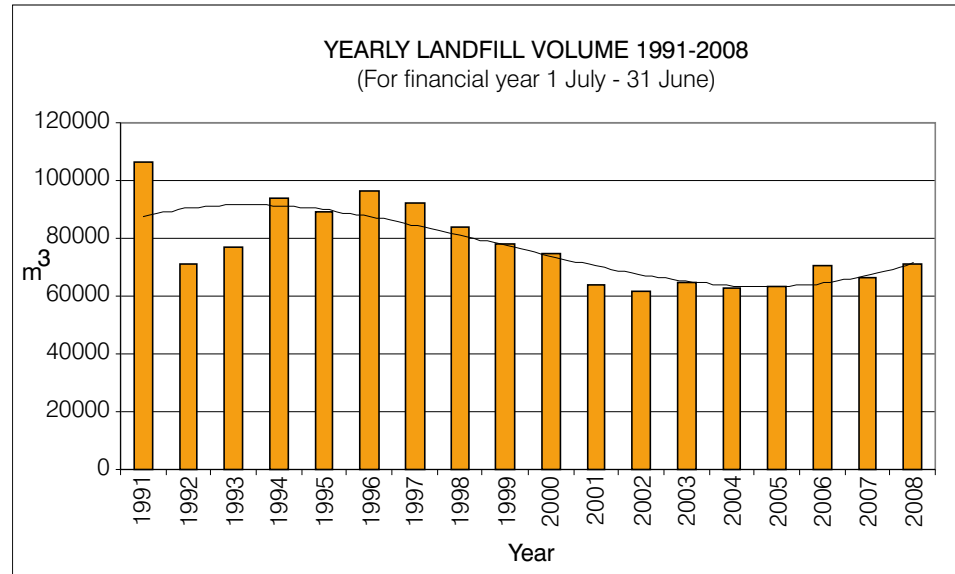
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These graphs shows the percentage of survey respondents that are "very" satisfied with this service over the last two years and compares it with our peer group and the national average

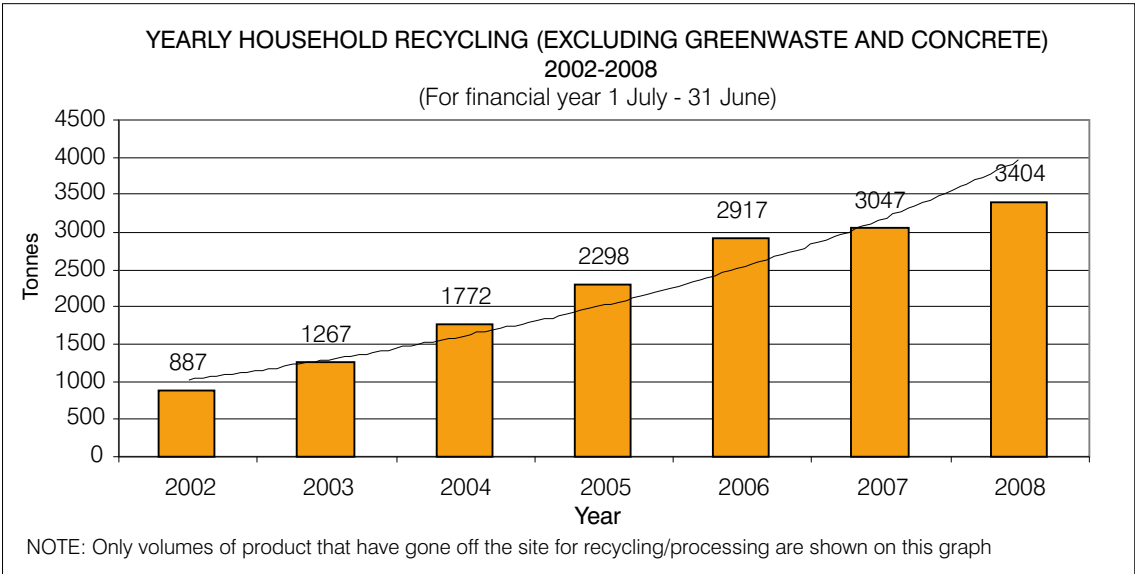


infrastructural group **cont.**

Other Indicators



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

- Completed construction of the Hinemoa Point sewerage scheme.
- Completed the design and tendered the contract for the Brunswick/Rotokawa sewerage scheme.
- Obtained central government funding for sewerage schemes for the four priority lakes for future years.
- Completed construction of a new inlet screen at the WasteWater Treatment Plant.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	5,400	6,116	5,348
Depreciation	4,488	4,316	4,335
Finance	516	828	513
Total Costs	10,403	11,260	10,196
REVENUE			
Targeted rates	9,652	9,543	8,871
Investment income	373	97	251
Fees and charges	180	20	543
Capital grants and contributions	319	5,559	2,478
Total Revenue	10,524	15,219	12,143
Net Cost of Service	(121)	(3,959)	(1,947)

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Hamurana Sewerage Backlog/Growth	5	150	0
Hinehopu Sewerage Backlog/Growth	34	150	1
Okareka Sewerage Backlog/Growth	26	2,765	209
Capital Overheads Growth/Backlog	159	394	183
Septic Tank Reticulation Growth/Backlog	1,355	969	30
Sewer Renewals Renewal	720	3176	316
Pump Stations Renewals Renewal	464	676	592
Treatment Plant Renewals Renewal	640	615	582
Land Treatment Renewals Renewal	390	181	141
Land Treatment Improvements Provision for Growth	12	209	0
Pump Station Capital Improvements Growth/Backlog	15	157	0
WWTP Upgrade Backlog/Growth	161	837	38
Reticulation Extension Growth/Backlog	65	619	61
Eastern Trunk Line Growth/Backlog	13	620	70
Brunswick/Rotokawa Sewerage Growth/Backlog	156	5,100	1,050

infrastructural group cont.

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Mourea Sewerage	0		
Backlog/Growth	0	0	77
Okawa Bay Sewerage			
Backlog	0	0	0
Okere Falls/Otaramarae Sewerage			
Backlog/Growth	67	1,508	82
Capital Overheads			
Growth/Backlog	116	288	396
Other renewals	6	4	18
Total Capital	4,405	18,419	3,846

Variance from budget

Operating - Ministry of Health grant delayed.

Capital Costs - Various projects delayed due to funding being delayed.

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	(121)	(3,959)	(1,947)
Plus Capital Grants and Contributions	319	5,559	2,478
Funding	198	1,600	531
Less Depreciation for Capital	(4,488)	(4,316)	(4,335)
Total Rates for/(from) Operations	(4,290)	(2,715)	(3,804)
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	4,484	4,316	4,334
Loans from/(to) Corporate Funds	(1,157)	8,292	(3,295)
Capital Grants	7	5,385	2,401
Development contributions	312	174	77
Reserves net	711	252	329
Asset sales	47	0	0
Total Capital	4,405	18,419	3,846

Performance for 2008

Outcomes Promoted - A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Good safe maintained services and roads • Good quality infrastructure for the future 	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.**

Performance for 2008

Outcomes Promoted - A healthy community

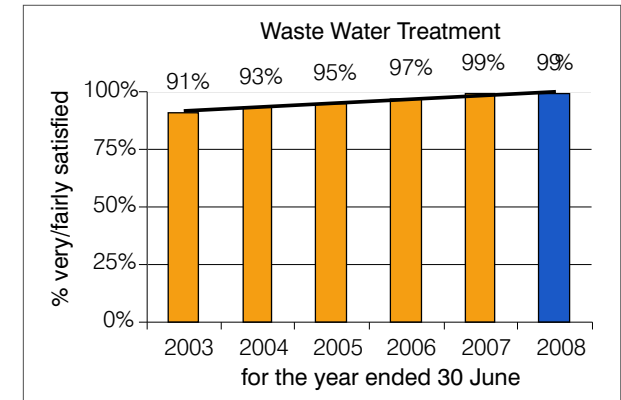
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
Improve health status for all.	Provision of an efficient collection treatment and disposal system for community wastewater from service areas.	Monitoring data	<ul style="list-style-type: none"> Continuous (24/7) operation of the wastewater service (flush and gone) Zero sewage overflows under normal operation conditions 	<p>Achieved.</p> <p>Achieved. No overflows.</p>

Outcomes Promoted - A community that respects its environment

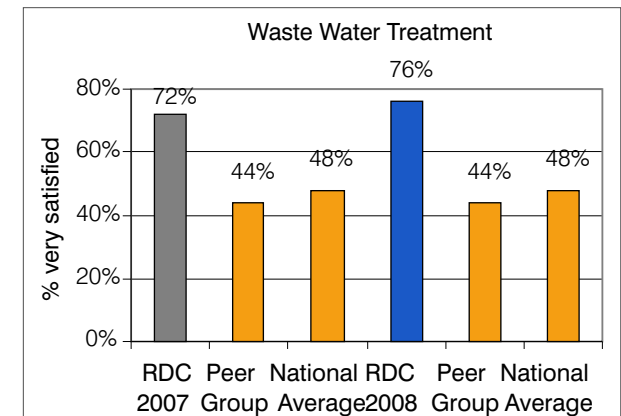
Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> Looking after our air, land and water resources. Improved Lake Water quality. 	Implementation and management of schemes to minimise impact on the environment.	Annual compliance report from Regional Council.	<ul style="list-style-type: none"> Compliance with air discharge requirement Compliance with water discharge standards 	<p>Achieved.</p> <p>One water discharge requirement unable to be fully met. This is being addressed by operational and capital improvement programmes in consultation with Environment BOP.</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

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

- Completed and adopted a Water Conservation Strategy.
- Completed design and purchased equipment for ultraviolet treatment of seven water supplies.

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 ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	3,396	4,044	3,645
Depreciation	2,154	1,978	2,396
Finance	86	261	98
Total Costs	5,636	6,284	6,139
REVENUE			
Targeted rates	6,223	5,986	5,416
Investment income	16	(2)	18
Fees and charges	35	74	27
Less internal water billing	(191)	(173)	(184)
Capital grants and contributions	145	1,014	185
Total Revenue	6,227	6,899	5,462
Net Cost of Service	(591)	(615)	677

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Urban Water			
Connections			
Renewals	0	3	0
Project Renewals			
Renewal	1,397	1220	903
Programmed Renewal			
Renewal	14	33	28
Capital Improvements			
Backlog/Growth	0	0	64
Reticulation Improvements			
Backlog/Growth	371	3,389	326
Backflow Preventors			
Provision for Growth	13	870	0
Water Treatment			
Backlog/Growth	606	109	66
Source Development			
Provision for Growth	2	109	19
Eastern Trunk Line			
Growth/Backlog	89	1,604	0
Mamaku Water			
Renewals	6	7	1
Capital Improvements			
Backlog/Growth	30	107	12
Rotoiti Water			
Programmed Renewals	3	3	1
Capital Improvements			
Backlog/Growth	57	109	0
Rotoma Water			
Renewals	10	22	0
Capital Improvements			
Backlog/Growth	43	87	0

infrastructural group cont.

