



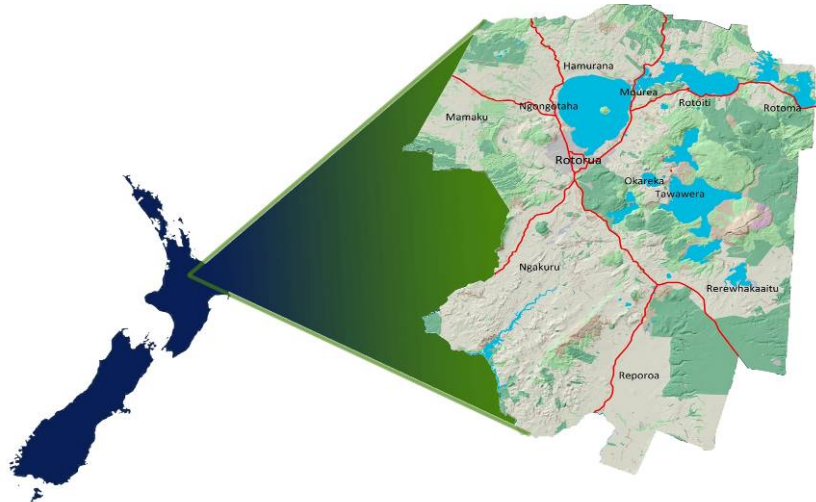
# Annual Report 2010/2011



# THE ROTORUA DISTRICT

## Te Rohe o Rotorua

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



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

The local environment encompasses 14 lakes, active geothermal areas, and a considerable amount of public open space. Land cover in the district is now dominated by pasture (48%) and planted forest (20%), as well as indigenous forest and lakes. There are 137 Protected Natural Areas in the district, covering more than 30,620 ha. More than half of this area comprises scenic reserves. Rotorua has an increasingly broad industry base that includes tourism, agriculture, forestry, retail, manufacturing, business services, social services and education.

## District Facts

Area:	2,614.9km <sup>2</sup>
Dwellings:	26,823 (2006 Census)
Gross Land Valuation:	\$7.9 billion
Gross Capital Valuation:	\$14.1 billion
Local Roads:	More than 1,000km of which almost 82% are sealed
Reserves:	800ha
Population:	65,901 (2006 Census)
	32,004 Male
	33,897 Female
	57% European
	34% Maori
	4% Pacific Islands
	5% Asian and others
Gross Domestic Product (GDP):	\$2.88 billion per annum

# Contents

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## COUNCIL OVERVIEW

---

- 3 MESSAGE FROM THE MAYOR AND THE CHIEF EXECUTIVE
  - 5 MAORI INVOLVEMENT IN DECISION MAKING
  - 7 COMMUNITY FACILITIES
- 

## GOVERNANCE AND MANAGEMENT

---

- 13 MAYOR AND COUNCILLORS
  - 14 COMMITTEE STRUCTURE
  - 15 MANAGEMENT
  - 19 COMMUNITY OUTCOMES
- 

## YEAR IN REVIEW

---

- 21 PERFORMANCE
  - 23 FINANCIAL SUMMARY
  - 25 ACTIVITIES AT GLANCE
- 

## SERVICE PERFORMANCE

---

- 27 CORPORATE AND CUSTOMER SERVICES GROUP
  - 43 ECONOMIC AND REGULATORY SERVICES GROUP
  - 80 INFRASTRUCTURE SERVICES GROUP
  - 112 CASTLECORP
- 

## COUNCIL CONTROLLED ORGANISATIONS

---

- 114 ROTORUA REGIONAL AIRPORT LTD
  - 115 LOCAL AUTHORITY SHARED SERVICES LTD
  - 116 BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LTD
- 

## FINANCIAL STATEMENTS

---

- 119 STATEMENT OF COMPLIANCE
  - 120 STATEMENT OF FINANCIAL INVOLVEMENT IN CCTOs
  - 121 STATEMENT OF COMPREHENSIVE INCOME
  - 122 STATEMENT OF CHANGES IN EQUITY
  - 123 STATEMENT OF FINANCIAL POSITION
  - 124 STATEMENT OF CASH FLOWS
  - 125 NOTES TO THE FINANCIAL STATEMENTS
- 

## AUDIT AND SUPPORT

---

- 169 AUDIT REPORT
  - 173 PARTNERS' SUPPORT
- 

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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 District Library, City Focus, and Civic Centre, Haupapa Street. The Annual Report can also be viewed on the internet at [www.rdc.govt.nz](http://www.rdc.govt.nz).



Sunset – Rotorua Lakefront

# Message from the Mayor and the Chief Executive



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

Tena koutou katoa

Rotorua District Council remains in very good shape. In the 2010/11 year our business has been well managed, our accounts show good controls and reporting processes, and we have met our legislative obligations in full.

As part of our commitment to accountability and transparency RDC activities and accounts for the year are set out in this Annual Report and have been independently audited by the Office of the Auditor-General.

Maintaining Rotorua's high level of services in 2010/11 while operating within tight budgets has been particularly challenging. However we are pleased to report that despite a continuing difficult national and global economic environment the council has been substantially successful in achieving the programme it committed to in the Annual Plan for the year.

Although we experienced many unavoidable external influences which increased the cost of providing our activities we resisted the temptation to slash services or service quality. Instead we chose to tighten our belts, work smarter, and in many cases we identified alternative extra funding options.

Community engagement has been a vital part of ensuring we had sound, robust council decision-making processes during the year. The latest independent NRB survey of community perceptions shows 86% of residents feel that they have been able to influence council decisions to some extent, which is very encouraging.

The council welcomed community input into many of our plans while those documents were at draft stage. We received many submissions covering a wide range of issues, plans and proposals and this feedback has ensured decisions taken by the council reflect community views wherever possible. We extend our thanks to all residents who worked with us in developing our strategies for the future of our community.

We have been impressed with the community's very positive response to most of our key services. In particular residents' satisfaction ratings of 90% or higher for our essential services such as sewerage, water supply and rubbish collection were very pleasing, as were similar high ratings for city appearance and cleanliness, beautification and landscaping, and parks and reserves.

It was no great surprise therefore to learn during the year that Rotorua had been accorded the national title of 'New Zealand's Best City' by the Keep New Zealand Beautiful organisation - for the sixth time in 11 years. Well done Rotorua.

A more comprehensive list of highlights of our work this year follows elsewhere in this report but we want to touch on a just few that are particularly significant.

During the year we maintained our major focus on improving the water quality of Rotorua's lakes in a very effective partnership with Te Arawa Lakes Trust, Bay of Plenty Regional Council and the Crown. New sewerage schemes for lakeside communities have been a major focus of this work and we continue to make good progress. We can be proud of the work of the Rotorua Te Arawa Lakes Strategy Group and especially of the announcement during the year that Lake Rotoiti was the most improved lake in New Zealand in terms of water quality.

We celebrated the first anniversary of direct trans-Tasman air services between Sydney and Rotorua and we remain committed to growing these services, and Rotorua's reputation as an international visitor destination, as world economies recover.

By the end of the 2010/11 year we were well down the track of being prepared for playing our role in New Zealand's hosting of one of the world's largest sporting events – Rugby World Cup 2011.

We completed the Civic Theatre Stagehouse development on time and on budget and this has resulted in increased use of this important community facility.

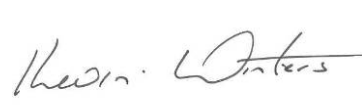
We have secured ongoing rights to host the Raggamuffin music festival and an economic impact survey revealed the 2011 Raggamuffin alone contributed nearly \$15 million to the local economy. Attracting major events to Rotorua remains an important focus for RDC.

A very successful fundraising programme and construction work for our Museum Centennial Project was almost complete by the end of the financial year. The subsequent opening in September 2011 of the museum's Don Stafford Wing has received widespread acclaim.

Needless to say it has been a challenging but highly successful year. So we take this opportunity to express our sincere thanks to elected members for their hard work and dedication over another busy 12 month period, and to our staff for their professionalism and commitment. This community is clearly very well served by its council.

We also acknowledge the tireless support provided to the council and community by Mayoress Sue Winters.

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



Kevin Winters JP  
Mayor



Peter Guerin  
Chief Executive

# Maori involvement in 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 has 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 meets regularly, every six weeks, to provide a Te Arawa perspective for Council on all matters that affect Maori. The committee has representatives from Council and representatives elected by iwi.

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, functions, roles and accountabilities of the committee.

Following the review six representatives were elected to the Te Arawa committee on 29 May 2010 at Te Papaouru Marae. The elections process was supported by Te Arawa Lakes Trust, Te Kotahitanga o Te Arawa Fisheries and Te Pumautanga o Te Arawa. Information about elected Te Arawa Standing committee members is on Rotorua District Council's website .

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

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

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

## Ngati Whakaue Gifted Lands Protocol

This is an agreement between the Rotorua District Council and Pukeroa Oruawhata Trust on behalf of the original owners of the Pukeroa Oruawhata Block (known as the City of Rotorua) and their descendants. Council gives effect to the protocol through consultation when there is a significant or important decision to change status of any affected reserve. The committee met in May 2010.

## Iwi Consultative Group

The Iwi Consultative Group holds fortnightly to three weekly 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 and the general public. The Kauae Cemetery Committee consists of members from council and Ngati Whakaue. They are appointed by the Maori Land Court.

## Pukaki Trust

The Pukaki Trust meets to ensure the safe-keeping, conservation and maintenance of Pukaki. In 2011 Pukaki was moved to Te Whare Taonga o Te Arawa – Rotorua Museum.

## 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. The trust is administered by the Te Arawa Lakes Trust. The members of the trust are representatives of Te Arawa and the Rotorua District Council.

## Council's Kaupapa Maori Department

This department maintains council relationships with Tangata Whenua and Maori as well as strengthening the organisation's ability to effectively engage with Maori through training in tikanga and te reo. The department provides whanau, hapu, iwi and marae contacts and consultation advice to various council departments. The 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. The Kaupapa Maori department is involved in various projects including, MOU development between various Te Arawa iwi; District Plan Review, Central Business District revitalisation, Rotorua Eastern Arterial route, te reo training for staff and councillors, Te Arawa Standing Committee review, elections and ongoing support to the Te Arawa Standing Committee. Another significant role of the Kaupapa Maori department is building relationships and sharing information with private and public agencies, iwi and other councils that work with iwi and Maori in their regions and/or districts.

## Mana Whenua Funding Policy 2009/2010

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, and promoting resource management objectives. This policy was launched in October 2007. Since that time 14 Maori land trust projects have been supported. The projects have included papakainga feasibility studies, commercial feasibility studies, environmental enhancement projects, waahi tapu maintenance and enhancement, environmental rejuvenation project, replanting projects, kaumatua housing and marae study and restoration study.

The overall aim of the policy is to stimulate and encourage the sustainable development of unoccupied Maori land in the District. The intent is to investigate viable strategies; build capacity of Maori land owners and develop joint projects that will benefit owners and the wider community. In 2010 the fund was to undergo a re-focus in that the main aim of the fund will be land use change projects that work towards improving water quality. Recipients of the fund are Maori Ahu Whenua land trusts in the district; however Maori land reservations and/or marae that intend undertaking projects that will improve water quality may also be eligible.

## Tuhourangi Memorandum of Understanding

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

Tuhourangi have met with Council regarding the following projects: Tarawera and Okareka Landscape Assessment; proposed Crater Lake Park Development update; traffic and parking management plan for Punaromia, Tarawera Landing; Lake Tarawera boat trailer parking; Whakarewarewa Forest Vision and Tarawera Trail.

## Rotorua Te Arawa Lakes Strategy Group

This joint committee, with representatives from Bay of Plenty Regional Council, Te Arawa Lakes Trust and Rotorua District Council, met regularly to ensure a proactive strategic approach to coordinating lakes quality improvement in the district. This structure has been enshrined in legislation as part of the Te Arawa Rotorua Lakes Settlement. The committee met regularly in 2010/11.

## Lakes Restoration and Rehabilitation Programme

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

## Te Arawa Lakes Trust and Rotorua District Council Memorandum of Understanding.

On 18 December 2009 a protocol between the Rotorua District Council and the Te Arawa Lakes Trust was signed. The protocol purpose is to ensure that engagement and communication between the organisations is effective, that respect for both organisation roles and responsibilities is upheld, and that it recognises the cultural and spiritual relationship Te Arawa has with the 14 lakes and lake beds in Rotorua.

## Ngati Rangiwewehi, Ngati Rangiteaorere, Tapuika (Nga Tokotoru) – MOU

2010 saw the development and completion of three new MOU between RDC and Nga Tokotoru. The purpose of these MOUs is to build relationships and to forge new partnerships with respective iwi and hapu.

## Other Memoranda of Understanding

Other MOUs are being developed between Rotorua District Council and hapu of Te Arawa. These are expected to be finalised by the end of 2011/12.

## Community and Public Arts

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

## Te Arawa Standing Committee



Back (L-R): Arapeta Tahana, Kingi Biddle, Eraia Kiel, RDC Director Kaupapa Maori Mauriora Kingi, Deputy Mayor Trevor Maxwell, Roku Mihinui, Potaua Biasiny-Tule.

Front (L-R): Rene Mitchell, Mayor Kevin Winters, Cr Maureen Waaka, RDC Policy Analyst/Maori Research Officer Bella Tait.



# Community Facilities

Rotorua District Council provides a wide range of facilities for the local community. These facilities are highly regarded by residents and by the district's many New Zealand and overseas visitors. A selection of these facilities is profiled over the next few pages.

## Rotorua District Library



Rotorua District Library exists to provide information, and cultural and educational resources that help minimise economic, social and cultural barriers to information access. The library is a repository for local history, including Maori history, for future generations. It reflects the Rotorua culture and diversity of the community with special collections of New Zealand, Maori and Polynesian history, matched with information and books in other European, Asian and Pacific languages.

The library has over 160,000 items in stock – books, DVDs, music CDs, talking books, computer games and magazines for all age groups. The library also administers the Rotorua Toy Library. More than 730,000 items were issued between July 2010 and June 2011. Approximately 58% of the Rotorua population holds membership of the library and over 400,000 use the library each year - 74% of all households according to the latest NRB survey. Internet access is available and Wifi Internet is free for members. The library also provides free access to a wide range of databases and presentations from visiting authors.