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Kaharoa Water			
Renewals	19	5	5
Capital Improvements			
Backlog/Growth	78	178	0
Reporoa Water			
Renewals	25	158	9
Capital Improvements			
Backlog/Growth	201	875	102
Hamurana Water			
Renewals	3	1	0
Capital Improvements			
Backlog/Growth	27	52	0
Okareka Water			
Renewals	0	1	0
Other Renewals	5	3	
Total Capital	3,000	8,944	1,539

How we pay for this activity

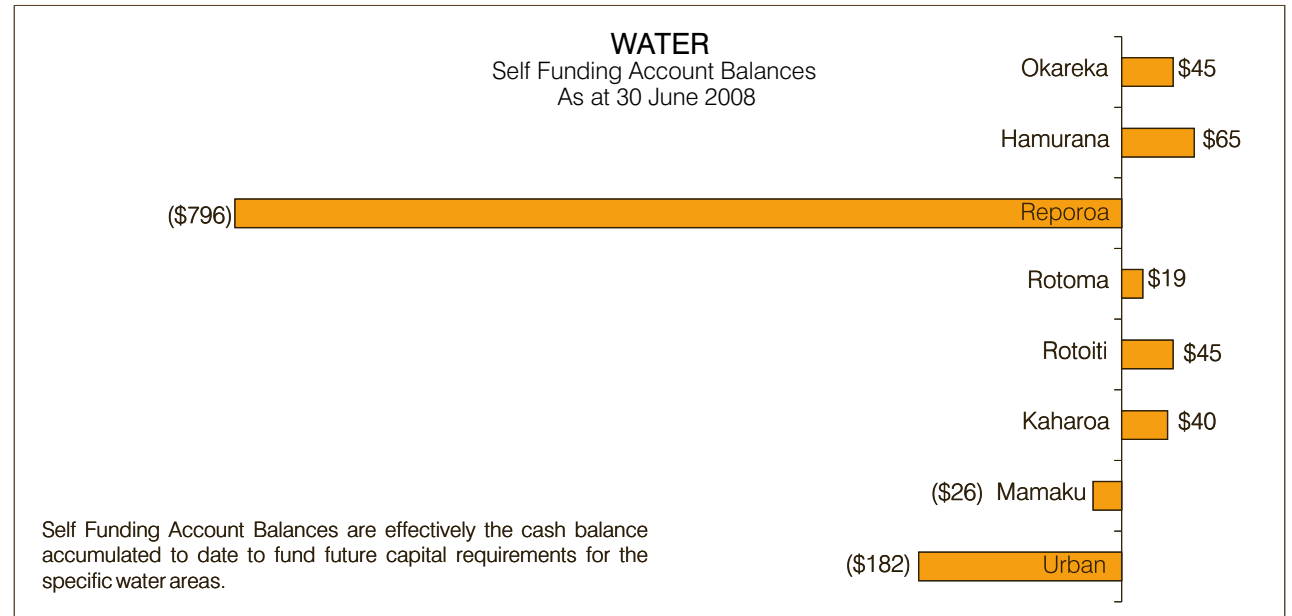
For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	(591)	(615)	677
Plus Capital Grants and Contributions	145	1,014	185
Funding	(446)	399	862
Less Depreciation for Capital	(2,154)	(1,978)	(2,396)
Total Rates for/(from) Operations	(2,600)	(1,579)	(1,534)

Variance from budget

Capital Costs - Various projects delayed. Water treatment project ahead of schedule due to other projects delayed.

How we pay for this activity

CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	2,154	1,978	2,388
Loans from/(to) Corporate Funds	461	5,952	(1,007)
Capital Grants	17	916	147
Development contributions	128	98	38
Reserves net	225	0	(38)
Asset sales	16	0	10
Total Capital	3,000	8,944	1,539



infrastructural group cont.

Performance for 2008

Outcomes Promoted - A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Safe drinking water. • Healthy whanau, healthy communities. 	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.	Partly achieved. Monitoring of the water supplied in the distribution system is 100% compliant. Currently treatment monitoring not 100% pending treatment upgrades currently underway.

Outcomes Promoted - A community with excellent facilities and services

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
<ul style="list-style-type: none"> • Good quality infrastructure for the future • Good safe, maintained services and roads 	Provision of excellent water network and treatment facilities for the following water schemes: Central Urban	Routine pressure flow tests. Hydraulic model analysis.	95% of connections will meet following: 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 2008

Outcomes Promoted - A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
	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.
	Reporoa/Mihi		20 litres/min minimum flow for residential. 505 litres/ha/ day farming. 3600m ³ /day factory. Min 15 metres pressure head. Max 90 metres pressure head.	Achieved.

infrastructural group cont.

Performance for 2008

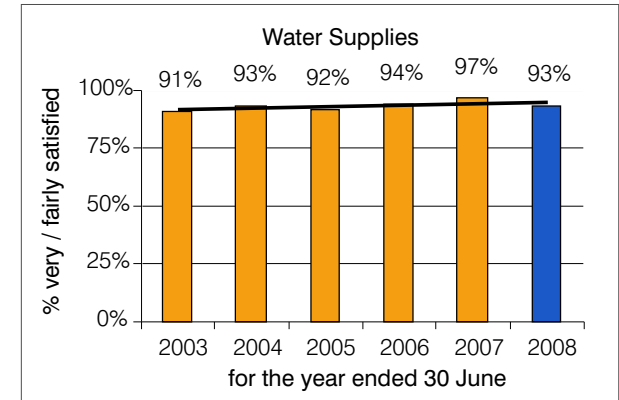
Outcomes Promoted - A healthy community

Sub outcomes (Key result areas)	Service provided	How We Will Measure	Target for 2007/08	Achievement as at 30.06.08
	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.

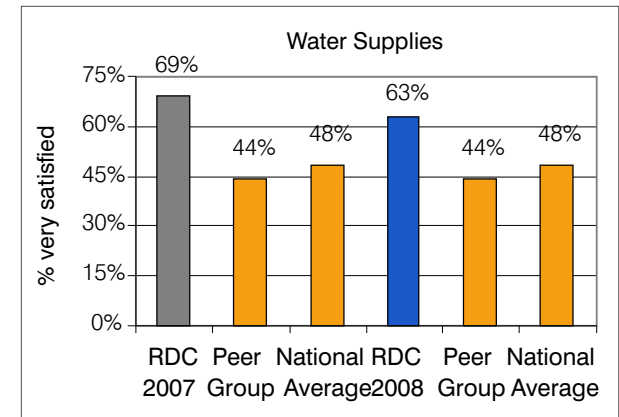
Note: Flow/pressure figures are at point of supply.

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

	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.

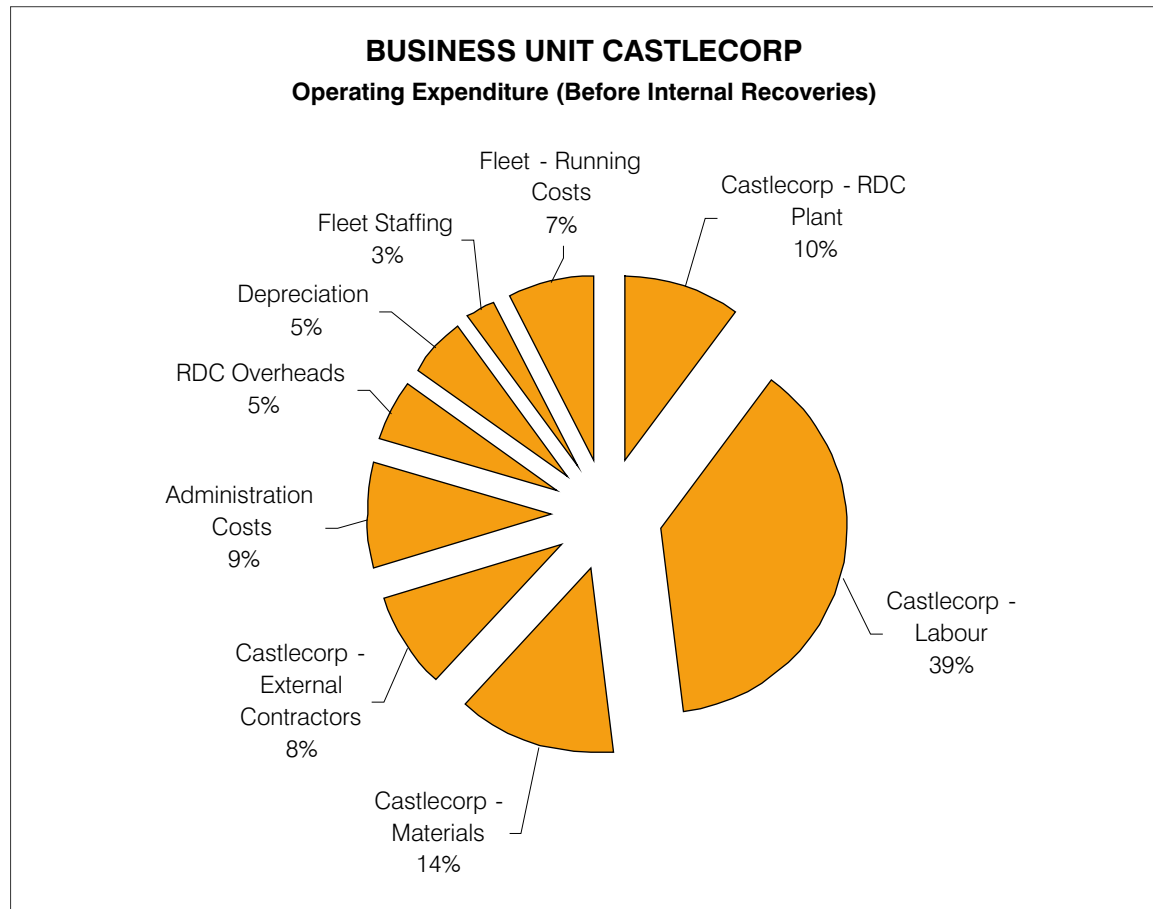
Potential Significant Negative Effects

Any significant effects will be identified in the activity area for which Castlecorp provides services



infrastructural group cont.

How the Money is Used



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

- **Environmental Strategies** – Castlecorp has continued to improve its operations and sustainability efforts by developing a corporate environmental policy, establishing an on-site recycling centre and becoming the first zero waste office within Rotorua District Council.
- **Marketing Successes** – Castlecorp's entry into the Wearable Creations and Colour Awards, "Wai Rotovegas", achieved third placing within the Corporate section, while one of the most highly attended and successful Chamber of Commerce BA5 gave the opportunity to showcase our services at the Redwoods. Finally the new refuse compactors have provided a unique travelling billboard concept for Castlecorp and in future the wider RDC organisation.
- **Low Pressure Grinder System** – We successfully completed the Hinemoa Point Sewerage Scheme, on time and within budget. Consultation with the community took place before construction started, and extremely positive feedback from the residents has been received regarding the project.

- **Safe Community Designation** – The signing of an MOU between Community Services and Castlecorp marked the beginning of an alliance to work together to help Rotorua achieve an International Safe Community designation.
- **Quality Systems** – The continuous review of processes and procedures within Quality Based Business systems resulted in another positive audit by Telarc.

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

Cost of Service

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATING COSTS			
Direct costs	(627)	(697)	(535)
Depreciation	785	826	699
Finance	20	22	17
Total Costs	177	151	181
REVENUE			
Fees and charges	298	150	346
Total Revenue	298	150	346
Net Cost of Service	(120)	0	(165)

Capital Expenditure

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
Fleet & Plant			
Renewal	1,072	1540	1,113
Other renewals	50	52	51
Total Capital	1,122	1,592	1,164

How we pay for this activity

For the year ending 30 June: (thousands)	2008 Actual	2008 Budget	2007 Last Year
OPERATIONAL FUNDING			
Net Cost of Service	(120)	0	(165)
Less Depreciation for Capital	(785)	(826)	(699)
Total Rates for/(from) Operations	(905)	(826)	(863)
CAPITAL FUNDING			
Capital funded by:			
Rates funding (depreciation equivalent)	746	826	660
Loans from/(to) Corporate Funds	131	458	375
Asset sales	245	308	129
Total Capital	1,122	1,592	1,164

Variance from budget

Operating - Increase revenue due to Hinemoa Point contract not budgeted

Capital Costs - Have achieved good savings in purchasing of company vehicle fleet.



rotorua regional airport ltd (rral) 2007/2008

Overview

The 2007/2008 financial year has been another successful financial year for RRAL. In April 2008 construction was completed on the new jet-aircraft terminal arrivals lounge, including border agency offices and screening areas.

We have seen an increase in private jets arriving at the airport which has produced a demand for additional overnight parking. The Board has investigated the issue of how to better utilise our existing aprons to cater for these new customers who are high end spenders in Rotorua during their stay.

RRAL and the Rotorua District Council have completed the changes to the Rotorua District Plan which were required to see the Airport progress. The Plan Change enables an extension of the runway to the south to bring the Airport's operational capability into line with other New Zealand Regional Airports. The environment court heard the Appeals to our Plan Change and the court's decision was released on 30 November 2007. The court approved the changes to the Rotorua District Plan with some amendments.

The southern extension to the runway has been designed, with construction scheduled to start in November 2008.

Passenger Movements

The 2007/08 financial year showed a 2.3% growth in arriving passengers and a 7.21% growth in departing passengers, with a combined overall 4.6% growth in total passenger movements. Passenger numbers reached 300,000, up from 288,000 in 2006/07.

There was good growth in the Auckland and Wellington flights (15.5% increase and 14.6% increase respectively), but reduced passenger numbers for the Christchurch/Queenstown route (5.94% less).

Financial

RRAL increased its Revenue by \$98,000 (3.3%) and the net surplus for the year was \$317,000.

Management & Governance

No company governance changes were made during the 2007/08 financial year, with the Board comprising Chairman Neil Oppatt, Bob Martin, Ray Cook, Bill Kingi and Mike McVicker.

2007/08 Results

Statement of Financial Performance

For the year ended 30 June: (thousands)	2008	2007	2006
Revenue	3,027	2,929	2,636
Expenditure	2,710	2,610	2,338
Surplus	317	319	298
Taxation	0	0	0
Net surplus	317	319	298

Statement of Financial Position

As at 30 June: (thousands)	2008	2007	2006
Current assets	1,533	1,872	1,446
Current liabilities	390	462	268
Working capital	1,143	1,410	1,177
Plant, property and equipment	889	304	230
	2,032	1,714	1,407
Financed by:			
Equity	2,032	1,714	1,407
Debt			
	2,032	1,714	1,407

Financial Forecasts & Performance Targets

Year ending 30 June: (thousands)	Budget 2008	Actual 2008
Total Revenue	2,709	3,028
Total Costs	2,650	2,711
Surplus/deficit before tax	59	317
Provision for tax	-	-
Surplus/deficit after tax	59	317
Total Assets (Net of liabilities)	1,400	2,032
Total shareholders funds	1,400	2,032
Net profit after tax to average shareholders funds	10%	17%

rotorua regional airport ltd (rral) 2007/2008

Conclusion

The 2007/2008 financial year was another successful year for RRAL, the company has been able to deliver to the Landlord significant rental income above expectation.

Construction is completed on the extended secure arrivals terminal. The building has been designed to serve as an arrivals lounge for both Domestic and International Jet-aircraft. The new building will allow the company to grow the number of international charter flights and develop scheduled trans-Tasman flights on completion of the proposed southern runway extension.

Appeals against the independent commissioner's decision regarding the proposal to extend the southern end of the runway were heard in the environment court in November 2007. A decision from the environment court was released on 30 November 2007. The southern runway extension will provide Rotorua Airport with similar operating capability to other regional airports and provide for full trans-Tasman services. The construction of the arrivals terminal is a huge step for the community and the Board wishes to thank the Rotorua District Council for this investment in the future of the Airport.

Finally, RRAL wishes to acknowledge the support of its customers and contractors, in particular Air New Zealand and Qantas for their continued support and contribution to the Rotorua and wider Bay of Plenty economy.



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 new 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 2008, 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 2007/08 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.	Whilst the overall level of cash funds has decreased during the year, LASS has been able to maintain a positive bank balance each month.
Customers will be surveyed annually to ensure that there is at least 90 percent satisfaction with the services provided.	A shareholder survey was forwarded to all 13 shareholders, with a total of 5 survey forms being completed and returned. The results show 82% satisfaction has been received 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. Administration costs were below budget for the year.
The CEO will provide a written report on the business operations and financial position of the LASS as a minimum on a six monthly basis.	Six monthly reports were provided.



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 the Statement of Intent. There is no provision in Council's financial statements for this shareholding for the year to 30 June 2008.

Performance Targets for 2008	Performance Indicators	Actual	Target
Initial Targets			
Get umbrella company operating effectively in both Government and Management terms.	Legal documentation completed. Management reporting initiated. Accounting system set up and providing reports	30 June 2008	30 June 2008
Develop draft operational principles regarding developing and approving shared services.	Draft Policy statement prepared for approval.	30 June 2008	30 June 2008
	Draft Business case templates set up.	9 May 2008	30 June 2008
Develop communication lines with each shareholding council at appropriate levels.	Management team meetings with constituent councils.	9 May 2008	30 June 2008
Develop communication lines with shared service CCOs of neighbouring regions.	Regular contact initiated.	Contact made with one LASS.	30 June 2008
Ongoing Targets			
Achieve effective operation of at least 5 shared services with each service contributing appropriately to the costs of the umbrella vehicle.	Advisory group established. Service levels agreed and implemented. Cost recovery/levy applied.	1 service approved, 5 groups established. Levies agreed for established groups.	5 services by 30 June 2009

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:		Council 2008 Actual	Council 2008 Annual Plan	Council 2007 Last Year	Group 2008 Actual	Group 2008 Annual Plan	Group 2007 Actual
(thousands)							
Income							
Rates Revenue	Note 3	59,724	59,981	56,400	59,690	59,946	56,367
Other Revenue	Note 3	39,297	40,108	33,042	41,131	41,840	34,721
Other Gains / (Losses)	Note 3	382	-	635	72	-	321
Total Income	Note 3	99,401	100,089	90,077	100,894	101,786	91,409
Expenditure							
Employee Benefit Expenses	Note 4	29,247	28,955	27,676	29,247	28,955	27,676
Depreciation and Amortisation	Note 4	23,429	22,863	22,676	23,509	22,898	22,714
Other Expenses	Note 4	32,920	35,466	31,643	34,332	36,926	32,937
Finance Costs	Note 4	6,110	7,337	4,596	6,110	7,337	4,596
Total Expenditure	Note 4	91,706	94,621	86,591	93,198	96,116	87,923
Surplus before Taxation		7,695	5,468	3,486	7,696	5,670	3,486
Taxation	-	-	-	-	-	-	-
Net Surplus after Taxation		7,695	5,468	3,486	7,695	5,670	3,486

The accompanying Notes should be read in conjunction with these Financial Statements.

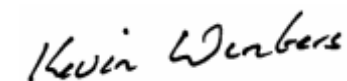
statement of changes in equity

for the year ended 30 June: (thousands)	Council 2008 Actual	Council 2008 Annual Plan	Council 2007 Last Year	Group 2008 Actual	Group 2008 Annual Plan	Group 2007 Last Year
Opening balance	764,420	736,725	736,261	764,420	736,725	736,254
<i>Property, Plant and Equipment</i>						
- Revaluations gains/(losses) taken to equity	-	-	24,649	-	-	24,649
<i>Financial Assets at Fair Value through Equity</i>						
- Valuations gains/(losses) taken to equity	74	-	24	74	-	24
<i>Other Movements</i>						
- Previous year's consolidation differences	-	-	-	-	-	7
Net income/(expense) recognised directly in equity	74	-	24,673	74	-	24,680
Surplus/(deficit) for the year	7,695	5,469	3,486	7,695	5,671	3,486
Total recognised income/(expense) for the year	7,769	5,469	28,159	7,769	5,671	28,166
Closing balance	772,189	742,194	764,420	772,189	742,396	764,420

The accompanying Notes should be read in conjunction with these Financial Statements.

statement of financial position

	as at 30 June: (thousands)	Council 2008 Actual	Council 2008 Annual Plan	Council 2007 Last Year	Group 2008 Actual	Group 2008 Annual Plan	Group 2007 Last Year
Assets							
Current Assets							
Cash and Cash Equivalents	Note 6	2,045	2,148	2,978	3,300	3,977	4,605
Trade and Other Receivables	Note 7	16,476	11,677	10,886	16,752	11,922	11,130
Inventories	Note 8	1,294	1,238	1,182	1,296	1,238	1,182
Provision for Taxation		-	-	-	-	-	-
Non-Current Assets Held for Sale		-	1,092	-	-	1,092	-
Total Current Assets		19,815	16,155	15,046	21,348	18,229	16,917
Non-Current Assets							
Trade and Other Receivables	Note 7	22	-	29	22	-	29
Property, Plant and Equipment	Note 9	857,638	864,085	845,400	858,523	864,387	845,702
Intangible Assets	Note 10	1,969	1,595	1,729	1,973	1,597	1,731
Forestry Assets	Note 11	409	856	414	409	856	414
Other Financial Assets	Note 12	2,478	3,185	2,063	446	1,471	341
Total Non-Current Assets		862,516	869,721	849,635	861,373	868,311	848,217
Total Assets		882,331	885,876	864,681	882,721	886,540	865,134
Liabilities							
Current Liabilities							
Trade and Other Payables	Note 13	20,373	11,190	18,539	20,732	11,632	18,972
Provisions	Note 14	440	60	600	440	60	600
Employee Benefit Liabilities	Note 15	4,298	2,430	3,865	4,329	2,450	3,885
Borrowings	Note 16	38,732	12,507	23,217	38,732	12,507	23,217
Total Current Liabilities		63,843	26,187	46,221	64,233	26,649	46,674
Non-Current Liabilities							
Provisions	Note 14	1,486	1,506	1,673	1,486	1,506	1,673
Employee Benefit Liabilities	Note 15	686	839	732	686	839	732
Borrowings	Note 16	44,128	115,151	51,635	44,128	115,151	51,635
Total Non-Current Liabilities		46,300	117,496	54,040	46,300	117,496	54,040
Total Liabilities		110,143	143,683	100,261	110,533	144,145	100,714
Equity							
Retained Earnings	Note 17	781,994	444,025	771,895	781,994	444,227	771,895
Self-Funding Reserves	Note 17	(35,462)	(53,942)	(34,352)	(35,462)	(53,942)	(34,352)
Council Created Reserves	Note 17	(2,514)	31	182	(2,514)	31	182
Restricted Reserves	Note 17	3,292	1,216	1,890	3,292	1,216	1,890
Fair Value through Equity	Note 17	230	-	156	230	-	156
Asset Revaluation Reserve	Note 17	24,649	350,863	24,649	24,649	350,863	24,649
Total Equity		772,189	742,193	764,420	772,189	742,395	764,420



Mayor

Date 31 October 2008



Chief Executive

Date 31 October 2008

The accompanying Notes should be read in conjunction with these Financial Statements

statement of cashflows

	Council 2008 Actual	Council 2008 Annual Plan	Council 2007 Actual	Group 2008 Actual	Group 2007 Actual
for the year ended 30 June: (thousands)					
Cash Flows from Operating Activities					
Receipts from Rates Revenue	58,581	59,811	55,966	58,547	55,933
Interest Received	217	32	368	324	455
Dividends Received	12	-	1	12	1
Receipts from Other Revenue	35,598	37,043	35,563	37,434	37,313
Payments to Suppliers and Employees	(62,619)	(63,275)	(59,345)	(64,247)	(62,546)
Net Movement in Agencies	113	-	(431)	113	(431)
Interest Paid	(6,171)	(7,337)	(4,599)	(6,171)	(4,599)
Income Tax Paid	-	-	-	-	-
Goods and Services Tax (net)	(3,548)	-	(1,077)	(3,546)	1,075
Net Cash from Operating Activities (Note 18)	22,182	26,274	26,446	22,466	27,201
Cash Flows from Investing Activities					
Proceeds from Sale of Property, Plant and Equipment	1,024	929	617	1,024	620
Proceeds from Sale of Intangible Assets	-	-	50	-	50
Collection on Advances	14	15	20	14	20
Purchase of Property, Plant and Equipment	(31,147)	(63,750)	(43,845)	(31,799)	(43,956)
Purchase of Intangible Assets	(1,013)	-	(1,064)	(1,016)	(1,066)
Loan Advances Made	-	(996)	-	-	-
Net Movement in Investments	-	(360)	-	-	-
Net Cash from Investing Activities	(31,123)	(64,162)	(44,222)	(31,778)	(44,332)
Cash Flow from Financing Activities					
Proceeds from Borrowings	5,000	47,502	15,188	5,000	15,188
Repayment of Borrowings	(9,007)	(9,007)	(10,400)	(9,007)	(10,400)
Proceeds from short term borrowing (bank facilities)	12,015	-	9,210	12,015	9,210
Net Cash from Financing Activities	8,008	38,495	13,998	8,008	13,998
Net (decrease)/increase in Cash, Cash Equivalents and Bank Overdraft	(932)	607	(3,778)	(1,304)	(3,133)
Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year	2,978	1,541	6,756	4,605	7,738
Cash, Cash Equivalents and Bank Overdrafts at the end of the year	2,045	2,148	2,978	3,300	4,605

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 2008

Note 1: Statement Of Accounting Policies

Reporting Entity

Rotorua District Council is a territorial local authority governed by the Local Government Act 2002.