## Rotorua Museum



Rotorua Museum - Te Whare Taonga o Te Arawa - is one of the finest regional museums in New Zealand.

Telling the 'Great Stories of Rotorua' through innovative exhibitions and cinema experiences, the museum has recently completed a \$23 million programme of development and refurbishment.

The centrepiece exhibition '*Nga Pumanawa o Te Arawa*' tells the story of the Arawa people in a series of eight new galleries which showcase significant taonga from this area many of which have been returned from other museums around New Zealand and overseas.

The museum also shows an active programme of changing art exhibitions across five galleries, and hosts over 12,000 school students on organised visits every year. Rotorua Museum attracts around 110,000 visitors per annum of whom nearly 50% are international tourists.

## Rotorua Aquatic Centre



Rotorua District Council prides itself on providing one of Australasia's finest public swimming pool centres. The Aquatic Centre is a 5-star Qualmark rated facility and the first swimming pool facility within New Zealand to achieve Enviro-Gold Responsible Tourism accreditation.

This community facility is for those who are into water sports, water recreation, aqua-fitness or just pure relaxation. It has an outdoor 50m lap swimming pool, indoor 25m pool, spas, lazy river, splash pad, aqua jogging, cardio studio and grass volleyball court.

On average the centre's professionally trained staff serve over 330,000 visitors and provide over 46,000 swim lessons in a year.

**Rotorua parks, gardens and the Redwoods**



In 2010/11 Rotorua was again been accorded the title of ‘New Zealand’s Best City’ by the national Keep Rotorua beautiful organisation. This is in part an endorsement of the city’s parks, gardens and streetscapes which are maintain to high standards by the Rotorua District Council’s Castlecorp business unit staff.

Within the city area there are approximately 150 flower beds, using around 300,000 plants per year. An additional 35,000 tulip bulbs are also planted every year. These flower beds and colour scheme combinations are worked out well in advance of each planting season to ensure that their presentation and array of colour is of the highest possible standard.

Rotorua prides itself on the 26km ‘Rotorua Walkway’ which is broken up into 8 shorter sections enabling users to enjoy Rotorua’s most scenic points of interest and to enter and exit at various stages.

Rotorua is fortunate to be surrounded by 14 major lakes. These lakes provide recreation areas for both residents and tourists and become very popular spaces in the summer months In particular. Events such as NZ Water Ski championships, National Powerboat Racing, Dragon Boat competitions and triathlons are just some of the large-scale events that Rotorua’s lakes have hosted over recent years.

‘The Redwoods’ is another popular destination for local residents and visitors. This natural oasis close to the central city features an impressive network of walking and jogging tracks, along with world class mountain bike trails.

## Tourism Rotorua Travel Office and i-SITE



Tourism Rotorua Travel Office and i-SITE is operated by Rotorua District Council as another community and visitor facility. It operates 364 days a year to provide information and bookings, encouraging visitors to experience more of the district and to stay longer, which supports the council's economic growth objectives.

The office also offers a comprehensive New Zealand-wide domestic travel reservations service for local residents and visitors.

Tourism Rotorua's i-SITE, which assists more than 900,000 visitors each year, achieved an overall Qualmark score of 87% during the year.

Rotorua Education Network, through 'The Organiser' business unit of Tourism Rotorua successfully facilitated the visit of 160 education groups to Rotorua involving over 900 Adults and 5300 students. The Organiser has also been involved in providing services to a number of Rugby World Cup related groups.

## Events & Venues Rotorua



Events & Venues Rotorua manages five Rotorua District Council-owned venues including the Rotorua Convention Centre, Energy Events Centre, Rotorua International Stadium, Te Runanga Tea House and the Rotorua Soundshell.

Events & Venues Rotorua hosted over 1,100 events across its venues, and 33 conferences which brought over 11,500 delegates to Rotorua. It also supported over 120 major outdoor events and hosted 28 theatre shows, entertaining more than 12,000 patrons.

Events & Venues' experienced team specialises in all aspects of venue and event management and provide an array of event ideas and options for creating exceptional and personalised occasions.

# Mayor and Councillors



His Worship the Mayor  
Kevin Winters JP



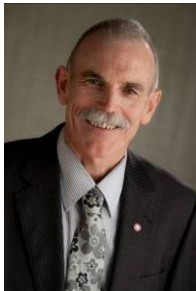
Cr Trevor Maxwell MNZM  
Deputy Mayor



Cr Maggie Bentley



Cr Julie Calnan



Cr Dave Donaldson QSM



Cr Mark Gould JP



Cr Karen Hunt



Cr Geoff Kenny



Cr Mike McVicker



Cr Glenys Searancke QSM



Cr Charles Sturt

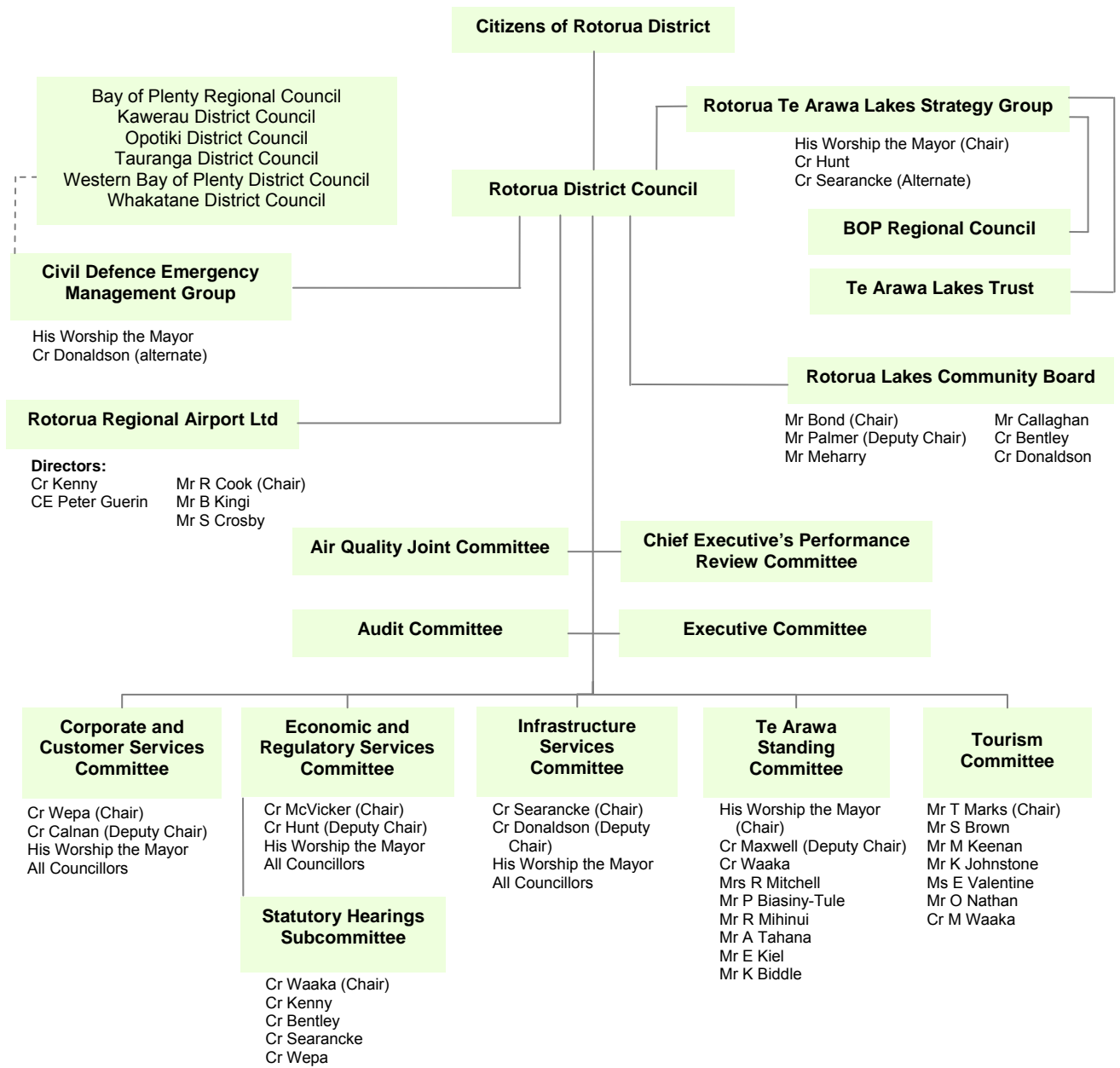


Cr Maureen Waaka, MNZM, JP



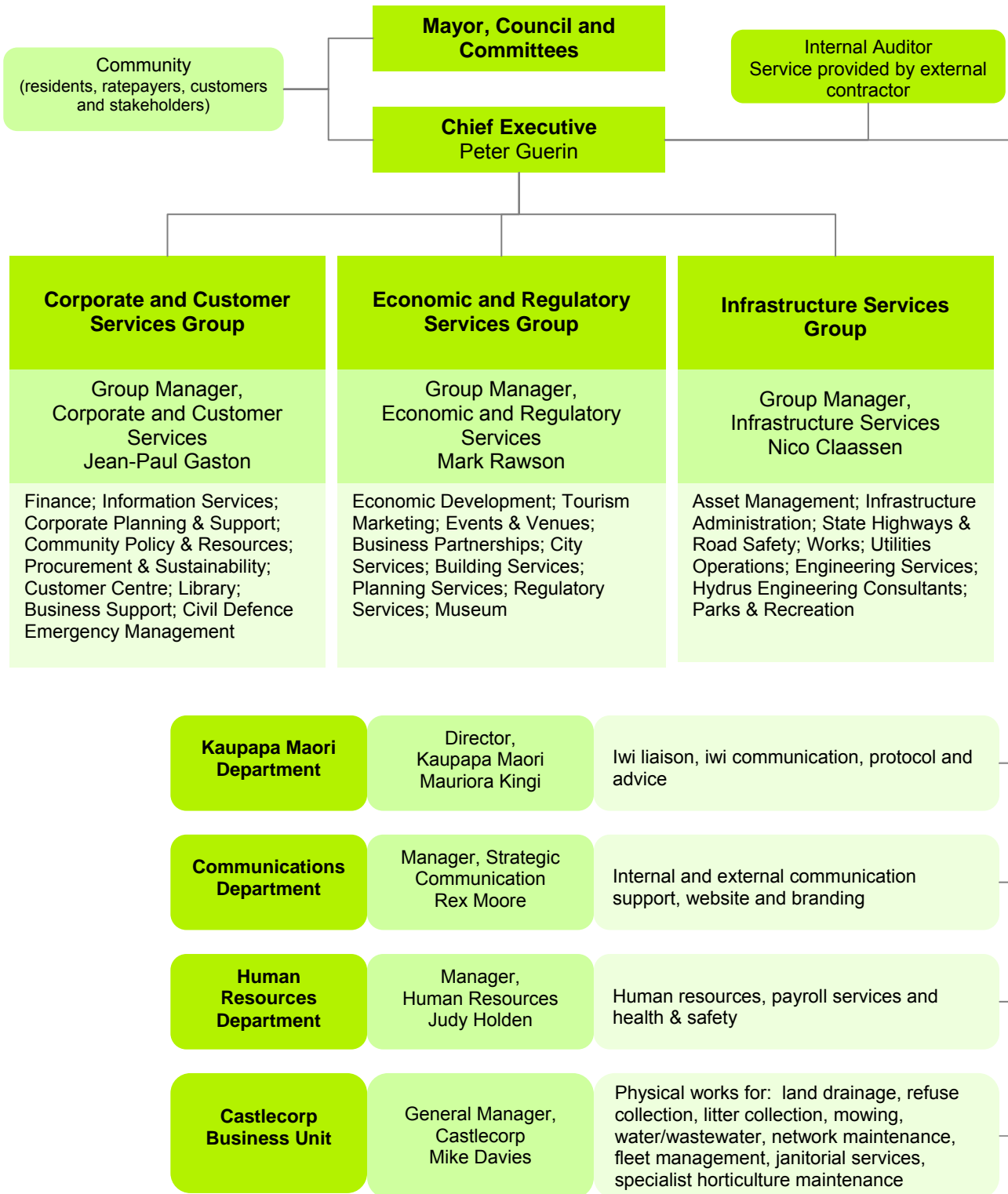
Cr Janet Wepa

# Committee Structure





# Management





**Peter Guerin** – Chief Executive  
**ROTORUA DISTRICT COUNCIL**

The 2010/11 year has seen high levels in achievement of our objectives despite ongoing challenges that faced us as a result of depressed national and international economic environments.

We finished the year in good shape having fulfilled our legal obligations as a local authority and our commitments to the Rotorua community. In return the community rated the work of our staff highly, with an 88% satisfaction rating in the independent National Research Bureau survey.

Following a comprehensive review of our management needs I implemented a restructuring of our Management Team and functional groupings. The new operational groups and their respective group managers are now well bedded-in and working very effectively.

Comments from each of our Management Team members follows below and I make additional comments on the year's highlights in our joint Mayor and Chief Executive message at the beginning of this report.



**Jean-Paul Gaston** – Group Manager  
**CORPORATE AND CUSTOMER SERVICES**

The Corporate & Customer Services Group's departments include Finance, Information Services, District Library, Customer Centre, Procurement & Sustainability, Corporate Support (including Democracy Services), Emergency Management, and Community Policy & Resources.

The group's key areas of focus are on quality customer service delivery and provision of effective support to the elected council, chief executive and other council departments.

The 2010/11 year included a number of customer service enhancements for residents making direct contact with the council and further development of the council website as an information and interactive communication channel.

Preparatory work on developing a new Long term Plan for completion in 2012 commenced during the year and there has been a major focus on operational cost reductions across the organisation including development of more effective procurement processes.

Environmental sustainability also received significant attention such as support for the Rotorua Sustainable Charter, internal recycling programmes and initiatives to reduce electricity and fuel usage.

The District Library continues to develop educational, cultural and information services to our customers while our community engagement programmes support a wide cross section of residents. We are also increasingly well prepared to support our community in the event of a major civil defence emergency.

Rotorua District Council is in the process of implementing the 'Lean Thinking' continuous improvement management concept, with the Records and Archives section the first to undertake an exercise, which has improved the entire process for issuing Land Information Memorandums.