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 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 the Rotorua District Council group are for the year ended 30 June 2008. The financial statements were authorised for issue by Council on 31 October 2008.

Basis of preparation

The financial statements of the Rotorua District Council group have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, 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.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, infrastructural assets, collections, biological assets and financial instruments.

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.

Standards, amendments and interpretations issued that are not yet effective and have not been early 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 (RDC) 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 standard gives the RDC 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 RDC 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 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. The RDC intends to adopt this standard for the year ending 30 June 2010 and has not yet quantified the potential impact of the new standard.

Subsidiaries

Rotorua District Council consolidates as subsidiaries in the group financial statements all entities where the 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 the Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

notes to the financial statements **cont.**

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 the Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the 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.

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 consolidation.

The Rotorua District Council's investment in its subsidiaries are carried at cost in the 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.

Other revenue

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Traffic and parking infringements are recognised when tickets are paid.

The Rotorua District Council receives government grants from Land Transport New Zealand, which subsidises part of 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.

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.

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash / Eftpos or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

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.

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 income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

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".

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 Group 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 Group's decision.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

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. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

notes to the financial statements **cont.**

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

Deferred tax 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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

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 Group 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 amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

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

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 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.

Loans, including loans to community organisations made by the Group 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 asset/investment. They 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.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

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 and current replacement cost.

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.

The write down from cost to current replacement cost or net realisable value is recognised in the statement of financial performance.

Financial assets

The Group 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.

notes to the financial statements **cont.**

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 group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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. The Group 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 estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are

classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

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

Currently, the Group does not hold any financial assets in this category.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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.

Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity.

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.

Currently, the Group 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.

This category encompasses:

- Investments that the Group intends to hold long-term

but which may be realised before maturity; and

- Shareholdings that the Group holds for strategic purposes. The 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.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of financial performance. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the statement of financial performance irrespective that the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

Impairment of financial assets

At each balance sheet date the Group 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.

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.

notes to the financial statements **cont.**

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

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 the Group 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.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably.

Accounting for revaluations

The Group 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 in 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 2005. 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 2005 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 are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

RDC assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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 2005 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 2005 have been capitalised at historical cost. The value of the library collection is revised at three yearly intervals.

The collections of the Rotorua Museum of Art & History are valued at 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.

Depreciation

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

- Land is not depreciated.
- Roading, wastewater reticulation, stormwater systems and water reticulation assets are depreciated as noted below. A number of the components of the roading network such as excavation, sub base materials and

notes to the financial statements cont.

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	Years
Bathhouse building	40
Buildings (other)	50
Plant and Equipment	10 to 15
Office Equipment	5
Furniture and Fittings	10 to 20
Computer Systems	3 to 5
Library Books (excl Reference)	2 to 15
Parking	10 to 50
Landfill Improvements	3 to 100
Wastewater Reticulation	
Man holes	110
Treatment Plant	10 to 100
Pump Stations	10 to 75
Pipes	100
Water Reticulation	
Pipes	50 to 90
Motors/Pumps	20 to 30
Reservoirs and other	
Water-Retaining Structures	50 to 100
Meters	15 to 100

Parks

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

Airport

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

Intangible assets

Software acquisition and development

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

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Group, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

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	33-20%
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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.

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

notes to the financial statements **cont.**

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

The value in use for cash-generating assets 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.

Employee benefits

Short-term benefits

Employee benefits that the Group 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.

The Group 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 the Group anticipates it will be used by staff to cover those future absences.

The Group 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 benefits

Long service leave and retirement leave 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 8% and an inflation factor of 2.5% 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, 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 21.

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.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group 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 the Group will be required to

notes to the financial statements **cont.**

reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if the Group 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.

Borrowings

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

Equity

Equity is the community's interest in the Rotorua District Council group 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
- Sinking fund reserves
- Fair value through equity reserves
- Asset revaluation reserves

Restricted and Council created 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 the Group.

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

The Group's objectives, policies and processes for managing capital are described in note 26.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and 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 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 the Group for the preparation of the financial statements.

Cost allocation

The Rotorua District Council group has derived the cost of service for each significant activity of the Group 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 the Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. 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:

Provisions

Note 14 discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision and the rates refund provision.

Infrastructural assets

There are a number of assumptions and estimates used when performing DRC 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

notes to the financial statements **cont.**

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 the 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 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 Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers certify the infrastructural asset revaluations performed by the Council's engineers.

Critical judgements in applying the Group's accounting policies

Management has exercised the following critical judgements in applying the Council's accounting policies for the period ended 30 June 2008:

Classification of property

The Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of discounted market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

The 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 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 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		
	2008 Actual	2008 Budget	2007 Last Year	2008 Actual	2008 Budget	2007 Last Year	2008 Actual	2008 Budget	2007 Last Year
Rates									
General Rates				43,712	43,509	41,867	(43,712)	(43,509)	(41,867)
Rate Write-offs	(61)	983	817				(61)	983	817
Internal Rates	(795)	(803)	(772)	(795)	(803)	(772)	-	-	-
	(856)	180	45	42,917	42,706	41,095	(43,773)	(42,526)	(41,050)
Community Leadership									
Democracy	2,085	2,115	1,652	167	154	31	1,918	1,961	1,621
Policy & Strategic Direction	1,588	1,891	1,281	653	1,019	519	934	872	762
Kaupapa Maori	294	254	217	-	-	4	294	254	213
	3,967	4,260	3,150	820	1,173	554	3,147	3,087	2,596
Social And Cultural									
Aquatic Facilities	2,863	2,832	2,468	1,130	1,185	1,022	1,733	1,647	1,446
Cemeteries/Crematorium	374	374	337	241	187	217	132	188	120
City Services Operations	2,775	3,005	2,602	1,488	1,632	1,447	1,287	1,374	1,155
Civil Defence Emergency Management	313	338	280	13	20	14	299	318	266
Community Assistance	1,075	1,104	1,096	109	133	107	966	971	989
Community Halls	309	313	289	17	16	17	293	296	272
Community Policy & Resources	1,261	1,330	1,099	252	128	126	1,009	1,203	973
Event Venues	5,927	5,548	5,293	4,170	4,393	2,332	1,757	1,155	2,961
Pensioner Housing	1,052	972	912	611	629	742	441	343	170
Public Gardens/General Reserves	10,193	9,943	9,217	2,667	1,832	1,845	7,526	8,111	7,372
Public Library	3,443	3,645	3,316	363	365	431	3,079	3,280	2,885
Rotorua Museum of Art and History	3,006	2,905	2,737	3,073	2,380	1,111	(67)	525	1,626
	32,591	32,309	29,646	14,134	12,900	9,411	18,457	19,411	20,235
Environmental									
Animal Control	856	870	818	533	525	505	323	344	313
Building Control	2,232	2,435	1,921	1,817	1,976	1,456	415	460	465
Environmental Planning	3,824	3,857	3,290	344	306	347	3,480	3,551	2,943
Inspection	1,356	1,492	1,300	355	358	363	1,001	1,134	937
Parking Enforcement	1,002	975	909	1,691	1,457	1,508	(689)	(482)	(599)
	9,270	9,629	8,238	4,740	4,622	4,179	4,531	5,006	4,059
Economy									
Destination Rotorua Economic Development	1,017	1,248	999	191	303	251	826	945	748
Destination Rotorua Tourism Marketing	2,377	2,438	2,193	463	548	448	1,914	1,890	1,745
Tourism Rotorua Travel & Information	1,833	1,767	1,594	1,804	1,428	1,513	29	339	81
	5,227	5,453	4,786	2,458	2,279	2,212	2,769	3,174	2,574

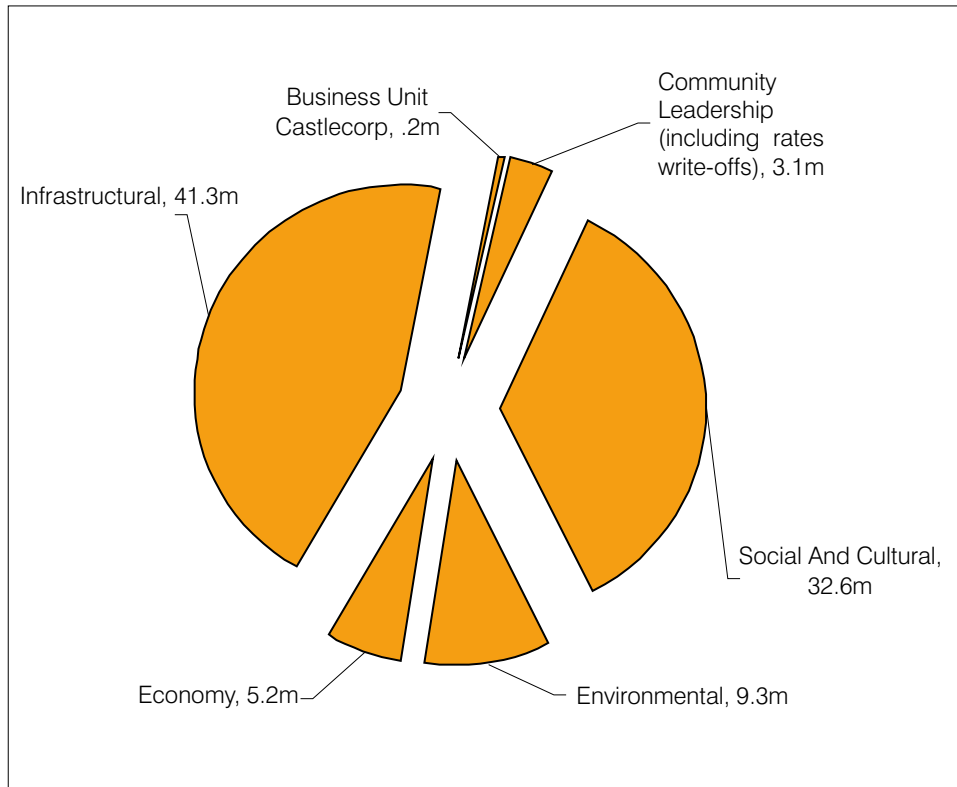
notes to the financial statements **cont.**