The 2011/12 year offers a challenging agenda including development and adoption of a new Long Term Plan and extending the Lean Thinking discipline across the group and throughout RDC. Teams within the group will continue to identify ongoing improvements for supporting our internal and external customers.



**Mark Rawson** – Group Manager  
**ECONOMIC AND REGULATORY SERVICES**

As part of a restructure of council senior management the new Economic & Regulatory Services Group aims to provide a fresh approach to supporting sustainable economic growth. The council has moved from a single economic development unit and a dedicated tourism marketing department to a 'whole of council' approach where departments incorporate sustainable economic development objectives in their day-to-day operations.

The group includes a new Economic Projects department targeting programmes that complement the new Rotorua Sustainable Economic Growth Strategy, enhance the economic environment and build stronger links with neighbouring regions.

The former tourism unit has been restructured and renamed simply 'Destination Rotorua Marketing,' retaining a strong tourism focus but also playing a wider role in marketing Rotorua as a great place to live, work and invest.

Key highlights for the group have included the final phases in the development of the Museum's new Don Stafford Wing, continued growth in attracting conferences with Rotorua now one of the country's top three destinations for medium to large conferences, and final preparations for Rugby World Cup 2011.

The Rotorua i-SITE recorded the highest foot traffic of any i-SITE in New Zealand with over 900,000 visitors, stage one of the National cycleway Te Ara o Ahi (Pathway of Fire) got underway, the community gave a 97% satisfaction rating to the appearance and operations of the CBD, and exceptional planning and building consent processing ranked RDC among the very best performing councils in the country.

Over the coming year departments in the group will support RDC's important role as one of Rotorua's key economic development agencies, aligning regulatory functions with the Rotorua Sustainable Economic Development Strategy and a particular focus on the reviewed District Plan. The other key programmes on the agenda include implementation of elements of the Urban Design Framework for CBD revitalisation, and a new approach to marketing Rotorua as a place to visit, live, work and invest.

The group aims to complement the council's commitment to supporting sustainable economic growth and to smooth the way for investment and development in our district. This should position RDC well to develop strong partnerships with the private sector aimed at achieving greater economic prosperity.



**Nico Claassen** - Group Manager  
**INFRASTRUCTURE SERVICES**

The 2010/11 year was a productive year for the Infrastructure Services Group. The group's key focus was on progressing a substantial capital works programme while maintaining and improving maintenance operations and levels of service to the community.

The group was involved in a wide range of projects, including new sewerage schemes aimed at improving lakes water quality, expansion of runway facilities at Rotorua International Airport, development of the innovative 'Waste2Gold' waste reduction and re-use programme, securing a new cemetery site on SH5, development of the Tokorangi/Whakarewarewa forest for public recreational purposes, four-laning of some local roads and State Highway sections, extensions to the central wastewater treatment plant, refurbishment of the Youth Centre and development of additional playground areas.

The levels of service for the district's wastewater, water, stormwater, roading, solid waste management, parks, reserves and crematorium have been maintained against challenging financial constraints. Identifying ways of maintaining service levels within reducing budget availability has been an important focus of the group's day-to-day operational emphasis.

In the 2011/2012 year the group will focus on continuing to progress those ongoing projects that span several years and completion of projects programmed for conclusion. The group will continue to identify practical and innovative ways of safeguarding community facilities and delivering reliable services for the future.

**Mauriora Kingi** – Director



**KAUPAPA MAORI**

*Tena Koutou e mahitahi nei i runga i te wairua kotahi hei para i te huarahi mo te painga mo nga uri whakatipu me te rohe whanui.*

*Greetings to us all as we collectively work together in the spirit of harmony, creating positive pathways for future generations to live, work and play in our vibrant district.*

Building relationships and partnerships is among the main drivers of the Kaupapa Maori department. Last year saw the establishment of four new protocols signed between Iwi and the Council and this year we will focus on developing more protocols and Memorandums of Understanding (MOUs). The foundation of these agreements aligns with the words 'Tatau Tatau' on our formal city crest - 'We as one' - and is also built on principles of trust and goodwill.

Acknowledgement of the past and weaving this into the present as a platform for the future is important. The council needs to understand how Iwi think and operate, and Iwi need to know what their local council does, and how and why they do it. Upskilling the organisation on Iwi development and upskilling Iwi on relevant local government related legislation is important for mutual understanding.

*Ma te mahitahi ka tutuki - working together we will succeed.*



**Rex Moore** – Manager  
**STRATEGIC COMMUNICATION**

Rotorua District Council regards active engagement with its community as a vital part of the delivery of services.

During the 2010/11 year significant emphasis was placed on keeping people informed about council activities aimed at helping make local government relevant to residents across the district.

Newsletters, websites, media releases, open days, event displays, mailouts, advertising, posters, public meetings, social media and regular issues of RDC's District News publication were among a wide range of communication channels used to effect during the year.

The council also provided many opportunities for direct input and feedback into plans and strategies while documents were in their early draft stages. Submissions received on a number of proposals were particularly useful in ensuring that RDC decision-making was robust and reflective of a broad cross-section of community views. For the draft 2011/12 Annual Plan for example, RDC received in excess of 2000 submissions from individuals, businesses, Iwi, agencies and other organisations.

In the 2011/12 year we will continue to develop opportunities for optimising engagement with residents and ratepayers, for building awareness about council programmes and projects, and for encouraging participation in council decision-making processes.



**Judy Holden – Manager  
HUMAN RESOURCES**

Rotorua District Council acknowledges that staff members are the organisation's key resource and during the year we have implemented many quality improvement initiatives with a focus on working better and more cost effectively.

Key improvement initiatives have included supporting management through a major organisational structure review that resulted in the four key council groups being reduced to three. There has also been a re-alignment of departments and functions, and development of new strategies aimed at securing the best possible support for the council, the Rotorua community and the local economy into the future.

A comprehensive and independent organisation-wide workplace survey was conducted during the year with 83% of staff participating. An analysis of results has contributed to identification of the key drivers of employee engagement, trends and benchmark comparisons against other councils and organisations. This has provided a valuable focus and catalyst for future organisational action.

In the area of Health & Safety, Rotorua District Council attained ACC tertiary accreditation as a result of a robust audit carried out during the year. 'Tertiary' is the highest employer level of accreditation that ACC issues and in RDC's case it recognises the council's strong commitment to maintaining a safe and healthy workforce.

In the 2011/12 year, the focus will be on continuous improvement, ongoing development of staff skills and capacity, and effective employee recruitment and retention programmes. This will help RDC to continue serving the Rotorua community well and will ensure Rotorua District Council remains an attractive and sought after 'Workplace of Choice.'



**Mike Davies – General Manager  
CASTLECORP**

2010/11 was an extremely significant year for us as we celebrated the 20<sup>th</sup> anniversary of RDC's resolution to establish Castlecorp. While we have seen a number of changes over the last 20 years our ongoing positive impact on the district has not changed, nor has our philosophy of continuous service improvement. A strong focus on high quality service delivery combined with continued support from community volunteers has helped to keep our city clean and attractive, and has played a part in Rotorua receiving the coveted 'New Zealand's Best City' award again in 2010/11.

An increasing involvement in events kept the Castlecorp team busy not only with recycling initiatives, but also with event logistics and setup. The Lakeside concert, Mardi Gras and Raggamuffin, plus the weekly Night Market all provided significant public exposure as well as excellent community recycling opportunities. Preparations for Rugby World Cup 2011 provide

the opportunity for Castlecorp to again offer excellent support to RDC's Events and Venues team.

The focus on developing our staff has continued with investment in regular core training, as well as a number of our staff achieving National Certificates in both Horticulture and Utilities.

Castlecorp personnel and the Rotorua community will benefit from our services being delivered by fully qualified, skilled and competent staff.

Finally it is important to acknowledge the dedication and commitment shown by our team members during the Canterbury bushfire, for coordinating QuakeAid for Christchurch earthquake victims, and on many other occasions where staff have gone the extra mile to help communities in their times of need.

Our focus for the next year is on continuing to serve the community to the highest standards.

# Community Outcomes

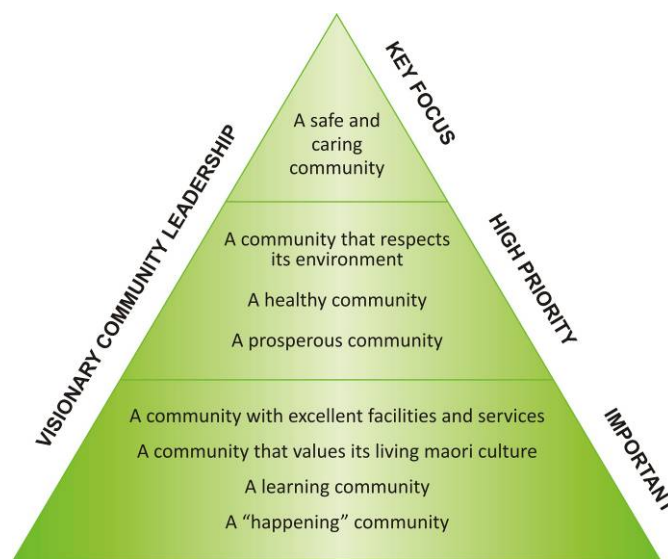
The Local Government Act 2002 requires councils to identify and monitor community outcomes. Community outcomes are overarching strategic goals that councils and other organisations use to guide their service delivery and resource allocation. They are also a focal point for promoting closer working relationships, to ensure resources are used effectively and in a coordinated manner.

## Process of Identifying Community Outcomes

In mid-2004 the council discussed community outcomes requirements with other key organisations that promote community wellbeing in the Rotorua District. These organisations endorsed a process of public consultation which took shape in the latter part of 2004, as the Bright

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

Rotorua District community identified the following eight goals and council works in accordance to achieve them.



**A safe and caring community** – families and whanau are safe and strong; people are considerate and respect cultural diversity.  
*He Iwi Whanui e ngakau nui ana ki te manaaki motuhake.*

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

**A community that respects its environment** – people value, respect and understand the needs of our lakes, streams, forests and geothermal resources; commitment to sustaining, monitoring and improving the natural environment is owned by everyone.  
*He Iwi Whanui tenei e ngakau nui ana ki te Taiao.*

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

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

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

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

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

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

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

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

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

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

**A community that values its living Maori culture** – the history of Te Arawa in the district and the value of Maori culture are recognised and fostered.

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

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

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

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

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

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

*He Iwi Whanui tenei e tumeke ana.*

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

## Corporate and Customer Services Group

### Achievements for 2010/11

- 2010 Local Body Elections
- Restructure of the organisation conducted to realign with the council's key areas of focus
- Rotorua Lakes Symposium, Thursday 7<sup>th</sup> April – Friday 8<sup>th</sup> April 2011.
- NZ Community Boards Conference 2011, Communities on Board, The Changing Face of Community Governance, Thursday 5<sup>th</sup> May 2011 – Saturday 7<sup>th</sup> May 2011
- North Island Children's and Young Adult Librarians' Conference, 22 – 23 July 2011
- Youth Spaces Project consultation completed on Western suburbs and began for Koutu community
- Achieved a third year of funding from Ministry of Youth Development for E OHO project – youth development program
- Secured funding for 'FreeParking' – sport and recreation activities on the youth spaces
- Community Arts including: NZ Music Month Workshop, Magma Short Film Festival, Children's Family Fun Day, Rotorua Entertains, Music at the Band Rotunda and more city transformer boxes being painted by artists
- Community Safety initiatives such as: Treasure Rotorua, City Assist, Community Safety Projects Fund, Crime Prevention Through Environmental Design training and training for bar and door staff in preparation for the Rugby World Cup 2011
- North Island Children and Teens Librarians' Conference
- Emergency team members helped out with the Queensland floods and Christchurch earthquake

### What was in the plan but not done

- Grow Rotorua Fund has not as yet been accessed

## Economic and Regulatory Services Group

### Achievements for 2010/11

- Developed a Rotorua Sustainable Economic Growth Strategy
- Completion of the Rotorua Tourism marketing strategy and the Destination Rotorua Marketing business plan
- Final stages of completing the Museum's new Don Stafford wing
- Rotorua now one of NZ's top three destinations for medium to large conferences
- Rotorua Tourism Committee formed and unveiled an ambitious programme of marketing goals and top line strategies for the coming 18 months
- Final stages of preparation for the Rugby World Cup 2011
- Highest foot traffic of any I-SITE in New Zealand
- Stage one of the National cycleway Te Ara o Ahi (Pathway of Fire)
- Planning and building consent processing amongst best in NZ
- Renewal of the NZ Building Consent Authority accreditation
- Addition of two more cameras and a mobile camera to enhance the CCTV network.
- Night Market continues to strengthen
- Eat Street – year spent gaining compliance and agreeing to staged development timeline for the future final development of Eat Street
- Release of the draft district plan for community comment
- Painting of the Pink and White Terraces at the stadium
- Civic Theatre redevelopment completed and reopened September 2011
- Raggamuffin Reggae festival estimated to have an impact of \$14.9 million for the local economy.
- Museum bus funded by Ngati Whakaue provided free transport to museum for over 5,000 students.

### What was in the plan but not done

- Upgrade of CCTV monitors deferred due to delay in police station re-development.
- Tourism Rotorua Accounting Information Ticketing Systems (TRAITS) development yet to be started as negotiations still in progress.

## Infrastructural Services Group

### Achievements for 2010/11

- Sewerage schemes aimed at improving lakes water quality, continue to progress
- Final stage of the southern runway extension completed at Rotorua International Airport
- Waste2Gold pilot plant constructed – waste reduction and re-use program
- Securing new cemetery site on State Highway 5
- Development of Tokorangi/Whakarewarewa forest for public recreational purposes
- Upgrade of the Waste Water Treatment facility
- Refurbishment of the youth centre
- Development of additional playground at Carroll Place Reserve
- State Highway 5 Entranceway Project at Tarukenga, which was a finalist in NZ Recreation Association's Outstanding Project of the year.
- Landscaping works at Alexander Road Reserve, Lake Tarawera
- Completion of the Maple Grove in Centennial Park
- Drainage improvements in Koutu and Springfield
- Secured funding for the Lake Road upgrade
- Fairy Springs Road 4 laning completed
- Rotorua won 'New Zealand's Best City' award from Keep New Zealand Beautiful organisation for 2010
- Ministry of Health subsidy for Mamaku water supply approved
- Water supply renewal and upgrade at Whakarewarewa, Reporoa and Ngongotaha

### What was in the plan but not done

- Cycleway Construction – started and will be completed in 2011/12
- Lake Road upgrade – this project will take 18 months, however the full budget was in 2011/12. Funding has been secured.
- Recycling Centre upgrade – has started and will be completed in 2011/12
- Lakefront Development project – consultation and preparation underway
- Wetlands mitigation delayed due to difficulty in finding suitable site
- Peka/Fenton Park network wastewater upgrade
- Parawai wastewater rising main – condition assessment concluded that not required for approximately 10 years
- Wastewater spray block drip conversion – trials showed that this would not achieve objectives, so not proceeded with
- Wastewater Treatment Plant renewals – due to condition assessment, work has been deferred.

## Castlecorp

### Achievements for 2010/11

- Celebrated 20 years since Castlecorp established
- Organised QuakeAid
- Successfully recycled 85% of waste at Lakeside Concert and 45% at Raggamuffin
- Increased levels of service in refuse collection in CBD, leak detection, Night Market set up and removal, water capital replacement program.

By Group	Targets	Achieved	Not Measured	Not Achieved
Corporate and Customer Services	39	23	6	10
Economic and Regulatory Services	69	55	4	10
Infrastructure Services	47	31	-	16
<b>Total</b>	<b>155</b>	<b>109</b>	<b>10</b>	<b>36</b>



# Financial Summary

## Statement of Comprehensive Income (Council)

For the year ended 30 June:

	2011 \$000	2010 \$000	2009 \$000	2008 \$000	2007 \$000
General rates	34,614	34,201	45,974	42,919	41,095
Targeted rates	33,935	31,725	18,487	16,805	15,305
Other services	43,848	39,469	38,856	35,332	31,499
Non operating adjustments	2,577	8,384	868	4,345	2,178
<b>Total Revenue</b>	<b>114,974</b>	<b>113,779</b>	<b>104,185</b>	<b>99,401</b>	<b>90,077</b>
Operating expenditure	105,235	100,414	98,122	91,706	86,551
Non operating expenditure	2,083	4,775	0	0	40
Taxation	0	0	0	0	0
<b>Total Expenditure</b>	<b>107,318</b>	<b>105,189</b>	<b>98,122</b>	<b>91,706</b>	<b>86,591</b>
<b>Net Surplus</b>	<b>7,656</b>	<b>8,590</b>	<b>6,063</b>	<b>7,695</b>	<b>3,486</b>

## Statement of Financial Position (Council)

For the year ended 30 June:

	2011 \$000	2010 \$000	2009 \$000	2008 \$000	2007 \$000
Current assets	21,555	20,545	18,454	19,815	15,046
Current liabilities	32,442	30,652	28,556	25,111	23,004
<b>Working capital</b>	<b>(10,887)</b>	<b>(10,107)</b>	<b>(10,102)</b>	<b>(5,296)</b>	<b>(7,958)</b>
Investments	2,220	2,063	2,440	2,500	2,092
Non current assets	1,044,415	961,905	912,430	860,016	847,543
	<b>1,035,752</b>	<b>953,861</b>	<b>904,768</b>	<b>857,220</b>	<b>841,677</b>
Financed by:					
Rate payers equity	848,433	821,812	805,484	781,994	771,895
Debt	135,110	115,632	100,751	82,860	74,852
Other term liabilities	2,661	2,516	2,237	2,172	2,405
Reserves	49,548	13,901	(3,704)	(9,805)	(7,475)
	<b>1,035,752</b>	<b>953,861</b>	<b>904,768</b>	<b>857,220</b>	<b>841,677</b>

### Revenue

Excluding the non-operating adjustments, revenue has increased 7% on the previous year. General rates have increased 1% and targeted rates have increased 7%. The large increase in the targeted rate is due to more sewerage schemes coming online. Overall revenue including non-operating adjustments (which are the recognition of vested assets and assets recognised for the first time) increased 1%.

### Expenditure

Operating expenditure increased on the previous year by 5%. This was primarily due to increases in depreciation and the loss on disposal of airport and water assets. Overall expenditure only increased 2% from the previous year, due to non-operating expenditure (loss on revaluation of property, plant and equipment) dropping significantly.

### Working Capital

Working capital has reduced by \$780k, with an increase in receivables of \$1,266k and an offsetting increase in payables of \$1,406k. Also in current liabilities are employee benefits liability, which has increased by \$325k.

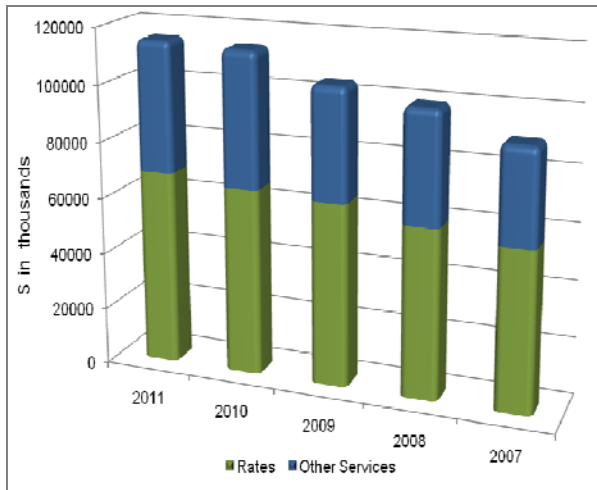
### Non-current Assets

Council's non-current assets increased by \$82 million in 2010/11. \$55 million was due to asset revaluations and the balance was asset acquisitions. Major capital expenditure projects included the museum, sewerage schemes, airport, convention centre, roading, Waste 2 Gold and the wastewater treatment plant.

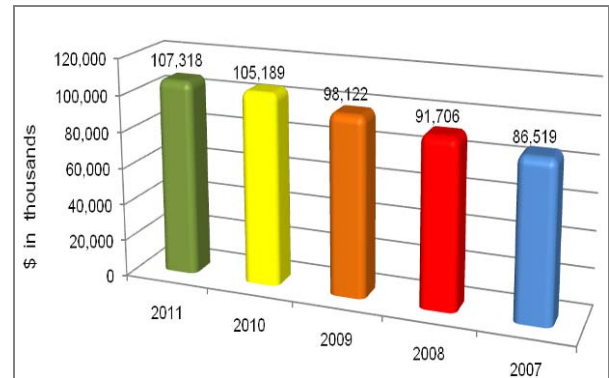
### Public Debt

Public debt increased by \$19.4 million to \$135 million. In the 2009/19 Long Term Plan, public debt was planned to reach \$159 million. The lower than planned debt is due to capital expenditure being less than forecast. Public debt continues to remain well within Treasury Policy limits.

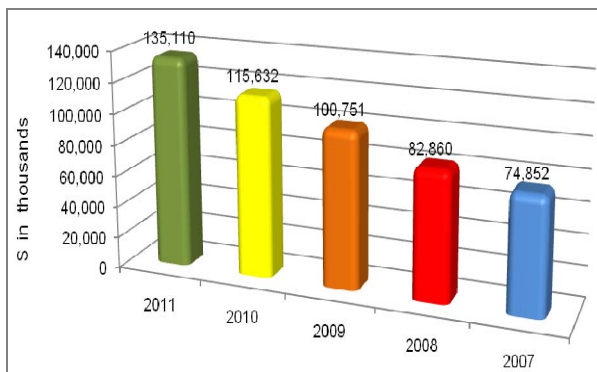
### Revenue Mix



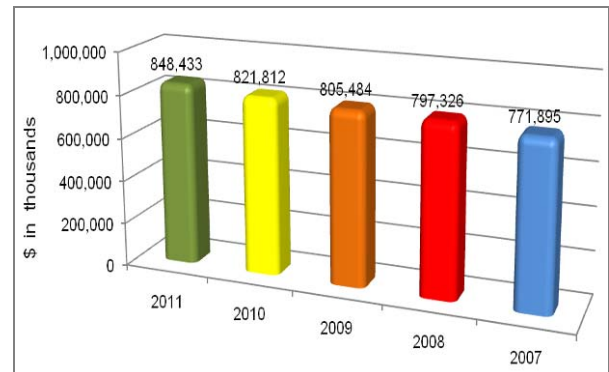
### Operating Expenditure



### Total Debt



### Ratepayers' Equity



# Activities at a glance

<b>Community Engagement and Support</b>		
	2011	2010
	\$000	\$000
Total costs	3,344	3,853
Total revenue	1,053	1,166
Net cost of service	2,291	2,687
Cost to the rate payers	1,606	2,044

<b>Emergency Management</b>		
	2011	2010
	\$000	\$000
Total costs	512	579
Total revenue	8	65
Net cost of service	504	514
Cost to the rate payers	467	487

<b>Animal Control</b>		
	2011	2010
	\$000	\$000
Total costs	866	863
Total revenue	560	524
Net cost of service	306	339
Cost to the rate payers	299	330

<b>City Services</b>		
	2011	2010
	\$000	\$000
Total costs	2,990	2,870
Total revenue	1,335	1,352
Net cost of service	1,655	1,518
Cost to the rate payers	1,472	1,338

<b>Environmental Planning Implementation</b>		
	2011	2010
	\$000	\$000
Total costs	1,942	2,147
Total revenue	250	222
Net cost of service	1,692	1,925
Cost to the rate payers	1,685	1,915

<b>Events and Venues</b>		
	2011	2010
	\$000	\$000
Total costs	6,638	6,340
Total revenue	3,847	4,568
Net cost of service	2,791	1,772
Cost to the rate payers	2,930	2,371

<b>Parking Enforcement</b>		
	2011	2010
	\$000	\$000
Total costs	882	913
Total revenue	1,750	1,772
Net cost of service	(868)	(859)
Cost to the rate payers	(845)	(872)

<b>District Library</b>		
	2011	2010
	\$000	\$000
Total costs	3,889	4,087
Total revenue	368	338
Net cost of service	3,521	3,749
Cost to the rate payers	3,130	3,351

<b>Governance and Strategic Directions</b>		
	2011	2010
	\$000	\$000
Total costs	5,448	5,982
Total revenue	1,146	2,472
Net cost of service	4,302	3,510
Cost to the rate payers	2,207	1,715

<b>Building Services</b>		
	2011	2010
	\$000	\$000
Total costs	2,105	2,669
Total revenue	1,790	1,796
Net cost of service	315	873
Cost to the rate payers	306	860

<b>Economic Development</b>		
	2011	2010
	\$000	\$000
Total costs	2,711	1,318
Total revenue	1,105	1,006
Net cost of service	1,606	312
Cost to the rate payers	2,371	1,110

<b>Environmental Planning Policy</b>		
	2011	2010
	\$000	\$000
Total costs	1,249	1,664
Total revenue	1	1
Net cost of service	1,248	1,663
Cost to the rate payers	1,243	1,658

<b>Inspection</b>		
	2011	2010
	\$000	\$000
Total costs	1,312	1,333
Total revenue	342	368
Net cost of service	970	965
Cost to the rate payers	962	959

<b>Rotorua Museum</b>		
	2011	2010
	\$000	\$000
Total costs	3,334	2,933
Total revenue	8,557	3,854
Net cost of service	(5,223)	(921)
Cost to the rate payers	1,801	1,499

<b>Tourism</b>		
	2011	2010
	\$000	\$000
Total costs	5,373	5,141
Total revenue	4,698	3,929
Net cost of service	675	1,212
Cost to the rate payers	3,003	2,975

<b>Infrastructural Planning and Compliance</b>		
	2011	2010
	\$000	\$000
Total costs	354	405
Total revenue	1,108	897
Net cost of service	(754)	(492)
Cost to the rate payers	(834)	(584)

<b>Rotorua Regional Airport</b>		
	2011	2010
	\$000	\$000
Total costs	5,761	5,529
Total revenue	1,433	1,031
Net cost of service	4,328	4,498
Cost to the rate payers	0	0

<b>Transport</b>		
	2011	2010
	\$000	\$000
Total costs	13,555	13,877
Total revenue	16,154	16,324
Net cost of service	(2,599)	(2,447)
Cost to the rate payers	8,974	8,565

<b>Wastewater</b>		
	2011	2010
	\$000	\$000
Total costs	9,717	9,766
Total revenue	18,371	18,593
Net cost of service	(8,654)	(8,827)
Cost to the rate payers	12,175	11,338

<b>Castlecorp</b>		
	2011	2010
	\$000	\$000
Total costs	356	281
Total revenue	320	303
Net cost of service	36	(22)
Cost to the rate payers	176	884

<b>Aquatic Facilities</b>		
	2011	2010
	\$000	\$000
Total costs	3,057	2,922
Total revenue	1,153	1,327
Net cost of service	1,904	1,595
Cost to the rate payers	1,655	1,413

<b>Public Gardens and Open Spaces</b>		
	2011	2010
	\$000	\$000
Total costs	10,532	10,501
Total revenue	3,626	3,579
Net cost of service	6,906	6,922
Cost to the rate payers	5,991	7,504

<b>Stormwater and Land Drainage</b>		
	2011	2010
	\$000	\$000
Total costs	6,811	3,052
Total revenue	306	504
Net cost of service	6,505	2,548
Cost to the rate payers	2,485	1,619

<b>Waste Management</b>		
	2011	2010
	\$000	\$000
Total costs	7,891	6,957
Total revenue	5,726	4,387
Net cost of service	2,165	2,570
Cost to the rate payers	3,409	2,967

<b>Water Supplies</b>		
	2011	2010
	\$000	\$000
Total costs	9,522	11,094
Total revenue	7,151	10,680
Net cost of service	2,371	414
Cost to the rate payers	6,627	6,433

# Corporate and Customer Services 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, services, activities and events	A community that values its living Maori culture	A learning community	A "happening" community
29	Community Engagement and Support	✓		✓	✓	✓	✓	✓	✓
33	District Library				✓	✓	✓	✓	✓
37	Emergency Management	✓		✓					
40	Governance and Strategic Direction	✓	✓	✓	✓	✓	✓	✓	✓

## Overview of Group

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

- Community engagement and support:
  - Grants and community assistance
  - Pensioner housing
  - Community House
  - Halls
  - Community policy and resources
- Corporate support functions:
  - Corporate administration
  - Property management
  - Customer Centre
  - Financial services
  - Information management
  - Information technology
  - Geographic Information Systems (GIS)
  - Records
- Democracy
- District Library
- Emergency Management
- Governance and Strategic Direction:
  - Kaupapa Maori
  - Procurement and sustainability
  - Human Resources
  - Communication

The Corporate and Customer Services Group underpins council's democratic processes and provides policy and priorities for strategic direction, advocacy, and delivery of services to best meet the community's needs.