Note 2: Performance by Council Activity

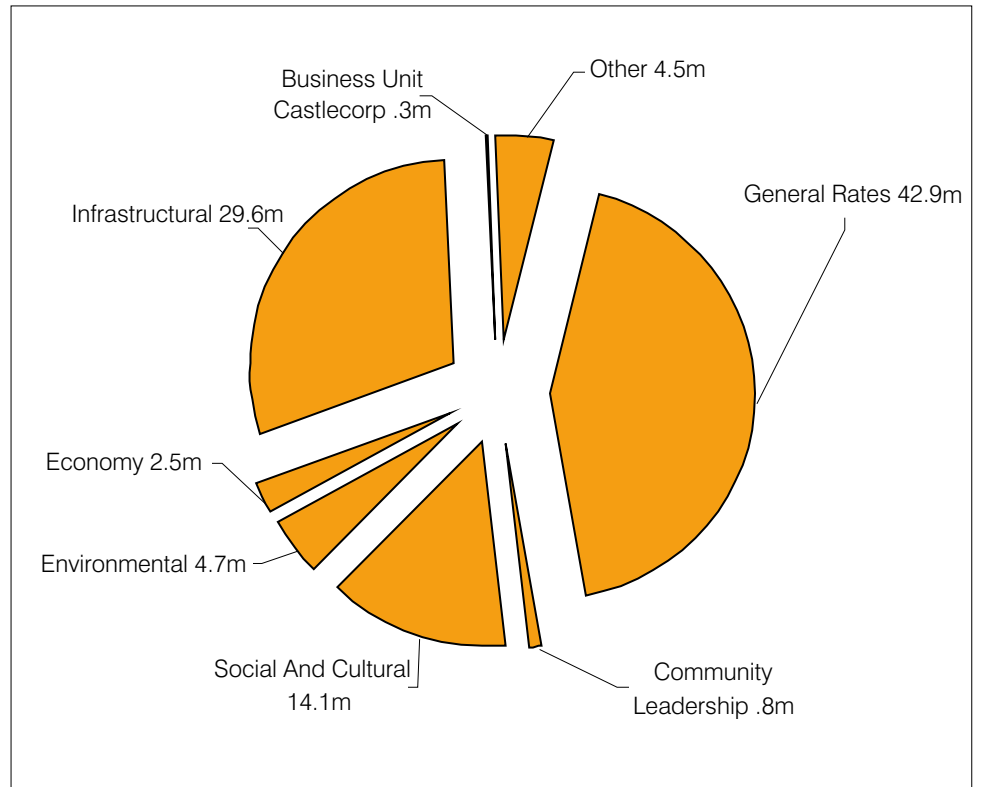
for the year ended 30 June: (thousands)	Expenditure			Income			Net Cost Of Service		
	2008 Actual	2008 Budget	2007 Last Year	2008 Actual	2008 Budget	2007 Last Year	2008 Actual	2008 Budget	2007 Last Year
Infrastructural									
Engineering Compliance	507	411	373	1,024	667	775	(517)	(256)	(402)
Land Drainage	2,865	2,943	2,564	141	112	120	2,724	2,831	2,444
Landfill	2,804	2,638	2,179	2,003	1,829	2,096	801	809	83
Rotorua Regional Airport	2,755	2,279	2,612	1,340	1,141	1,255	1,415	1,138	1,357
Refuse Collection	1,890	1,960	1,863	1,969	1,954	1,867	(78)	7	(4)
Transport (Road Safety)	374	359	196	302	252	120	72	107	76
Transport	12,851	13,245	13,115	5,883	6,269	5,725	6,968	6,976	7,390
Rural Fire	205	164	231	13	6	74	191	158	157
Transport (State Highway Management)	126	133	110	139	171	119	(12)	(38)	(9)
Waste Management	1,105	1,135	1,111	-	-	-	1,105	1,135	1,111
Waste Water	10,403	11,260	10,196	10,524	15,219	12,143	(121)	(3,959)	(1,947)
Water	5,636	6,284	6,139	6,227	6,899	5,462	(591)	(615)	677
	41,521	42,811	40,689	29,565	34,519	29,756	11,957	8,293	10,933
Business Unit Castlecorp									
Castlecorp	177	151	181	298	150	346	(120)	0	(165)
	177	151	181	298	150	346	(120)	0	(165)
Other									
Assets Vested in Council				4,134	1,740	1,872	(4,134)	(1,740)	(1,872)
Other Non Operational Income				31		306	(31)	-	(306)
Other Non Operational Expenditure			40				-	-	40
Reversal impairment loss of Other Financial Assets				310		314	(310)	-	(314)
Increase(dec) fair value of forestry assets				(5)		32	5	-	(32)
Internal Profit within Costs	(191)	(173)	(184)				(191)	(173)	(184)
	(191)	(173)	(144)	4,470	1,740	2,524	(4,661)	(1,913)	(2,668)
Total Per Statement Financial Performance	91,706	94,621	86,591	99,401	100,089	90,077	(7,695)	(5,468)	(3,486)

notes to the financial statements cont.

Operating Expenditure by significant activity for the year ended 30 June 2008



Operating Income by significant activity for the year ended 30 June 2008



notes to the financial statements **cont.**

Note 3: Income by Category	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Rates Revenue				
General Rates	43,713	41,867	43,713	41,867
Refuse Rates	1,709	1,639	1,709	1,639
Sewerage Rates	9,094	8,407	9,094	8,407
Water Rates (including water by meter)	6,186	5,415	6,186	5,415
Lakes Enhancement Rate	385	382	385	382
Eastern Sewerage Capital Rates	59	82	59	82
Less Rates Paid by Council / Group	(794)	(772)	(828)	(805)
Less Water by Meter Paid by Council	(191)	(184)	(191)	(184)
Less Rate Remissions	(437)	(436)	(437)	(436)
Total Rates	59,724	56,400	59,690	56,367
Other Revenue				
Airport			3,028	2,829
Assets recognised for first time	-	130	-	130
Dividend	12	1	12	1
Interest- Bank	217	364	324	451
Interest-Advances	-	1	-	1
Vested Assets	4,134	1,872	4,134	1,613
Other Revenue	2,432	978	1,132	-
Subsidies& Grants	10,630	10,041	10,630	10,041
Development Contributions	998	270	998	270
Fees & Charges	5,629	4,937	5,629	4,937
Trading Revenue	15,245	14,448	15,245	14,448
Total Other Revenue	39,297	33,042	41,131	34,721
Other Gains				
Gain (loss) on changes in fair value of forestry assets (note 12)	(5)	32	(5)	32
Gain on disposal of Property, Plant and Equipment	46	102	46	102
Gain on changes in fair value of suspensory loans payable (notes 17 and 21)	-	187	-	187
Reversal impairment loss of SVDS Shares	31	-	31	-
Reversal impairment loss of Other Financial Assets	310	314	-	-
Total Other Gains	382	635	72	321
	99,401	90,077	100,893	91,409

notes to the financial statements cont.

* Payments of \$13,630, \$33,206 and \$31,222 were made to three employees, by the Rotorua District Council to 30 June 2008, per Section (1)(19), Schedule 10 of the Local Government Act 2002. (2007: payments of \$1,000, \$7,000 and \$13,000 to three employees)

Note 4: Expenditure by Category	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Employee Benefit Expenses				
Salaries and Wages	28,073	26,584	28,073	26,584
Severance Payments *	78	21	78	21
Defined Contribution Plan Employer Contributions	709	595	709	595
Increase/(decrease) in employee benefit liabilities	387	476	387	476
Total Employee Benefit Expenses	29,247	27,676	29,247	27,676
Depreciation and Amortisation				
Depreciation on Property, Plant and Equipment	21,771	20,694	21,850	20,730
Depreciation on Intangible Assets	773	584	774	586
Loss on disposal	886	1,398	886	1,398
Total Depreciation and Amortisation	23,430	22,676	23,510	22,714
Other Expenses				
Audit fees for Annual Audit	99	83	120	94
Audit fees for NZ IFRS transition	7	5	7	5
Audit fees for Other Services	2	13	2	13
Change in Rates Refund Provision	(323)	(45)	(323)	(45)
Councillor Remuneration	572	558	572	558
Directors' Fees	-	-	59	59
Donations	100		100	
Grants and contributions	1,035	1,185	1,035	1,185
Change in impairment of Trade and Other Receivables	(436)	179	(435)	199
Impairment of Property, Plant and Equipment	-	-	-	-
Insurance Premiums	815	835	880	920
Other Expenditure	30,369	27,918	31,635	29,037
Research and Development	342	681	342	681
Rent & Leasing Costs	339	231	339	231
Total Other Expenses	32,920	31,643	34,332	32,937
Finance Costs				
Discount unwinding (note 15 Provisions)	52	32	52	32
Interest on borrowings	6,058	4,564	6,058	4,564
Total Finance Costs	6,110	4,596	6,110	4,596
	91,706	86,591	93,198	87,923

notes to the financial statements **cont.**

Note 5: Taxation	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Components of Tax Expense				
Current Tax Expenses	-	-	-	-
Adjustments to current tax in prior year	-	-	-	-
Deferred tax expenses	-	-	-	-
Income Tax Expense	-	-	-	-
Relationship between tax and accounting profit				
Surplus/(deficit) before tax	7,695	3,486	7,695	3,486
Tax @ 33%	2,539	1,150	2,539	1,150
Non-deductible expenditure	(3,211)	(1,523)	(3,211)	(1,523)
Non-taxable income	-	-	-	-
Tax loss not recognised	551	373	551	373
Prior year adjustment	121	-	121	-
Tax Expense	0	-	0	-

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 \$1,442,237.

Imputation credits of \$61,642 are available to impute distributions from subsidiaries.

Note 6: Cash and Cash Equivalents	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Cash at bank and in hand	1,060	1,573	1,120	1,615
Short term deposits maturing three months or less from date of acquisition	985	1,405	2,180	2,990
Total cash and cash equivalents	2,045	2,978	3,300	4,605

Refer to note 12 for weighted average effective interest rate for cash and cash equivalents.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

Cash at bank and in hand	1,060	1,573	1,120	1,615
Short term bank deposits maturing within three months	985	1,405	2,180	2,990
Bank overdrafts	-	-	-	-
	2,045	2,978	3,300	4,605

notes to the financial statements **cont.**

Note 7: Trade and Other Receivables	Council	Council	Group	Group
	2008	2007	2008	2007
	\$000's	\$000's	\$000's	\$000's
Rates receivables	3,661	2,518	3,661	2,518
Receivables from subsidiary	74	124	-	-
Other receivables	11,528	7,829	11,871	8,174
Prepayments	388	451	396	460
Community Loans	27	41	27	41
GST Receivable	1,481	1,050	1,485	1,068
	17,159	12,013	17,440	12,261
Less: Provision for Impairment of Receivables	(661)	(1,098)	(666)	(1,102)
	16,498	10,915	16,774	11,159
Less non-current portion:				
Community Loans	22	29	22	29
Total non-current portion	22	29	22	29
Current portion	16,476	10,886	16,752	11,130

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 \$697,801 as at 30 June 2008 (\$632,000 as at 30 June 2007).

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 2008, 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.

Movements in the provision for impairment of receivables are as follows:

	Council	Council	Group	Group
	2008	2007	2008	2007
	\$000's	\$000's	\$000's	\$000's
At 1 July	(1,098)	(919)	(1,102)	(924)
Additional provisions made during the year	(430)	(1,046)	(431)	(1,045)
Receivables written off during period	867	867	867	867
At 30 June	(661)	(1,098)	(666)	(1,102)

notes to the financial statements **cont.**

The status of receivables as at 30 June 2008 and 2007 are detailed below:

Council	2008	2008	2008
	Gross \$000's	Impairment \$000's	Net \$000's
Not past due	14627	(133)	14,494
Past due 1-60 days	1551	-	1,551
Past due 61-120 days	78	-	78
Past due >121 days	903	(528)	375
Total	17,159	(661)	16,498
Group			
Not past due	14,908	(138)	14,770
Past due 1-60 days	1551	-	1,551
Past due 61-120 days	78	-	78
Past due >121 days	903	(528)	375
Total	17,440	(666)	16,774

The above table does not account for the aging of Rates Debtors or Library Debtors as the systems used are unable to provide this information.

Rates Debtors are all recorded as not past due and Library Debtors are all recorded as over 120 days overdue. Any variance from this recording is of an immaterial value.

The above table does not account for the aging of debtors in the prior year as the systems used are unable to provide this information.

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 2008 \$000's	Group 2008 \$000's
Individual impairment	(528)	(528)
Collective impairment	(133)	(138)
Total provision for impairment	(661)	(666)

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 2008 \$000's	Group 2008 \$000's
Past due 1-60 days	-	-
Past due 61-120 days	-	-
Past due >121 days	(528)	(528)
Total individual impairment	(528)	(528)

The above tables do not account for the breakdown of impairments in the prior year as the systems used are unable to provide this information.

notes to the financial statements cont.

Note 8: Inventories	Council	Council	Group	Group
	2008	2007	2008	2007
	\$000's	\$000's	\$000's	\$000's
Inventories held for distribution or consumption in the provision of services	1,020	949	1,020	949
Inventories held for use in the production of goods and services on a commercial basis	274	233	276	233
Total Inventories	1,294	1,182	1,296	1,182
Water and sewerage reticulation spare parts	255	257	255	257
Street furniture	16	16	16	16
Nursery store	579	572	579	572
Vehicle workshop & fuel	67	46	67	46
Other inventories held for distribution	91	58	91	58
Museum retail stock	134	135	134	135
Solid waste refuse bags	94	38	94	38
Other commercial inventories	58	60	60	60
Total Inventories	1,294	1,182	1,296	1,182

The carrying amount of inventories held for distribution that are measured at current replacement cost as at 30 June 2008 amounted to \$Nil (2007 \$Nil). The carrying amount of commercial inventories that are measured at net realisable value is \$Nil (2007 \$Nil).

The write-down of inventories held for distribution amounted to \$Nil (2007 \$Nil), while reversals of write-downs amounted to \$Nil (2007 \$Nil). The write-down of commercial inventories amounted to \$Nil (2007 \$Nil), while reversals of write-downs also amounted to \$Nil (2007 \$Nil).

The carrying amount of inventories pledged as security for liabilities is \$Nil (2007 \$Nil).

Note 9: Property, Plant and Equipment

notes to the financial statements cont.