The activity is central to ensuring that Rotorua District Council's services are contributing towards the promotion of community outcomes and improving social, cultural, economic and environmental well-being for the people of the district. Some of the services provided are recognised as very important to the community and would not otherwise be provided to the level expected without council's contribution and involvement.

A number of support services are not detailed individually in the following section. The cost of these activities are included as part of the cost of service for all other council activities and services.

Council's role in promoting sustainable development and the well-being of the community is also of significant importance.



### Performance Targets

	Targets	Achieved	Not Measured	Not Achieved
Community Engagement and Support	11	8	2	1
District Library	11	7	-	4
Emergency Management	8	5	-	3
Governance and Strategic Direction	9	3	4	2
<b>Total</b>	<b>39</b>	<b>23</b>	<b>6</b>	<b>10</b>

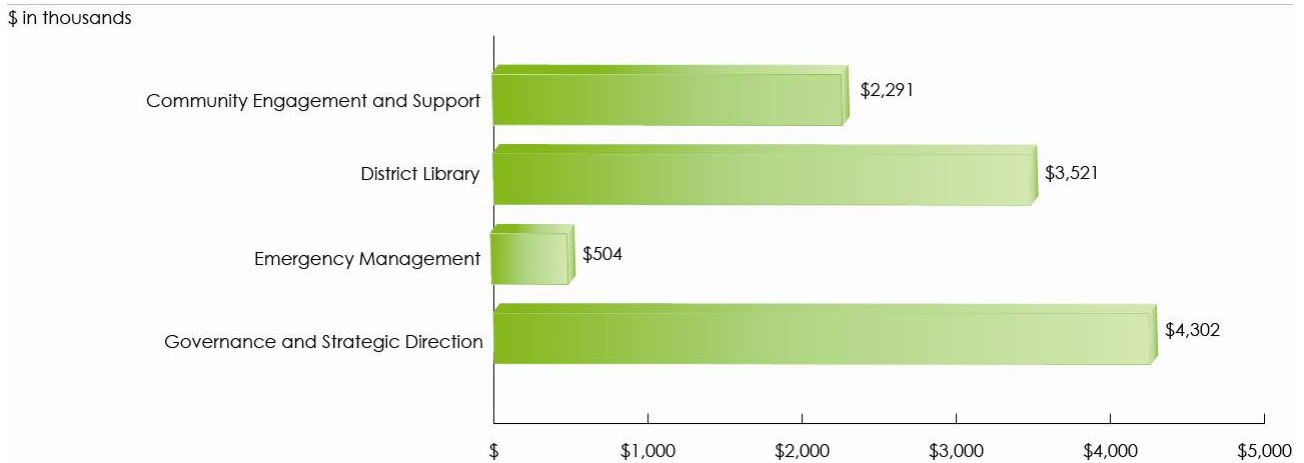
**Targets not measured** are due to the cancellation of the census and some of the surveys referred to are not carried out annually.

**Targets not achieved** in the Library activity were a direct result of the book budget being cut.

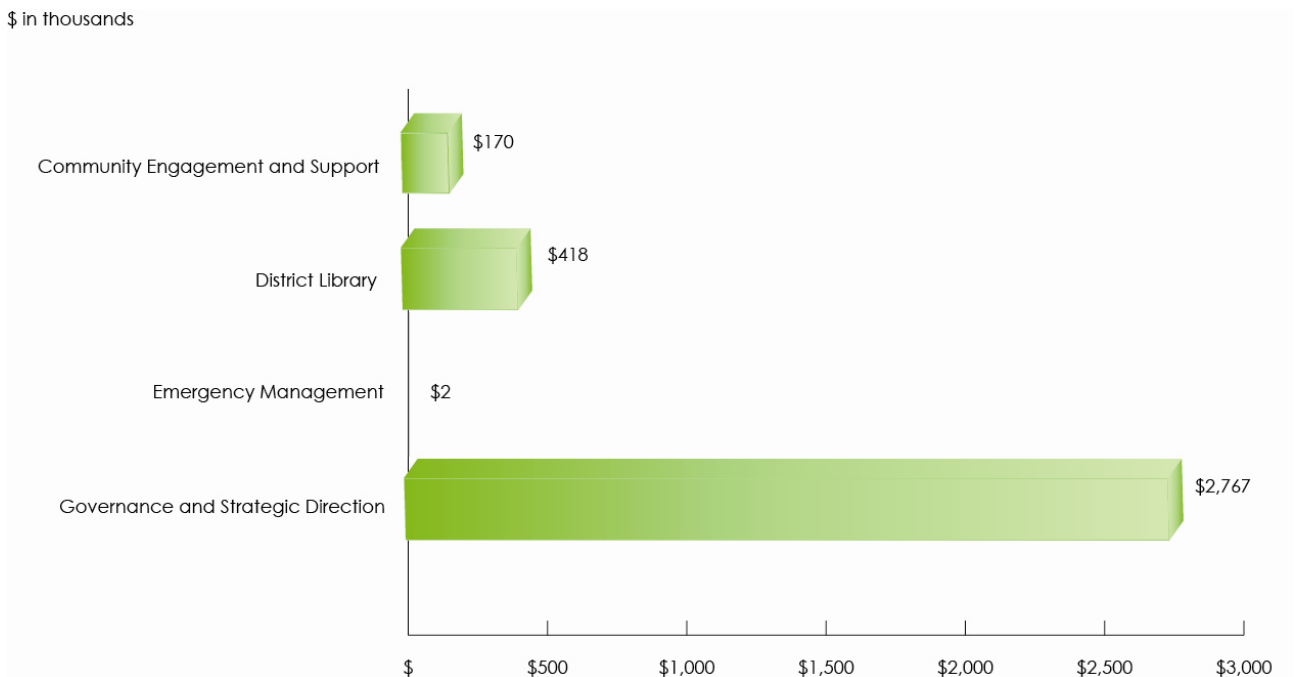
Emergency Management activity was due to a desktop exercise not being performed as a result of the assistance provided to Christchurch, and delays in the delivery of software.

Governance and Strategic Direction activity is in relation to residents' satisfaction with Council decisions being below target, and no Mana Whenua plans being produced during the year.

### Net Cost of Service



### Capital Expenditure



# Community Engagement and Support



## What we do

### Community Halls

The council maintains 8 rural and one urban community hall, and makes a financial contribution to two other halls used by residents of the district. The halls provide indoor meeting places for people who live within the district. They are hired out to users, and managed by local volunteer committees. The halls are in Ngongotaha, Mamaku, Kaharoa, Lake Okareka, Waikite, Reporoa, Broadlands, Rerewhakaaitu, and Ngakuru. RDC makes financial contributions to halls in Atiamuri and Lake Rotoma.

### Engaging Communities

The council works with community organisations to ensure their sustainability. When strong, these organisations can make positive contributions to the social and cultural wellbeing of people in the district. Engagement includes programmes, projects and activities for specific groups. The scope of work includes engagement with young and older people, those interested in art and the arts community, ethnic communities, people who are disadvantaged, and crime and safety concerns. This work includes research to track the social impact of societal and demographic changes within the district.

### Community Assistance

Rotorua District Council provides contestable funding schemes which allow community groups to make contributions towards achieving Rotorua's community outcomes. The schemes are:

- **Community Asset Development Fund**  
RDC makes \$50k available per year, for this fund.

- **Community Grants**

Designed to assist/support a wide range of 'not for profit' community organisations to continue their work around meeting the needs of the community. Grants are usually up to \$1,500. The funds can be used for most purposes except capital. An annual fund of \$28k per annum is available.

- **Creative Communities**

RDC acts as an agent for central government, with the funds distributed by the Creative Communities Committee.

- **Community Safety**

RDC offers \$25k per year to assist groups/organisations undertaking projects with safety as the focus.

- **Grants for Services**

RDC currently provides grants for services to 9 local organisations - Neighbourhood Support Trust, Citizens Advice Bureau, Rotorua Social Services Council, Sport Bay of Plenty, Te Papa Takaro O Te Arawa, Rotorua Arts Village Experience, Rotorua Youth Centre Trust, Parksyde and Rotorua Christmas Parade Trust. These grants operate in the form of three year contracts with agreed deliverables, the total value being \$262k in 2010/11. Another level of grants for services is in place with funds of up to than \$5k per annum distributed to organisations. A total of \$29k of funding of was made available for this level of grants, in 2010/11.

### Pensioner Housing

The council provides and maintains pensioner housing complexes in Ngongotaha, Westbrook, Glenholme and Fenton Park. There are 152 units. Council is looking into further partnerships to complete the upgrade of the Rawhiti complex in Glenholme, within this Ten Year Plan.

### Sister Cities

Council maintains Sister City relationships with Wuzhong (China), Beppu (Japan), Lake MacQuarrie (Australia) and Klamath Falls (USA). Council hosts young American students travelling with the 'People to People' programme, and maintains relationships with local high schools/English language schools who host international students. During this year, a scholarship was made available to individuals and school groups who visit Rotorua's Sister Cities. This fund is being managed for RDC, via Geyser Community Foundation.

### Why we do it

To foster social and cultural well-being by engaging with communities to help achieve their objectives, build their capacity, strengthen their identity, and ensure their sustainability.

## This year's highlights and achievements included:

- **Sister Cities and Overseas Relationships**
    - Rotorua hosted a delegation lead by the Deputy Mayor of Beppu in October 2010 and an official opening was held for the collection of Japanese books received by the Rotorua library from the Library in Beppu.
    - Establishment of scholarship for individuals and school groups who visit Rotorua's Sister Cities, being managed via Geysers Community Foundation.
  - **Community Events -**

Santa Parade – Rotorua Christmas Parade Trust ran their first Santa Parade with funding from RDC.
  - **Community Assistance**
    - Creative Communities NZ, Rotorua Scheme \$41,110 distributed to 32 organisations
    - Community Grants \$25,070 was distributed to 18 organisations
    - Community Asset Development Fund 6 applications for a total of \$111,697 were received \$20,000 was allocated to Children's Health Camp \$10,000 was allocated to Rotorua Indian Association \$24,200 was allocated to Ngongotaha Pony Club \$9,426 was allocated to Rotorua Water Ski Club
- Youth Services**
- Youth Spaces Project - Completed consultation in Western Heights and Fordlands communities for the development of two youth spaces on local parks and reserves costing \$300,000. Also began consultation process in Koutu community for their youth space to be developed in 2012/13.
  - Secured and contract managed third year of MYD funding for E OHO project in Ngongotaha, Fordlands, Western Heights and Koutu.
  - Successful application to SPARC for \$247,114. Secured three years of funding to run FreeParking Youth Sport and Recreation activities on the youth spaces being developed in Western Heights, Koutu, Fordlands and Eastern Suburbs.
  - Successful application to Ministry of Youth Development for \$60,000. Secured one year of funding to run FreeParking Youth Leadership activities on the youth spaces being developed in Western Heights, Koutu, Fordlands and Eastern Suburbs.
- **Community Arts**
    - NZ Music Month Workshop with Jan Hellriegel (performer and CEO of Native Tongue publishing) for young wahine and with local guitar maestro Richard Anaru for men.
    - The fifth Magma Short Film Festival had over 150 entries, less than half screening over three evenings. Magma introduced stop-motion workshops for children and young people which were fully subscribed.
    - Publication of the Rotorua Public Arts Trail. The next evolution of the Volcanic Heartland guide (developed with Taupo District Council) and beautifully designed by artist Matt Austin.
  - **Community Safety**
    - City Assist – a successful fourth year, with more contacts and suspicious activity notings than any other year of the programme.
    - Community Safety Projects Fund – Funding distributed to Western Heights Community Association for 'Project Guardian' and 'CACTUS' (Combined Adolescent Training Unit and Support); The Sexual Abuse Centre for its 'Say No to Sexual

Abuse project'; Mahi Kai Outdoor Education Trust, \$8,000, to run three school holiday programmes for local young people; and Rotorua Multicultural Business Society to create resources for local migrant business owners on how to deal with difficult or aggressive customers.

- Crime Prevention Through Environmental Design (CPTED) Training – 22 local people were trained in basic CPTED principles by Tony Lake of the International Security Management and Crime Prevention Institute.
- Training for Bar and Door Staff - 52 staff from local licensed premises underwent security training in preparation for Rugby World Cup

### Resources

- Two publications were updated – Good Health 2011, and Social Monitor 2010. A new survey was undertaken which led to a report - Examining the Environment for Social Services Organisations in Rotorua 2010. This survey will now be updated annually.

### Community Projects

- Healthy Homes project – retrofitted a further 117 homes to June 2011, with funding from Rotorua Trust, Bay Trust and EECA
- \$195,297 John Paul College to assist with the multi purpose arena fit out.

## Community Outcomes

### A safe and caring community

- By working with a range of organisations on agreed priorities, including Safe Community designation
- By working towards safe homes and streets, lowering crime rates, improving perceptions of safety among residents, curbing alcohol related violence in the district
- By providing safe public spaces through use of Crime Prevention Through Environmental Design (CPTED) principles
- By actively working to create supportive environments for those affected by child abuse and family violence in the district
- By supporting implementation of the Rotorua Safe Families Action Plan
- By contracting with local 'not-for-profit' organisations
- By implementing the RDC Crime Prevention Plan

### A healthy community

- By working with a range of organisations to promote healthy eating – healthy action
- By implementing a range of activities and events which offer people the chance to be involved in activities which promote social and cultural wellbeing
- By working with young and older people, and families in the community, to support their needs and encourage contributions to the activities available
- By participating in projects which improve the health of those living in the district eg. Healthy Homes

### A prosperous community

- By working with organisations which support young people involved in education, training and employment
- By facilitating capacity building amongst local artists and arts organisations



**A community with excellent facilities, services, activities and events**

- By contributing to the support of local not for profit organisations through the provision of subsidised accommodation and grants for services contracts
- By partnering with other agencies around priority projects e.g. Rotorua Safe Families

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

- By use of Te Reo in a variety of areas - advertising of Community Assistance grant schemes; Maori language week activities; dual language signage at RDC venues; and in printed resources
- By maintaining relationships with local Maori communities/organisations
- By promoting events associated with Matariki each year

**A learning community**

- By supporting training for people working in voluntary roles eg. committee members
- By producing research/directory resources which are available to organisations and students within the district
- By facilitation of professional development opportunities for people working in the community
- By ensuring access to information about sources of funding eg fund view databases

**A “happening” community**

- By working with groups and organisations in the community to hold a number of events and activities which support social and cultural wellbeing
- By facilitating and supporting projects which foster artistic expression, art, music, dancing, public performances and exhibitions

**Variance from budget**

**Direct costs** favourable variance includes savings in Pensioner Housing in rates, insurance and property maintenance; the timing of maintenance of community halls and savings in Sister Cities travel.

**Subsidies and Grants** were above budget due to additional funding for various projects from the Ministry of Youth Development, Rotorua Trust and the Ministry of Justice.

**What it cost us**

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	2,464	2,605	2,956
Financial Costs	39	24	60
Depreciation	841	839	837
<b>Total Costs</b>	<b>3,344</b>	<b>3,468</b>	<b>3,853</b>
<b>Revenue</b>			
Capital Revenue	0	0	110
Fees & Charges	814	821	782
Investment Income	1	3	1
Subsidies & Grants	238	90	273
Targeted Rates	0	0	0
Other Income	0	0	0
<b>Total Revenue</b>	<b>1,053</b>	<b>914</b>	<b>1,166</b>
<b>Net Cost of Service</b>	<b>2,291</b>	<b>2,554</b>	<b>2,687</b>
<b>Capital Costs</b>			
Renewals	46	68	94
Growth	0	0	0
Backlog	0	0	0
Level of Service	124	124	277
<b>Total Capital</b>	<b>170</b>	<b>192</b>	<b>371</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	2,291	2,554	2,687
Plus Capital Revenue	0	0	107
Less Depreciation	(841)	(839)	(837)
Depreciation Funded by General Rates	13	34	5
Add back half share roading depreciation	0	0	0
Self Funding/DC Reserve Movements	143	87	82
<b>Operations Funded by General Rates</b>	<b>1,606</b>	<b>1,836</b>	<b>2,044</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	13	34	83
Loans from/(to) Corporate Fund	62	62	1
Capital Grants	62	62	198
Reserves Net	33	33	89
<b>Total Capital</b>	<b>170</b>	<b>192</b>	<b>371</b>
<b>Capital Expenditure</b>			
			2011 Actual \$000
Youth centre building upgrade			124
Domain Avenue Units			33
Community house			13
			<b>170</b>

## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Directly and indirectly provide assistance to community groups to build their capacity and help them achieve their objectives.	Implement and maintain proposed safety initiatives.	Maintain WHO Safe Community designation. Maintain Safe Families and Crime Prevention Action Plans.	Achieved.	Treasure Rotorua committee members have met monthly during 2010/11 year to plan and implement activities to maintain designation as a Safe Community. The Crime Prevention Plan was implemented through a variety of projects in the period 01.07.10-30.06.11.
	All rural and urban halls have a building warrant of fitness.	100%	Achieved.	All warrants of fitness were renewed by June 2011.
	Community grants rounds are completed each year.	4	Achieved.	Community grants rounds were undertaken as follows: Community Safety Fund – 26.08.10. Creative Communities – main round 15.04.11, discretionary around 15.10.10. Community Asset Development Fund 24.02.11. Community Grants 02.06.11.
	Grants for services contracts are in place with local not-for-profit groups and annual accountability reports are completed.	8	Achieved.	Deliverables for 8 not-for-profit groups were negotiated by 14.09.10. Accountability reports were completed by year end and received by 04.02.11 and 15.07.11.
	% of tenancy level in Community House.	96%	Achieved 100%	Community House for 2010/11 was fully tenanted for the year.
Management of pensioner housing tenancies so that the account is self funding.	Rental income covers 100% of operational costs.	No cost to ratepayer	Achieved.	Total operational costs (excluding depreciation) was \$566,000 while revenue was \$703,000.
	% of unit occupancy.	95%	Achieved – 96.1%	
	% of tenants rate overall satisfaction with their units as good/very good in two-yearly satisfaction surveys.	85%	N/A	Survey undertaken in December 2009. Next survey will be in December 2011.
Reviewing central government policy development and recommending a submission from a Rotorua standpoint.	% of mayor and councillors very/fairly satisfied with the Rotorua perspective put forward each year.	65%	Not achieved – 38.4%	Five of 13 elected members returned the survey about this performance measure. Of those who replied, 100% were satisfied.
Ensure quality information on the social and cultural composition and trends of the community are available and used in the direction setting of Rotorua.	Update Good Health, Social Monitor and youth services information annually.	100%	Achieved.	Good Health 2011 published 16.04.11. Social Monitor 2010 released 03.02.11. Social Sector survey report released 14.09.10. Youth Services Directory provides for services listed in it to update their own details as required.
	Update 4 demographic publications after each census. (Changing Communities, Youth Profile, Older Persons Profile and Patterns of Well-being – NZDep index is derived from the Census).	N/A	N/A	NZ Census due to run in March 2011 was cancelled following the Christchurch earthquake of 22 February 2011. The next census will be held in March 2013. Completion dates for publications using data from the 2013 census will need to be reviewed.



## What we do

### Collections/lending services

The library opens Monday to Saturday for 59 hours per week, as follows:

Monday to Friday	9.30am to 8.00pm
Saturday	9.30am to 4.00pm

The library provides a range of children's, teens' 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, talking books, music CDs, CDRoms and DVDs. The library houses the Community Toy Library, a collection of material belonging to the Rotorua Branch of NZ Society of Genealogists, Don Stafford's notes, Te Rangikaheke papers (held in trust for Ngati Rangiwewehi) and a variety of Maori Land Court minute books. All of these are available to the public.

### Website

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

### Mobile Library/Housebound Service

The mobile library delivers the library service to those who cannot access the library physically due to location and transport. The service operates Monday to Friday. The housebound service delivers books and resources to members of the community who are restricted to their homes due to illness or disability. The service is operated fortnightly by volunteer drivers.

### Programmes/Displays & Exhibitions

Various programmes are provided to cover differing age groups belonging to or using the library. These include:

- Rhyme 'n' Rumpus (twice a week)
- School holiday programmes
- Teens' programmes
- Author evenings (at least six times a year)
- Reading Round for adults (monthly)
- Research programmes for individuals to learn how to improve their searching skills and find out more about the library (monthly)

### Toi Tangata

This is an Arts Space for local exhibitions and displays to showcase, primarily, the work of local artists

### Library Mascot

The library's mascot, Fletcher Tuatara, visits schools with staff to inform students about the library and encourages them to become members/users. All new entrants in the district's primary schools are provided with special packs to encourage them to join the library.

### Why we do it

The District Library exists to provide education, information, cultural and recreational resources; to minimise economic, social and cultural barriers to information access for all the people of Rotorua District. The library is a repository for local history, including Maori history, for future generations. It reflects Rotorua culture and the diversity of the community, with special collections of New Zealand, Maori and Polynesian history, matched with information and books in other European, Asian and Pacific languages.

It plays an important role in improving the standard and quality of life of residents by providing the means for lifelong learning, independent decision-making and cultural development of the individual and social groups, reflecting the diversity of the community.

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

- **North Island Children's and Teens Librarians Conference** - The first of its kind in the North Island. The conference was developed, planned and organised by a small group of library staff. It was attended by 159 delegates, who were enthusiastic in their praise for the conference. Sponsors were secured and a small profit made.
- **Library Week** - This is a nationwide event. LIANZA prepared posters for the use of all libraries on the theme "Ask me", but we decided to make them specific for Rotorua District Library. Each staff person took responsibility for a section and posters were made up using their image. It worked really well and the public loved it.
- **Living Rooms** - Separated out Religion, Crime & Law to create new 'Living Rooms'.
- **Beppu Collection** - After some time communicating with the library in Beppu, our sister City in Japan, our libraries exchanged collections of books for all

ages and in October we launched Rotorua's Beppu Collection. The Deputy Mayor of Beppu and several other councillors were visiting at the time so attended the launch, along with Mayor Kevin Winters, other councillors and members of the Friends of the Library who had provided funding for the stand to hold the collection.

- **Kiwi Collection** - Launched a separate collection of kiwi fiction, which is proving popular.
- **Free Fiction Collection** - Launched a separate free fiction collection. Free fiction consists of classics such as Dickens and more serious and perhaps avant garde reading.
- **EPIC Workshops** - Gale Cengage held workshops in Rotorua. Librarians came from around the Bay of Plenty and South Waikato.
- **March into NZ Book Month** - Friday night storytimes with the NZ Army, No 29 Squadron ATC, NZ Police and NZ Fire Service.
- **HORIZON Upgrade** - Library Management system upgrade changed rentals from customisation to part of the whole.
- **NZ Film Archives Digital Access** - Access is to a variety of historic film, newsreels, advertising, television clips. It was launched at the Friends' AGM and two of the Film Archives' personnel travelled to Rotorua to present this new resource. The following day they held two sessions for the public. Also showcased was the new equipment the Friends had bought for us to show DVDs, Datashow projections etc.
- **Duffy Books Programme** - June saw the start of a co-operative venture between libraries, schools and the Duffy Foundation getting children into libraries as an extension of their reading programme.
- **Children's programmes** throughout the year have been Star Warz (a talent quest in July), KidZone Survivor (based on the TV Survivor in September), Halloween in October, Knights & Dragons, Castles & Crusaders (Summer Reading Programme), Spook-tacular (April Holidays).
- **Teens' programmes** included the TeeNZown Guitar Hero contest in September, Get Read – the Teens' Summer Reading Programme and a one-off photography workshop in January.
- **Author evenings** were with Kate De Goldi, Jackie Evans, Kelvin Cruickshank, Kerry Fowler and Auntie Bea.

## Community Outcomes

### A prosperous community

- By providing improved opportunities
- A well educated workforce contributes to the economic performance of a community

### A community with excellent facilities, services, activities and events

- By providing an excellent facility and resources to the community that would not otherwise be provided by private enterprise

### A community that values its living Maori culture

- By fostering Maori cultural activities and expression
- By respecting Te Arawa as part of the unique heritage of Rotorua District

### A learning community

- By providing learning activities accessible for everyone
- By providing excellent pre-school/infant facilities
- By providing whanau supported learning
- By encouraging literacy and lifelong learning, supporting formal and informal education

### A "happening" community

- By providing leading edge activity events
- By fostering artistic expression, art, music, dancing, public performances and exhibitions
- By providing great facilities to visit

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	2,925	2,873	2,827
Financial Costs	182	224	191
Depreciation	782	1,001	969
Other	0	0	100
<b>Total Costs</b>	<b>3,889</b>	<b>4,098</b>	<b>4,087</b>
<b>Revenue</b>			
Capital Revenue	39	38	12
Fees & Charges	329	371	326
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>368</b>	<b>409</b>	<b>338</b>
<b>Net Cost of Service</b>	<b>3,521</b>	<b>3,689</b>	<b>3,749</b>
<b>Capital Costs</b>			
Renewals	352	395	646
Growth	29	0	0
Backlog	37	41	20
Level of Service	0	0	49
<b>Total Capital</b>	<b>418</b>	<b>436</b>	<b>715</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	3,521	3,689	3,749
Plus Capital Revenue	39	38	4
Less Depreciation	(782)	(1,001)	(969)
Depreciation Funded by General Rates	352	395	646
Self Funding/DC Reserve Movements	0	0	(79)
<b>Operations Funded by General Rates</b>	<b>3,130</b>	<b>3,121</b>	<b>3,351</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	352	395	653
Loans from/(to) Corporate Fund	37	41	62
Capital Grants	29	0	0
<b>Total Capital</b>	<b>418</b>	<b>436</b>	<b>715</b>

## Capital Expenditure

	2011 Actual \$000
Asset Replacements	16
New Assets ( Funded By Grants)	30
New Books	372
	<b>418</b>

### Variance from budget

**Direct Costs** unfavourable variance is primarily a result of staff costs being higher than budget due to allowance for additional cover for annual leave and sick leave not provided for adequately.

**Depreciation** was below the budgeted figure due to the number being calculated on the cost value, rather than the discounted replacement value.

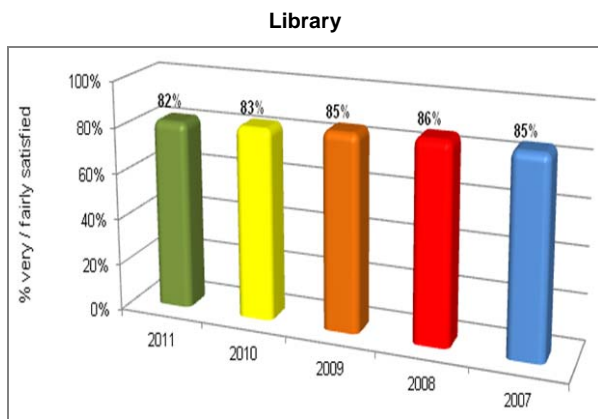
## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Library readily accessible to residents and visitors and meets the needs of the community.	% of population are members of the library.	60%	Not achieved – 59%	Currently 39,449 residents (59%) are members of the library. Council has recently upgraded the library and runs programmes to attract patrons.
	% of households who have used the library in the last 12 months.	69%	Achieved – 74%	There was at least one member from 74% of households which used the library during 2010/11.
	Annual visits per capita.	5.5	Achieved – 5.94 per capita	404,789 people visited the library and the mobile library.
	% of residents who are very/fairly satisfied with the level of service (as measured by community satisfaction survey). <sup>1</sup>	86%	Not achieved – 82%	Reflects the reduction of book budget.
Maintain a collection of local Maori and European print resources for reference and study.	% of published and unpublished print material reflecting Rotorua's heritage and culture purchased each year.	100%	Achieved	National Bibliography is regularly scanned to ensure these collections are maintained – all known sources of supply are checked for publications and any local material, self published or printed, is included.
Maintain collections of fiction and non fiction for information, education and recreation.	Average annual items issued per capita	11	Not achieved – 10.7	There were 731,184 items (10.7 per capita) issued for the year. Reflects the reduction of book budget.
	Number of items purchased p.a. per capita.	0.28	Not achieved – 0.22	There was a total of 15,487 items (0.22 per capita) purchased during 2010/11. Reflects the reduction of book budget.
Provide events that reflect the art and cultural interest of the community with a specific focus on literacy.	Number of children's programmes per year.	4 pa	Achieved	There were 4 children's programmes held in July, September, December/January and April.
	Number of teens' programmes per year.	2 pa	Achieved	There were 4 teens' library programmes held in July, September, December/January and April.
	Number of 'toddler time' sessions per week during term time.	2 per week	Achieved	Toddler time sessions were held 2 days each week throughout the year.
	Number of guest authors per year.	6 pa	Achieved	Kate De Goldi, Jackie Evans, Kelvin Cruickshank, Kerry Fowler, Auntie Bea, plus members of the ATC, Fire Service, Police and NZ Army.