Classification	2008										2007		
	Cost / revaluation 1 July 2007 \$000's	Accumulated depreciation and impairment charges 1 July 2007 \$000's	Carrying amount 1 July 2007 \$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 2008 \$000's	Accumulated depreciation and impairment charges 30 June 2008 \$000's	Carrying amount 30 June 2008 \$000's	
Art Collections	5,730	(18)	5,712	9	-	-	(3)	0	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)	0	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	-	-	-	-	(0)	2	(1)	1		
Footpaths	26,053	(918)	25,135	371	-	-	(472)	(0)	26,424	(1,390)	25,034		
Furniture & Fittings	5,034	(3,824)	1,210	224	-	-	(195)	(0)	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)	0	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)	0	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		
Total Council's Property, Plant & Equipment	893,519	(48,124)	845,395	40,801	(7,383)	-	(21,782)	-	926,965	(68,769)	857,638		
RRAL's Property, Plant & Equipment													
Buildings Chattels	16	(3)	13	3	-	-	(1)	-	18	(4)	15		
Furniture and Fittings	118	(41)	77	11	-	-	(11)	-	130	(51)	79		
Plant and 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		
Total RRAL's Property, Plant & Equipment	477	(175)	302	654	-	-	(79)	-	1,119	(254)	885		
Total Group Property, Plant & Equipment	893,996	(48,299)	845,697	41,455	(7,383)	-	(21,861)	-	928,084	(69,023)	858,523		

* 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.

Classification	2007										2006		
	Cost / revaluation 1 July 2006 \$000's	Accumulated depreciation and impairment charges 1 July 2006 \$000's	Carrying amount 1 July 2006 \$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 2007 \$000's	Accumulated depreciation and impairment charges 30 June 2007 \$000's	Carrying amount 30 June 2007 \$000's	
Art Collections	5,726	(15)	5,711	4	-	-	(3)	-	-	5,730	(18)	5,712	
Bridges	13,136	(230)	12,906	-	-	-	(230)	1	13,137	(460)	12,677		
Buildings	80,991	(3,094)	77,897	28,984	(332)	-	(3,544)	7,309	115,607	(3,615)	111,992		
City Focus	230	(82)	148	-	-	-	(9)	1	230	(90)	140		
Computer Equipment	3,775	(2,706)	1,069	907	(86)	-	(637)	1	4,261	(3,007)	1,254		
Environmental	2	(1)	1	-	-	-	-	(1)	1	(1)	-		
Footpaths	25,080	(460)	24,620	1,136	(155)	-	(461)	(5)	26,053	(918)	25,135		
Furniture & Fittings	4,726	(3,934)	792	606	(25)	-	(163)	-	5,034	(3,824)	1,210		
General Works Assets	316	(142)	174	426	-	-	(47)	(1)	741	(189)	552		
Land	34,216	-	34,216	214	(105)	-	-	4,985	39,322	-	39,322		
Land Restricted*	84,949	-	84,949	1,304	(4)	-	-	7,271	93,120	(400)	93,120		
Landfill	4,460	(1,185)	3,275	1,847	-	-	(714)	1	6,305	(1,896)	4,409		
Library Collection	2,954	(467)	2,487	486	(19)	-	(418)	-	3,384	(848)	2,536		
Motor Vehicles	6,935	(3,939)	2,996	1,116	(103)	-	(682)	(22)	7,470	(4,165)	3,305		
Office Equipment	1,899	(1,437)	462	92	(2)	-	(184)	-	1,773	(1,405)	368		
Parking Infrastructural Assets	934	(103)	831	60	-	-	(78)	1	994	(180)	814		
Parks, Roads, Paths, Playgrounds, Utilities	17,660	(881)	16,779	1,310	(9)	-	(886)	-	18,956	(1,762)	17,194		
Plant & Machinery	6,237	(3,768)	2,469	1,072	(55)	-	(433)	-	7,034	(3,981)	3,053		
Roading assets excluding Land	176,298	(4,005)	172,293	7,270	(452)	-	(4,002)	(81)	182,973	(7,945)	175,028		
Roads & Road Reserves Land	41,250	-	41,250	558	-	-	-	478	42,286	-	42,286		
Runway, Taxiway, Apron	8,764	(110)	8,654	3,308	-	-	(532)	(1)	12,072	(643)	11,429		
Stormwater Drainage	56,961	(1,021)	55,940	1,227	-	-	(1,025)	56	58,245	(2,047)	56,198		
Street Lighting, Signs, Signals	4,234	(394)	3,840	1,002	(40)	-	(278)	52	5,243	(667)	4,576		
Waste Management (Bin Sites)	656	(12)	644	-	-	-	(10)	1	655	(20)	635		
Wastewater Reticulation	112,011	(2,538)	109,473	1,464	(35)	-	(2,614)	(1)	113,435	(5,148)	108,287		
Wastewater Treatment Plant	40,050	(1,549)	38,501	703	(23)	-	(1,541)	4	40,727	(3,083)	37,644		
Waterworks Pipes, Meters	69,688	(2,125)	67,563	928	(139)	-	(2,203)	5,084	73,491	(2,206)	71,285		
Capital projects under construction	27,276	-	27,276	9,823	(20,329)	-	-	-	15,243	(4)	15,239		
Total Council's Property, Plant & Equipment	831,414	(34,198)	797,216	65,847	(21,913)	-	(20,694)	24,649	893,522	(48,122)	845,400		
RRAL's Property, Plant & Equipment													
Buildings Chattels	11	(2)	9	5	-	-	(1)	-	16	(3)	13		
Furniture and Fittings	80	(34)	46	39	-	-	(7)	-	119	(41)	78		
Plant and Equipment	258	(91)	167	62	-	-	(25)	-	320	(116)	204		
Computer Equipment	20	(14)	6	7	(3)	-	(3)	-	23	(16)	7		
Total RRAL's Property, Plant & Equipment	369	(141)	228	113	(3)	-	(36)	-	478	(176)	302		
Total Group Property, Plant & Equipment (as per Statement of Financial Position)	831,783	(34,339)	797,444	65,960	(21,916)	-	(20,730)	24,649	894,000	(48,298)	845,702		

* 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.**

Note 10: Intangible Assets	Council Computer Software 2008 \$000's	Council Computer Software 2007 \$000's	Group Computer Software 2008 \$000's	Group Computer Software 2007 \$000's
Balance at 1 July				
Cost	5,207	4,074	5,213	4,083
Accumulated amortisation and impairment	(3,476)	(2,893)	(3,482)	(2,900)
Opening carrying amount	1,731	1,181	1,731	1,183
Year ended 30 June				
Additions	1,011	1,064	1,014	1,066
Disposals	-	(50)	-	(50)
Amortisation charge	(773)	(584)	(774)	(586)
Other movements		118	-	118
Closing carrying amount	238	548	240	548
Balance at 30 June				
Cost	6,218	5,205	6,231	5,213
Accumulated amortisation and impairment	(4,249)	(3,476)	(4,258)	(3,482)
Closing carrying amount	1,969	1,729	1,973	1,731

Note 11: Forestry Assets	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Balance at 1 July	414	382	414	382
Increases due to purchases	-	-	-	-
Gains/(losses) arising from changes in fair value less estimated point of sale costs	(5)	32	(5)	32
Decreases due to sales	-	-	-	-
Decreases due to harvest	-	-	-	-
Balance at 30 June	409	414	409	414

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 maturity of 5 years.

The area of the stand behind the Rotorua Landfill measures 14 hectares of Pinus Radiata forest with a maturity of 22 years.

Independent registered valuers Hammond Resource Management Ltd have valued forestry assets as at 30 June 2008. A pretax 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.**

Note 12: Other Financial Assets				Council	Council	Group	Group
				2008	2007	2008	2007
				\$000's	\$000's	\$000's	\$000's
Current portion				-	-	-	-
Non-current portion							
	% Holding	Shares Held	Land of incorporation				
<i>Investments carried at fair value through equity</i>				-	-	-	-
Unlisted shares NZ Local Govt Insurance Corporation Ltd	1.4	87,953	New Zealand	264	244	264	244
Unlisted shares Waikato Local Authority Shared Services Ltd	7.7	1	New Zealand	182	97	182	97
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	2,032	1,722	-	-
Total non-current portion				2,478	2,063	446	341
Total Other Financial Assets				2,478	2,063	446	341

The BOP LASS share investment was entered into during the financial year, and comprises 1 ordinary share. The fair value of the BOP LASS, approximated using the net asset backing method, is \$484.

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 \$2,032,000 as at 30 June 2008 (2007: \$1,714,000). The reversal of the impairment loss for the financial year 2008 amounts to \$310,000 (2007: \$316,000) and is recognised in the statement of financial performance.

Investments carried at fair value through profit and loss

Council has two electricity hedge agreements in place. They are due to mature in 2009/10 and have been recognised at fair value.

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.

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.

notes to the financial statements **cont.**

Maturity Terms	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Short term deposits with maturities of 3 months or less	985	1,405	2,180	2,990
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	-	-	-	-
	985	1,405	2,180	2,990
Shares Held	4,008	2,063	1,976	341
	4,993	3,468	4,156	3,331

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:

Weighted average effective interest rates	Council 2008 %	Council 2007 %	Group 2008 %	Group 2007 %
Short term deposits with maturities of 3 months or less	8.21	8.00	8.18	7.97
Short term deposits with maturities of 4-12 months	0.00	0.00	0.00	0.00
Other investments maturing within 1 year	0.00	0.00	0.00	0.00
Other investments maturing after 1 year but less than 5 years	0.00	0.00	0.00	0.00
Other investments maturing after 5 years	0.00	0.00	0.00	0.00

Note 13: Trade and Other payables	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Trade payables	14,367	13,855	14,703	14,267
Trade payables to subsidiaries	-	-	-	-
Other Payables	1,250	247	1,250	247
Deposits and bonds	1,304	1,028	1,304	1,028
Rates, fees and grants received in advance	2,120	2,097	2,120	2,097
Accrued interest	1,332	1,219	1,332	1,219
Accrued expenses	0	93	23	114
Total Trade & Other Payables	20,373	18,539	20,732	18,972

Trade and Other Payables are non-interest bearing and normally settled on 30-day terms, therefore the carrying value of Trade and Other Payables approximates their fair value.

notes to the financial statements cont.

Note 14: Provisions	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Current Provisions are represented by:				
Landfill aftercare provision	20	20	20	20
Provision for Refund of Rates	420	580	420	580
Total current provisions	440	600	440	600
Non-current provisions are represented by:				
Landfill aftercare provision	1,436	1,460	1,436	1,460
Provision of Refund of Rates	50	213	50	213
Total non-current provisions	1,486	1,673	1,486	1,673

Council & Group	Landfill aftercare 2008 \$000's	Refund of rates 2008 \$000's	Landfill aftercare 2007 \$000's	Refund of rates 2007 \$000's
Opening balance	1,480	793	1,526	838
Additional provisions made during the year	-	-	20	-
Amounts used during the year	28	(323)	(34)	(45)
Discount unwinding	(52)	-	(32)	-
Closing balance	1,456	470	1,480	793

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 30 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 6.99%

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 (2007: \$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 \$207,000 (\$322,000: 2007).

notes to the financial statements **cont.**

Note 15: Employee Benefit Liabilities	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Payroll payables	657	662	657	662
Accrued pay	665	550	665	550
Annual leave	2,881	2,564	2,908	2,579
Long service leave	254	318	254	318
Retirement gratuities	432	414	432	414
Sick leave	95	89	99	94
Total employee benefit liabilities	4,984	4,597	5,015	4,617
Comprising:				
Current	4,298	3,865	4,329	3,885
Non-current	686	732	686	732
Total Employee Benefit Liabilities	4,984	4,597	5,015	4,617

Note 16: Borrowings	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Current				
Registered debenture stock	12,500	1,000	12,500	9,000
Registered security stock	26,225	22,210	26,225	14,210
Other secured loans	7	7	7	7
Total current borrowings	38,732	23,217	38,732	23,217
Non-current				
Registered debenture stock	44,000	51,500	44,000	51,500
Registered security stock	-	-	-	-
Suspensory loans	-	-	-	-
Other secured loans	128	135	128	135
Total non-current borrowings	44,128	51,635	44,128	51,635
Total Borrowings	82,860	74,852	82,860	74,852

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 6.40% to 8.81%.

Other secured loans

The other secured loans are secured by first ranking mortgages and issued at a fixed interest rate of 4%.

Variations from/changes to the Treasury Policy

There have been no significant changes in the Treasury Policy.

notes to the financial statements cont.

Repayment Terms	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Within One Year	38,732	23,217	38,732	23,217
One to Two Years	4,008	12,507	4,008	12,507
Two to Three Years	5,008	4,008	5,008	4,008
Three to Four Years	8	8	8	8
Four to Five Years	9	8	9	8
Five years and over	35,095	35,104	35,095	35,104
	82,860	74,852	82,860	74,852

Interest Rates

The weighted average effective interest rates on borrowings are:	Council 2008 %	Council 2007 %	Group 2008 %	Group 2007 %
Within One Year	8.03	7.69	8.03	7.69
One to Two Years	6.65	6.40	6.65	6.40
Two to Three Years	8.25	6.65	8.25	6.65
Three to Four Years	4.00	4.00	4.00	4.00
Four to Five Years	4.00	4.00	4.00	4.00
Five years and over	6.77	6.76	6.77	6.76
Overall weighted average	7.44	6.99	7.44	6.99

Sinking Funds held by Rotorua District Council	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Opening Balance	-	3	-	3
Contributions	-	-	-	-
Interest Received	-	-	-	-
Withdrawals	-	(3)	-	(3)
Closing Balance	-	-	-	-

notes to the financial statements **cont.**

Note 17: Equity	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Retained earnings				
Opening Balance	771,895	756,001	771,895	755,994
Net Surplus	7,695	3,486	7,695	3,486
Other Movements	-	-	-	7
	779,590	759,487	779,590	759,487
<i>Transfers to:</i>				
Self Funding Reserves	1,934	3,695	1,934	3,695
Council Created Reserves	1,046	282	1,046	282
Restricted Reserves	1,445	714	1,445	714
Payments to Sinking Fund	-	-	-	-
	4,425	4,691	4,425	4,691
<i>Transfers from:</i>				
Self Funding Reserves	3,044	16,929	3,044	16,929
Council Created Reserves	3,742	127	3,742	127
Restricted Reserves	43	40	43	40
Sinking Funds Uplifted	-	3	-	3
	6,829	17,099	6,829	17,099
Closing Balance	781,994	771,895	781,994	771,895

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.

2008	Opening Balance 01.07.07 \$000's	Invested During The Year \$000's	Withdrawn During The Year \$000's	Interest Earned to 30.06.08 \$000's	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 Trunk Line	(7,312)	349		(499)	(7,462)
Rural Waste Water	(246)	-		(16)	(262)
Landfill	(1,322)	-	(1,273)	(137)	(2,732)
Water	(954)	267	(43)	(60)	(790)
Refuse Collection	224	60		18	302
Total Self Funding Reserves	(34,352)	4,447	(3,044)	(2,513)	(35,462)

2007	Opening Balance 01.07.06 \$000's	Invested During The Year \$000's	Withdrawn During The Year \$000's	Interest Earned to 30.06.07 \$000's	Closing Balance 30.06.07 \$000's
Pensioner Housing	(631)	1,824	-	20	1,213
Events Centre	5,399	-	(11,909)	(37)	(6,547)
Airport	(19,067)	-	(3,645)	(1,435)	(24,147)
Wastewater	2,293	2,195	-	251	4,739
Eastern Trunk Line	(7,916)	1,108	-	(504)	(7,312)
Rural Waste Water	(48)	-	(188)	(10)	(246)
Landfill	(100)	-	(1,175)	(47)	(1,322)
Water	(1,269)	388	-	(73)	(954)
Refuse Collection	221	-	(12)	15	224
Total Self Funding Reserves	(21,118)	5,515	(16,929)	(1,820)	(34,352)

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.

2008	Opening Balance 01.07.07 \$000's	Invested During Year \$000's	Withdrawn During The Year \$000's	Interest Earned to 30.06.08 \$000's	Closing Balance 30.06.08 \$000's
Reporoa Domain	22	8	(18)	1	13
Waikite Domain	11	2	-	1	14
Development Contributions, received for:					
Transport - subsidised	-	299	(68)	8	239
Transport - unsubsidised	-	24	(53)	-	(29)
Energy Events Centre project	-	53	(1,313)	-	(1,260)
Museum	-	11	(89)	-	(78)
Public Library	-	5	(95)	-	(90)
Land Drainage	3	21		1	25
Aquatic Centre	18	74		4	96
Cemeteries	4	15		1	20
Parks & Reserves	20	66	(1,147)	-	(1,061)
Urban Water	36	128	(223)	1	(58)
Mamaku Water	2		(10)	-	(8)
Rotoma Water	-		(19)		(19)
Rotoiti Water	-		(12)		(12)
Kaharoa Water	-		(9)		(9)
Reporoa Water	-		(75)		(75)
Hamurana Water	-		(5)		(5)
Eastern Sewerage Scheme	-		(461)		(461)
Wastewater Rural	-		(19)		(19)
Wastewater Urban	66	312	(126)	11	263
Total Council Created Reserves	182	1,018	(3,742)	28	(2,514)

2007	Opening Balance 01.07.06 \$000's	Invested During Year \$000's	Withdrawn During The Year \$000's	Interest Earned to 30.06.07 \$000's	Closing Balance 30.06.07 \$000's
Reporoa Domain	19	8	(6)	1	22
Waikite Domain	8	2	-	1	11
Development Contributions, received for:					
Transport - subsidised	-	79	(79)	-	-
Transport - unsubsidised	-	12	(12)	-	-
Land Drainage	-	3	-	-	3
Aquatic Centre	-	18	-	-	18
Cemeteries	-	4	-	-	4
Parks & Reserves	-	20	-	-	20
Urban Water	-	36	-	-	36
Mamaku Water	-	2	-	-	2
Wastewater Urban	-	76	(10)	-	66
Library	-	3	(3)	-	-
Museum	-	3	(3)	-	-
Energy Events Centre project	-	14	(14)	-	-
Total Council Created Reserves	27	280	(127)	2	182

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.

notes to the financial statements **cont.**

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.

2008	Opening Balance 01.07.07 \$000's	Invested During Year \$000's	Withdrawn During The Year \$000's	Interest Earned to 30.06.08 \$000's	Closing Balance 30.06.08 \$000's
Reserves Development	1,085	1,224	(25)	117	2,401
Creative NZ Reserve	4	45	(18)	1	32
Library Bequest	321	-	-	23	344
Property Development	480	-	-	35	515
Total Restricted Reserves	1,890	1,269	(43)	176	3,292

2007	Opening Balance 01.07.06 \$000's	Invested During Year \$000's	Withdrawn During The Year \$000's	Interest Earned to 30.06.07 \$000's	Closing Balance 30.06.07 \$000's
Reserves Development	466	567	-	52	1,085
Creative NZ Reserve	-	44	(40)	-	4
Library Bequest	300	-	-	21	321
Property Development	450	-	-	30	480
Total Restricted Reserves	1,216	611	(40)	103	1,890

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 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Opening Balance	156	132	156	132
Valuations gains/(losses) taken to equity	74	24	74	24
Transfers to statement of financial performance on disposal	-	-	-	-
Closing Balance	230	156	230	156

notes to the financial statements cont.

Asset Revaluation Reserves	Transfer of revaluation reserve to retained				Transfer of revaluation reserve to retained			
	Opening Balance 01.07.07 \$000's	Revaluation gains/(losses) during year \$000's	earnings on disposal during year \$000's	Closing Balance 30.06.08 \$000's	Opening Balance 01.07.06 \$000's	Revaluation gains/(losses) during year \$000's	earnings on disposal during year \$000's	Closing Balance 30.06.07 \$000's
Consists of:								
Buildings	7,309	-	-	7,309	-	7,293	16	7,309
City Focus	-	-	-	-	-	-	-	-
Footpaths	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-
Land	12,256	-	-	12,256	-	12,301	(45)	12,256
Landfill	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-
Parks and Reserves Assets	-	-	-	-	-	-	-	-
Roading	-	-	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-	-	-
Street Items	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-
Waste Water Treatment plant & Reticulation	-	-	-	-	-	-	-	-
Water Works	5,084	-	-	5,084	-	5,085	(1)	5,084
Total Asset Revaluation Reserve	24,649	-	-	24,649	-	24,679	(30)	24,649

notes to the financial statements **cont.**

Note 18: Reconciliation of Net Surplus to Net Cash Flows from Operating Activities	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Net surplus/(deficit) for the year	7,695	3,486	7,695	3,486
Add/(less) non-cash items:				
Depreciation to Property, Plant and Equipment	21,809	20,694	21,887	20,730
Amortisation of Intangible Assets	773	584	775	586
Impairment charges to accounts receivable	(436)	179	(436)	199
Vested Assets and Assets Recognised for first time	(4,134)	(2,002)	(4,134)	(2,002)
(Gains)/Losses in Fair Value of Biological assets	5	(32)	5	(32)
Change in Revaluation through Profit and Loss	-	-	-	-
Change in Investing Items included in Working Capital	-	-	-	-
			-	
Add/(less) items classified as investing or financing activities:				
(Gains)/Losses on disposal of Property, Plant and Equipment	840	1,296	840	1,296
Reversal of Impairment loss RRAL	(310)	(316)	-	-
Fair Value movement LASS	(85)	31	(85)	31
Impairment of Borrowings	-	(188)	-	(188)
Movement of Non-Current Assets Held for Sale	-	60	-	60
Movement Property, Plant and Equipment	(615)	(295)	(600)	(288)
Movement Intangible Assets	-	(118)	-	(118)
			-	
Add/(less) movement in working capital items:				
Accounts Receivable	(5,120)	2,280	(4,918)	2,371
Inventories	(112)	56	(114)	56
Accounts Payable	1,834	351	1,492	634
Provision for Taxation	-	(5)	-	(5)
Provisions	(347)	(91)	(347)	(91)
Employee Benefits	386	476	407	476
Net Cash inflow from operating activities	22,182	26,446	22,466	27,201

notes to the financial statements cont.

Note 19: Capital Commitments and Operating Leases	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Council is committed to the following Capital Contracts:				
Recreation and Community Services	4,118	2,449	4,118	2,449
Works and Engineering Services	23,767	10,198	23,767	10,198
Support Services	284	157	267	157
Airport	39	172	154	288
Total Capital Contracts	28,208	12,976	28,306	13,092
Non-cancellable operating lease commitments as lessee:				
Not later than one year	134	134	134	134
Later than one year and not later than two years	120	134	120	134
Later than two years and not later than five years	275	310	275	310
Later than five years	328	413	328	413
Total non-cancellable operating lease commitments as lessee	857	991	857	991
Total commitments	29,065	13,967	29,163	14,083

The total minimum future sublease payments expected to be received under non-cancelable subleases at balance date is \$Nil (2007: \$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 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Non-cancellable operating lease commitments as lessor:				
Not later than one year	1,082	1,058	560	536
Later than one year and not later than two years	941	934	419	412
Later than two years and not later than five years	2,567	2,520	1,003	956
Later than five years	11,000	11,802	4,735	5,014
Total non-cancellable operating lease commitments as lessor	15,590	16,314	6,717	6,918

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	Council	Council	Group	Group
Contingent Liabilities	2008	2007	2008	2007
	\$000's	\$000's	\$000's	\$000's
Guarantees				
Guarantees to community and sporting groups	207	322	207	322
Borrowings				
Performance bond BNZ on behalf of Tourism Rotorua	206	206	206	206
Borrowing - Housing New Zealand Corporation suspensory loan	1,567	1,567	1,567	1,567
Legal proceedings				
The Group's effective exposure to legal claims	129	409	129	409
Total Contingent Liabilities	2,109	2,504	2,109	2,504

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 2007 the Scheme had a past service surplus of \$33.7 million (11.4% 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 reduces from 2.0 times contributors' contributions to 1.0 times contributors' contributions. This 1.0 is inclusive of Specified Superannuation Contribution Withholding Tax.

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 2008 there are four facilities which have a book value of \$427,000 (2007: \$474,000).