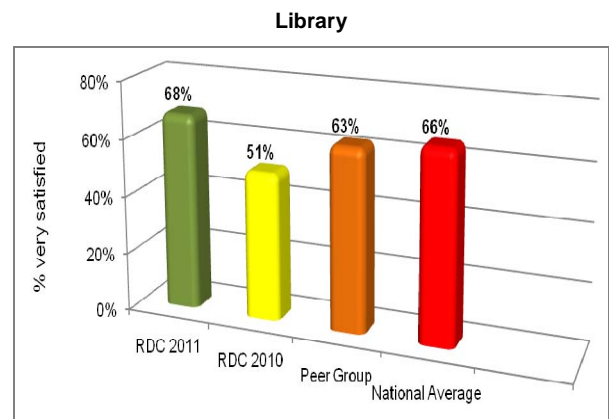
<sup>1</sup> Community satisfaction survey (with Council services) undertaken in June 2011, which includes the views of 400 residents selected at random

## Community Satisfaction Survey

The graphs below have been prepared from the annual Community Satisfaction Survey.



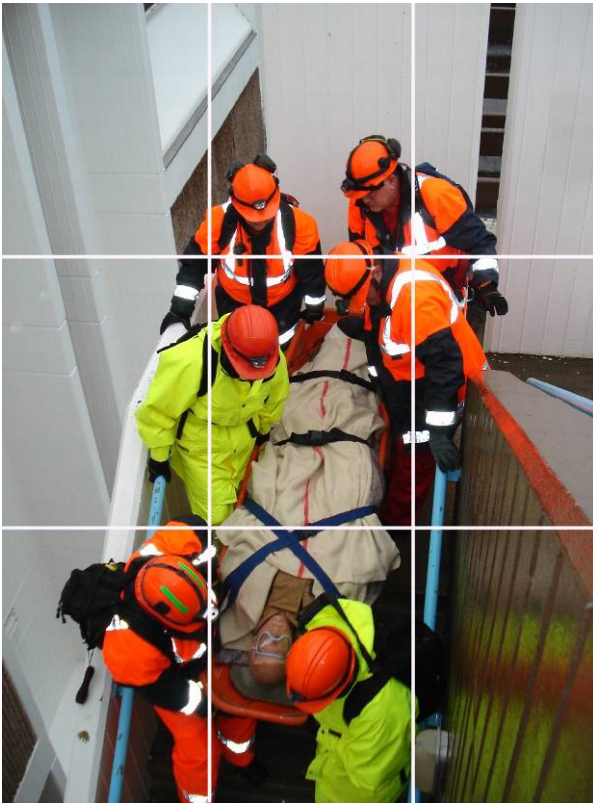
This graph shows the percentage of survey respondents very or fairly satisfied with this service over the last five years.



This graph shows the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.



# Emergency Management



## What we do

### Civil Defence

The Civil Defence Emergency Management (CDEM) Act 2002 requires Rotorua District Council to be responsible for CDEM within its boundaries. Rotorua is a member of the Bay of Plenty CDEM Group, the plan for which was approved by the Ministry of CDEM in May 2005 and reviewed in April 2008.

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

New Zealand has an integrated approach to CDEM, known as the '4Rs' i.e:

**Reduction:** Identifying and analysing long-term risks to human life and property from hazards; taking steps to eliminate these risks if practical, and, if not, reducing the magnitude of their impact and the likelihood of occurrence.

**Readiness:** Developing operational systems and capabilities before a civil defence emergency happens; including self-help and response programmes for the general public, and specific programmes for emergency services, lifeline utilities and other agencies.

**Response:** Actions taken immediately before, during or directly after a civil defence emergency to save lives and protect property, and to help communities recover.

**Recovery:** The coordinated efforts and processes to bring about the immediate, medium-term and long-term holistic regeneration of a community following a civil defence emergency.

### Rural Fire

The Forest and Rural Fires Act 1977 requires the Rotorua District Council to meet the requirements of the act. To do this Rotorua District Council has established the Rural Fire Authority covering over 120,000 hectares of rural land with three volunteer Rural Fire Forces located within rural communities. These volunteer forces are well trained and resourced to respond to and manage various fire and other emergency incidents. RDC also has a well trained and equipped first response unit, within its business unit, Castlecorp.

### Why we do it

To care for our community well-being by planning, training and educating for management of and recovery from an emergency. This can be at a national, regional or local level.

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

- **Survival Kits/Emergency Plans** - overall increase of people with survival kits and families having an emergency plan for the family. In May 2011 the NRB Survey reported 53% with kits and 49% with a plan
- **Communications** – Received a Broadband Global Area Network (BGAN) system and satellite phone from the BOP CDEM group for use in the EOC. After months of outage the regional RT link was restored giving communication with all local authorities around the BOP.
- **ARTE French-German TV film** – Pauline Hitchcock was chosen to 'star' in a 5-part documentary series about the Pacific Ring of Fire which aired on TV earlier this year. It showed the role of emergency management in Rotorua and how we live and work around the hazards we face.
- **Companion Animal Welfare Plan** – RDC is leading the way in the BOP with their plan written by Animal Control Officer, Andy Hope. Andy will coordinate the planning for the whole BOP.
- **Long Service Awards** – Two volunteers (Shirley Manks and Kerry Lewis), both with over 20 years service to Civil Defence were recognised in a presentation from Ministry of Civil Defence Emergency Management for their dedication and commitment.
- **International deployment** – Mark Gatens, Team Leader of the Rotorua Emergency Response Team (RERT), was selected to go to Queensland, Australia in the second deployment to assist with the flood situation.
- **Rotorua Emergency Response Team new members** – Since the Christchurch earthquake events, 8 new members have joined the Response Team. They had to complete a 3 month probationary programme before participating in an all day exercise as part of the selection process.
- **Christchurch Earthquakes**
  - A team of volunteers from the BOP were deployed to provide welfare support to the Christchurch community in September 2010. The Emergency Management Coordinator took

the role of Welfare Centre Supervisor with the other volunteers (3 from RDC) working at the Addington Raceway as welfare staff.

- In February RERT deployed 9 members for 11 days, searching through collapsed buildings, assessing damage and providing safety support for the engineers and Police. Ann Esler, also deployed to fill the role of Welfare Planning Manager reporting directly to the National Controller for a week. Pauline Hitchcock worked in the Emergency Coordination Centre (Art Gallery) as Planning Manager for a few days.
- RERT members took part in the QuakeAid collection with Castlecorp and Emergency Services having spent the morning at the Bunnings Community Fun Day displaying a survival kit, photos from Christchurch and their equipment trailers.
- Nico Claassen, Jean-Paul Gaston and Rotorua Controllers, spent a couple of days in an observing role at the Christchurch Coordination Centre.
- **Relocation of Civil Defence office** – Now located on ground floor with space for a mini EOC.
- **Generator** – A new RDC generator has been installed in the car park giving back-up power to important operational areas should there be a power outage.

## Community Outcomes

### A safe and caring community

- CDEM awareness is promoted throughout the community by talks/presentations to schools, early learning centres, community groups, businesses and other organisations
- Effective liaison is maintained with local emergency service personnel, including joint search and rescue activities. CDEM is a member of the Emergency Services Coordinating Committee.
- CDEM is a member of the RDC Community Safety Forum and Treasure Rotorua Steering Committee

### A healthy community

- CDEM is a member of the Lakes DHB Key Stakeholders Forum
- CDEM input into the regional Pandemic Plan

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	470	515	530
Financial Costs	3	5	4
Depreciation	39	40	45
<b>Total Costs</b>	<b>512</b>	<b>560</b>	<b>579</b>
<b>Revenue</b>			
Fees & Charges	1	1	0
Subsidies & Grants	7	5	65
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>8</b>	<b>6</b>	<b>65</b>
<b>Net Cost of Service</b>	<b>504</b>	<b>554</b>	<b>514</b>
<b>Capital Costs</b>			
Renewals	2	0	18
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
<b>Total Capital</b>	<b>2</b>	<b>0</b>	<b>18</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	504	554	514
Plus Capital Revenue	0	0	0
Less Depreciation	(39)	(40)	(45)
Depreciation Funded by General Rates	2	0	18
<b>Operations Funded by General Rates</b>	<b>467</b>	<b>514</b>	<b>487</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	2	0	18
Loans from/(to) Corporate Fund	0	0	0
Capital Grants	0	0	0
<b>Total Capital</b>	<b>2</b>	<b>0</b>	<b>18</b>
<b>Capital Expenditure</b>			
			2011 Actual \$000
Stihl Chainsaw (Purchased for Christchurch)			2
			2

### Variance from budget

No significant variances to report.



## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
<b>Reduction</b> Reduce the long-term risk to human life or property arising from all hazards.	% of hazard maps reviewed, and changes to the hazardscape recorded and updated annually.	100%	Achieved with review of District Plan.	All hazard maps recently reviewed by GNS and due to be published in District Plan.
<b>Readiness</b> Training and resources in place (plans, training exercises, standard operating procedures (SOPs) and equipment or access to them).	Number of locally run exercises each year (desk top and full mobilisation of local EOC).	1 desk top exercise 1 exercise involving the full mobilisation of local emergency operations centre	Not achieved.	Annual exercise did not take place on 11.5.11 due to a complete review of EOC personnel being undertaken.
<b>Response</b> Action immediately before, during or directly after an emergency that can save lives, minimise property damage, or improve recovery.	Availability of Emergency Management Coordinator or acting EMC.	100%	Achieved.	EMC and two alternates available to cover 24/7, recorded in RDC-114720.
	Current database of trained personnel.	100%	Not achieved.	BOP CDEM Group database programme – ITM, should have been available to populate by end May 2011 but this is still outstanding.
<b>Recovery</b> Training and resources/contacts in place (plans, training exercises, SOPs) to recover.	% of plans/strategies are current and approved by Bay of Plenty CDEM Group.	100%	Not achieved.	Recovery Plan still in draft form.
<b>Rural Fire</b> Protection of people, property and the environment from the hazards of fire by prevention, suppression and control in rural areas.	Rural Fire forces trained and equipped.	100%	Achieved.	Training for new recruits completed. Forces trained to minimum standard.
	Database of current fire permits kept up to date.	100%	Achieved	Database kept up to date (589 permits issued since start of season).
	Fire plan updated and certified annually.	By 1 October each year	Achieved	Fire plan updated.

# Governance and Strategic Direction



## What we do

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

This activity also 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.

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. There is also a Rotorua Lakes Community Board comprising four elected members and two appointed members (Councillors). The community board represents residents who reside around Lakes Rotoiti, Rotoma, Okareka and Tarawera.

This activity also incorporates:

- 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 Memorandums of Understanding and protocol agreements.

## Why we do it

To provide strong representation and advocacy through open and transparent decision-making processes.

To guide the organisation with inspired competent leadership and direction.

To create bridges of understanding between Council and the Maori community. To manage Council's relationships with Te Arawa and Tangata Whenua.

## This year's highlights and achievements included:

- Hosted a number of overseas delegations.
- 10 issues of District News published in Daily Post and Rotorua Review.
- 171 media releases despatched.
- All releases published on RDC website.
- Adoption by Council of 100% spot market strategy for electricity purchasing and establishment of an internal hedge to manage pricing to the cost centres.
- Civic Centre and Library cleaning tendered and \$120,000 saving over 3 years.
- Washroom services and toilet tissue tendered with savings of around \$90,000 pa.
- Fuel supply tendered through BOPLASS and switch to Caltex will save around \$25,000 pa.
- Protective and corporate clothing tendered with saving of around \$10,000 pa.
- RDC general maintenance contracting tendered with annual savings of around \$60,000 pa.
- Airport incorporated into RDC electricity billing and internal hedging process, saving airport/ratepayers around \$20,000 pa.
- Tourism Board representation review process successfully managed.
- Invoicing and payment processes for RDC electricity, gas and washroom services centralised.
- Progressing the Waste2Gold initiative through commercialisation strategy.
- Progressing a biodiesel supply initiative, though construction of a fuel stop is on hold.
- RDC stand at October Home & Garden Show with sustainability theme.
- Local body elections.
- Election of new Te Arawa Standing Committee.
- Community Board Conference.
- Lake Water Quality Symposium.
- Formation of Tourism Committee.

## Community Outcomes

### A safe and caring community

- By considering and incorporating safety aspects into services and facilities provided by council.

### A community that respects its environment

- By helping to maintain the natural and physical environment through various activities.

### A healthy community

- By providing facilities and services to standards and quality expected to ensure a healthy community.

### A prosperous community

- By ensuring the community's views are heard before decisions are made.

### A community with excellent facilities, services, activities and events

- By providing sound democratic and corporate governance.
- By leading the development of a vision for the district.

### A community that values its living Maori culture

- By making decisions that respond to or plan for current and future community needs.
- By increasing the organisation's capacity to consult, inform and respond to concerns raised by Maori.
- By undertaking the role of caretaker for many of the district's resources, for today's and future generations.

### A learning community

- By ensuring that council provides services and facilities that increase the learning and knowledge of its residents.