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 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 four legal claims (2007: eight), amounting to \$673,000 (2007: \$1,145,000). 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, Council's Indemnity Insurance Policy will cover the liability. The Council's maximum exposure per claim is an insurance excess ranging from \$10,000 to \$50,000. Council is aware of another 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

notes to the financial statements **cont.**

	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Lynmore Childcare Incorporated	58	65	58	65
Rotorua Badminton Club Incorporated	58	65	58	65
Whakarewarewa Rugby Community Sports Incorporated	27	29	27	29
Rotorua Hockey Trust & BOP Hockey Association	284	315	284	315
Total	427	474	427	474

Suspensory Loans

The Council operates a scheme whereby community and educational organisations are able to apply for suspensory loans through Council's Community Asset Development 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 2008 there were seven facilities having a face value of \$781,000 (2007: \$669,000) outstanding.

	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Reporoa College	90	100	90	100
Western Heights High School	210	240	210	240
Rotorua Girls High School	180	210	180	210
Rotorua Rail Trust	6	7	6	7
Kaharoa Primary School	80	90	80	90
Lynmore Primary School	24	28	24	28
St Chads	93	106	93	106
Total	683	781	683	781
Total Contingent Assets	1,110	1,255	1,110	1,255

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 \$35,424 (\$33,460 2006/07) have been received from RRAL.
- iii) Council received rent of \$657,946 (2006/07 \$705,674) from RRAL for the lease of airport infrastructural assets.
- iv) Council received development levy of \$534,951 (\$531,226 2006/07) from RRAL, and paid \$Nil (\$14,407 2006/07) for maintenance services, \$Nil (\$2,872 2006/07) for consultation.
- v) Airport Debtor as at 30 June 2008 is \$203,302 (\$257,200 2006/07).
- vi) Directors remuneration including non-monetary benefits, totaling \$59,000 were paid to Councillors Martin and McVicker (\$59,000 2006/07).

Other Related Party Disclosures:

- vii) In the period Councillor Bentley has been in office, Council purchased \$929,234 worth of goods & services from Clean Green City Maintenance, \$22,003 worth of goods and services from Cobblestone Charm, and \$470 worth of goods from Gardeners Landscape Supplies, businesses owned by Councillor Bentley and her husband.

notes to the financial statements **cont.**

- viii) During the period past-Councillor Gould was in office, Council purchased \$2,260 (\$5,372 2006/07) 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 \$4,804 and had a share hold loan of \$1,555. He was also a Director on the Waikato LASS in which payments amounting to \$56,246 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 2006/07).

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).

Except for items of a minor nature, no other Councillors or senior management have entered into related party transactions with the Group.

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 2008:	2008 \$000's	Percentage	2007 \$000's	Percentage
Kawerau District Council	66	2.5%	67	2.5%
Opotiki District Council	74	2.8%	76	2.9%
Rotorua District Council	633	24.0%	650	24.4%
Taupo District Council	377	14.3%	386	14.5%
Tauranga City Council	843	32.0%	835	31.4%
Western BOP District Council	384	14.6%	385	14.5%
Whakatane District Council	258	9.7%	263	9.8%
Total Tax Distributable to Councils	2,635	100.0%	2,662	100.0%

State Highways Administration	2008 \$000's	2007 \$000's
Expenditure on State Highways Roading Network	10,631	8,665

(Reimbursed from Land Transport New Zealand & Whakatane District Council)

Regional Council Rates	2008 \$000's	2007 \$000's
Rates were collected on behalf of the following Regional Authorities:		
Waikato Regional Council	-	1
Bay of Plenty Regional Council	4,895	4,064
	4,895	4,065

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 2008 was \$312,616 (\$237,702 2006/07).

	Council 2008 \$	Council 2007 \$	Group 2008 \$	Group 2007 \$
<i>Chief Executive's Remuneration</i>				
Salary Chief Executive	280,291	209,637	280,291	209,637
Vehicle Chief Executive (incl FBT)	18,119	17,361	18,119	17,361
	298,410	226,998	298,410	226,998
<i>Other Benefits</i>				
Professional Association Fees Chief Executive	231	236	231	236
Telephone and Sundries Chief Executive	216	228	216	228
Superannuation	13,759	10,240	13,759	10,240
	14,206	10,704	14,206	10,704
Total Remuneration	312,616	237,702	312,616	237,702

Key Management Remuneration	2008 \$000's	2007 \$000's
Salaries and other short term employee benefits	1,171	1,057
Post-employment benefits	-	-
Other long-term benefits	46	40
Termination benefits	-	-
Share-based payments	-	-
Total Key Management Remuneration	1,217	1,097

Key Management Personnel comprises the Chief Executives, 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 \$571,530 (\$538,478 2006/07).

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	Hearing Fees	TOTAL	TOTAL
	2008	2008	2008	2007
	\$	\$		\$
<i>Councillors' Remuneration</i>				
Gould M	11,244		11,244	34,610
Judd R	11,244		11,244	34,390
Kenny G	36,068	5,117	41,185	33,533
Lee C O	11,244		11,244	35,050
Martin R W *	36,068	1,021	37,089	34,767
Maxwell T H	46,652		46,652	46,218
McVicker M *	36,068		36,068	33,730
Searancke G P	41,342	5,440	46,782	42,534
Sturt C W	41,342		41,342	38,704
Te Kowhai C	11,244		11,244	30,430
Waaka M T R	41,342	7,854	49,196	43,880
Wepa J G	36,068	1,649	37,717	42,674
Winters K (Mayor)	90,874		91,224	87,958
Donaldson D	24,740		24,825	
Hunt K	24,740		24,825	
Bentley M	24,740		24,825	
Calnan J	24,740		24,825	
	549,840	21,081	571,530	538,478

* Cr Martin and Cr McVicker also earned directors' fees as directors of the Rotorua Regional Airport Ltd, of \$11,000 (\$11,000 2006/07) and \$11,000 (\$11,000 2006/07) respectively.

Note 24: Events After Balance Date

Lakes Funding

Central Government has 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. The funding subsidy will be spread over a six year period with the remaining cost to be sourced from local funds.

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

Note 25A: Financial Instrument Categories

				Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
FINANCIAL ASSETS							
	% Holding	Shares Held	Land of incorporation	-	-	-	-
				-	-	-	-
Loans and receivables							
Total cash and cash equivalents				2,045	2,978	3,300	4,605
Debtors and other receivables				16,471	10,874	16,742	11,118
Other Financial Assets							
- Community Loans				27	41	27	41
- Short term deposits with maturities of 3 months or less				985	1,405	2,180	2,990
<i>Total loans and receivables</i>				19,528	15,298	22,249	18,754
Held to Maturity							
Other financial assets:						-	-
- government stock						-	-
- local authority stock						-	-
<i>Total held to maturity</i>						-	-
Fair value through equity							
Unlisted shares NZ Local Govt Insurance Corporation Ltd	1.4	87,953	New Zealand	264	244	264	244
Unlisted shares Waikato Local Authority Shared Services Ltd	7.7	1	New Zealand	182	97	182	97
Unlisted shares BOP Local Authority Shared Services Ltd	13	1	New Zealand	-	-	-	-
<i>Total fair value through equity</i>				446	341	446	341
Cost less impairment losses							
Unlisted shares Rotorua Regional Airport Limited	100	1,000	New Zealand	2,032	1,722	-	-
FINANCIAL LIABILITIES							
Financial liabilities at amortised cost							
Registered debenture stock				56,500	52,500	56,500	60,500
Registered security stock				26,225	22,210	26,225	14,210
Other secured loans				135	142	135	142
<i>Total financial liabilities at amortised cost</i>				82,860	74,852	82,860	74,852

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 has no significant equity instruments in place.

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	

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 2008 the Council has one interest rate risk management instrument in place.

Maximum exposure to credit risk

Rotorua District Council's maximum credit exposure for each class of financial instrument is as follows:

	Council 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
Cash at Bank and term deposits	3,030	4,383	5,480	7,595
Debtors and other receivables	16,471	10,874	16,742	11,118
Community and related party loans	27	41	27	41
Local authority and government stock	2,478	2,063	431	341
Derivative financial instrument assets	-	-	-	-
Financial guarantees	427	474	427	474
Total credit risk	22,433	17,835	23,107	19,569

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 2008 \$000's	Council 2007 \$000's	Group 2008 \$000's	Group 2007 \$000's
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at Bank and term deposits:				
AA	2,838		2,838	
	192		2,642	
<i>Total cash at bank and term deposits</i>	3,030	4,383	5,480	7,595
Local authority and government stock:				
<i>Total local authority and government stock</i>	2,478	2,063	446	341
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Community and related party loans				
Existing counterparty with no defaults in the past	27	41	27	41
Existing counterparty with defaults in the past				
<i>Total community and related party loans</i>	27	41	27	41

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 2006-2016.

Rotorua District Council has a maximum amount that can be drawn down against its bank facility of \$60,000,000 (2007: \$40,000,000). There are no restrictions on the use of this facility.

notes to the financial statements **cont.**

	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
Council 2008					
Creditors and payables	20,522	20,522			
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
Total	103,809	59,254	4,008	5,052	35,495
Group 2008					
Creditors and payables	20,873	20,873			
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
Total	104,160	59,605	4,008	5,052	35,495
Council 2007					
Creditors and payables	18,539	18,539			
Net settled derivative liabilities					
Bank overdraft					
Debentures	74,710	23,210	12,500	4,008	34,992
Secured Loans	142	7	7	16	112
Finance Leases					
Financial guarantees	474				474
Total	93,865	41,756	12,507	4,024	35,578
Group 2007					
Creditors and payables	18,972	18,972			
Net settled derivative liabilities					
Bank overdraft					
Debentures	74,710	23,210	12,500	4,008	34,992
Secured Loans	142	7	7	16	112
Finance Leases					
Financial guarantees	474				474
Total	94,298	42,189	12,507	4,024	35,578

Contractual maturity analysis of financial liabilities
The table below 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.

notes to the financial statements cont.

Contractual maturity analysis of financial assets

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Amount	1 year			5 years
	\$000's	\$000's	\$000's	\$000's	\$000's
Council 2008					
Cash and cash equivalents	2,045	2,045			
Debtors and other receivables	16,471	16,471			
Net settled derivative assets					
Other financial assets					
- term deposits	985	985			
- community and related party loans	27	27			
- local authority and government stock	2,478				2,478
Total	22,006	19,528	-	-	2,478
Group 2008					
Cash and cash equivalents	3,300	3,300			
Debtors and other receivables	16,742	16,742			
Net settled derivative assets					
Other financial assets					
- term deposits	2,180	2,180			
- community and related party loans	27	27			
- local authority and government stock	446				431
Total	22,695	22,249	-	-	431
Council 2007					
Cash and cash equivalents	2,978	2,978			
Debtors and other receivables	10,874	10,874			
Net settled derivative assets	-				
Other financial assets					
- term deposits	1,405	1,405			
- community and related party loans	41	41			
- local authority and government stock	2,063				2,063
Total	17,361	15,298	-	-	2,063
Group 2007					
Cash and cash equivalents	4,605	4,605			
Debtors and other receivables	11,118	11,118			
Net settled derivative assets	-				
Other financial assets					
- term deposits	2,990	2,990			
- community and related party loans	41	41			
- local authority and government stock	341				341
Total	19,095	18,754	-	-	341

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.

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 a \$45 million variance to budget in borrowings (statement of Financial Position), due to lower than budgeted capital spend (primarily due to delays and additional funding being delayed). This is also reflected in the Cashflow Statements - Purchase of Property Plant and Equipment. Trade and Other Payables variance (increase of \$9 million) is primarily due to the other items classified in this category not being budgeted ie deposits, rates paid in advance and rates being collected on behalf of Environment BOP owing at balance date.

Trade and Other Receivables variance (increase of \$5 million) is primarily due to an invoice raised at balance date to recover capital expenditure spend for the Centennial Project (\$1.9 million) and issues with the new billing systems (Ozone) causing delays in penalties, follow-ups and collections.



notes to the financial statements **cont.**



statement of financial involvement in council-controlled trading organisations (cctos) and other companies or organisations

Rotorua District Council has 100% shareholding in Rotorua Regional Airport Limited. Details of transactions with this entity are detailed on page 153 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

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.

4. In the opinion of the council and management of the Rotorua District Council, the annual Financial Statements for the year ended 30 June 2008 fairly reflect the financial position and operations of the Rotorua District Council.

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.

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