### A "happening" community

- By undertaking a number of activities and initiatives to help make Rotorua the destination of choice for national and international visitors.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	2,562	1,998	1,706
Financial Costs	466	220	(382)
Depreciation	2,483	2,737	2,689
Other	(63)	0	1,970
<b>Total Costs</b>	<b>5,448</b>	<b>4,955</b>	<b>5,983</b>
<b>Revenue</b>			
Fees & Charges	1,021	899	883
Investment Income	78	0	115
Subsidies & Grants	4	0	5
Targeted Rates	42	50	46
Other Income	1	6	1,423
<b>Total Revenue</b>	<b>1,146</b>	<b>955</b>	<b>2,472</b>
<b>Net Cost of Service</b>	<b>4,302</b>	<b>4,000</b>	<b>3,510</b>
<b>Capital Costs</b>			
Renewals	422	1,368	848
Growth	641	1,810	303
Backlog	0	0	0
Level of Service	1,704	967	2,738
<b>Total Capital</b>	<b>2,767</b>	<b>4,145</b>	<b>3,889</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	4,302	4,000	3,510
Plus Capital Revenue	0	0	0
Less Depreciation	(2,559)	(2,737)	(2,689)
Depreciation Funded by General Rates	422	1,368	848
<b>Operations Funded by General Rates</b>	<b>2,165</b>	<b>2,631</b>	<b>1,670</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	422	1,368	1,175
Loans from/(to) Corporate Fund	2,346	2,767	2,763
Capital Grants	0	10	319
Asset Sales	0	0	(368)
<b>Total Capital</b>	<b>2,768</b>	<b>4,145</b>	<b>3,889</b>

## Capital Expenditure

	2011 Actual \$000
Hansen 8 Council Asset Management Solution	103
Contract management	77
Library website redevelopment	69
Ozone	57
Software development	5
Earthquake assessment module	23
Development contribution module	61
Imaging	277
Shelving supply	23
Ideal garage archives storage	29
Orthophotography	213
Hardware replacement	529
Plant replacement	84
Software new	10
Civic building renewal	19
Furniture renewal	35
Other renewal	4
Strategic Property Purchased	1,147
	<b>2,768</b>

### Variance from budget

**Direct Costs** unfavourable variance includes unbudgeted restructure costs, higher than planned maintenance on strategic properties and lower recoveries of overhead entities, which are consolidated into this activity.

**Financial Costs** unfavourable variance primarily relates to the corporate borrowing and investment entity, where all lines are netted off and charged out across the organisation. There was \$217k of additional income on other activity statement lines which offset.

**Depreciation** favourable variance relates to the Information Services area, where computers are now replaced every 4 years rather than 3 years, creating a drop-off of depreciation.

**Fees and Charges** favourable variance is due to the recovery from BOP Regional Council being higher than budgeted.

**Investment Income** variance relates to the additional revenue in corporate borrowing and investment mentioned above under financial costs.

**Capital Expenditure** was under spent. This was due to the Grow Rotorua Fund not being accessed and an over spend in Strategic Properties, a very difficult area to budget for.

## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Governance, Leadership and Decision making.	% of residents satisfied with Council's decisions and actions <sup>1</sup> .	72%	Not achieved – 54%	Likely to be perceptions around airport funding issues.
	% of residents rate level of council information to be sufficient <sup>1</sup> .	62%	Achieved – 64%	
	Triennial election held without successful appeal.	Triennial elections held.	Achieved.	No appeals and generally satisfied with election process.
	Electoral representation reviewed in timely manner.	N/A	N/A	N/A
	Review options for local government in Rotorua District.	Implementation of 2010 consultation results.	N/A	Report to Council presented in 2009/10, decided not to consult community.
	At least every three years report on Community Outcomes progress.	N/A	N/A	Completed for 2009/10 (due 2012/13).
	Review Community Outcomes every 6 years	N/A	N/A	Completed in 2009/10 (due 2012/13).
Encourage the preservation and sustainable development of Maori resources.	Provide funding and assistance for the preparation of Mana Whenua plans.	At least 1 Mana Whenua plan is produced for the year.	Not achieved.	6 applications received. Plans still in progress.
Foster partnership between Council and Maori on matters of mutual interest.	Hold a workshop between Maori and Council to discuss matters of mutual interest.	1 workshop per year	Achieved.	2 workshops held.

<sup>1</sup> Community satisfaction survey (with Council services) undertaken in June 2011, which includes the views of 400 residents selected at random

# Economic & Regulatory Services 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, services, activities and events	A community that values its living Maori culture	A learning community	A "happening" community
45	Animal Control	✓	✓						
48	Building Services	✓	✓	✓	✓			✓	
50	City Services Operations	✓	✓			✓			✓
53	Economic Development	✓	✓	✓	✓	✓	✓	✓	✓
56	Environmental Planning Implementation	✓	✓	✓	✓	✓	✓	✓	✓
59	Environmental Planning Policy	✓	✓	✓	✓	✓	✓	✓	✓
61	Events and Venues			✓	✓	✓			✓
64	Inspection	✓	✓	✓					
69	Parking Enforcement	✓			✓				
71	Rotorua Museum						✓	✓	✓
75	Tourism		✓		✓		✓		

## Overview of Group

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

- Animal Control
- Building Services
- City Services operations
- Economic Development
- Environmental Planning Implementation
- Environmental Planning Policy
- Events and Venues
- Inspection
- Parking enforcement
- Rotorua Museum of Art & History
- Tourism

Economic and Regulatory Services Group activities include the council's role in natural resources management and regulation. These activities help us to plan for the future and make sure that everyone gets a fair deal, often balancing competing rights of individuals and groups to do different things.

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

The government has signalled its intent to make changes to the Resource Management Act (RMA). These changes may affect how council manages the resource consent process and the review of the District Plan.

Also included in this group are tourism, museum, Events & Venues, and economic development.

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

Council is putting greater emphasis on growing Rotorua's economy and encouraging more visitors to the area.

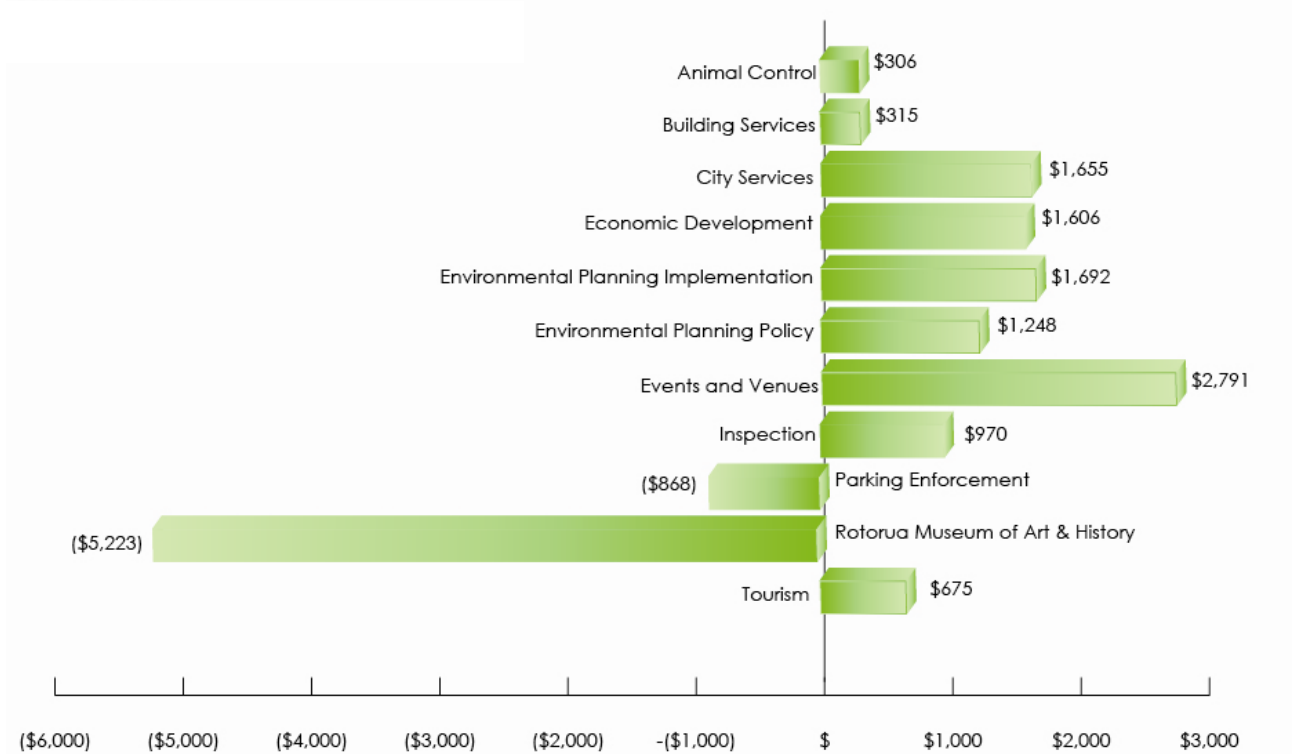
## Performance Targets

	Targets	Achieved	Not Measured	Not Achieved
Animal Control	3	3	-	-
Building Services	5	4	-	1
City Services Operations	4	4	-	-
Economic Development	7	3	2	2
Environmental Planning Implementation	9	8	-	1
Environmental Planning Policy	6	3	2	1
Events and Venues	7	6	-	1
Inspection	8	7	-	1
Parking Enforcement	2	2	-	-
Rotorua Museum of Art and History	9	8	-	1
Tourism	9	5	2	2
<b>Total</b>	<b>69</b>	<b>53</b>	<b>6</b>	<b>10</b>

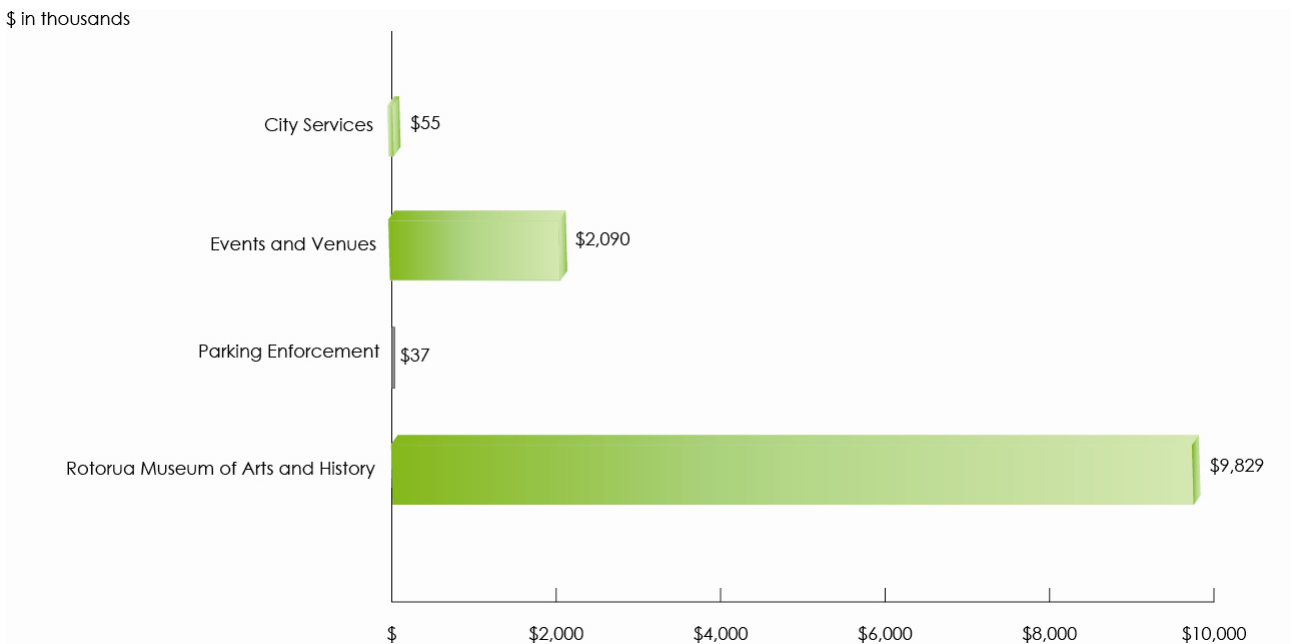
**Targets not measured** are due to the projects/programmes being discontinued or measured elsewhere.

**Targets not achieved** in City Services Operations, Events and Venues, and Tourism activities are a result of lower tourism numbers and spend. Museum activity target on exhibitions not achieved due to the upgrade. Planning activity targets not achieved are due to the delay in the District Plan allowing further consultation, and unforeseen delays in the consent process.

**Net Cost of Service**



**Capital Expenditure**



# Animal Control



## What we do

- Provide a complaint resolution service in relation to uncontrolled dogs.
- Control the number of dogs kept on individual properties in the urban area through a kennel licensing regime.
- Undertake mobile patrols to apprehend and impound wandering dogs.
- Provide an animal pound facility for the safe and humane containment of dogs and stock found wandering.
- Respond immediately to reports of livestock wandering in public places.
- Provide an educational programme on dog control which is available on an 'on demand' basis to primary and intermediate schools in the Rotorua district.
- Register around 11,000 dogs each year.
- Impound around 1,900 dogs each year.

## Control Function

This involves registration of dogs, investigation and resolution of nuisance complaints, inspection of kennelling standards and the development and implementation of a council policy on dogs.

An education programme on dog control is provided and available on a demand basis to primary and intermediate schools in Rotorua District.

## Pound Keeping Function

Dogs found wandering 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 or a public safety risk on roads and other public places. They are kept and fed until returned to owners, or disposed of by public auction.

## Why we do it

To enhance the safety of the public by the control of nuisance dogs and stock wandering in public places. In addition both the Dog Control Act 1996 and the Impounding Act 1953 place specific statutory functions on territorial authorities.

## This year's highlights and achievements included:

- 87 dogs re-homed from the pound during the year.
- 3672 complaints all responded to within 1.5 working days.
- Establishment of position of full time Pound Keeper.

## Community Outcomes

### A safe and caring community.

- By providing safe public places free from uncontrolled dogs and wandering stock.

### A community that respects its environment

- By facilitating the use and enjoyment of the natural environment without threat of uncontrolled dogs.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	858	904	853
Financial Costs	0	1	1
Depreciation	6	6	9
Other	2	0	0
<b>Total Costs</b>	<b>866</b>	<b>911</b>	<b>863</b>
<b>Revenue</b>			
Capital Revenue	0	0	0
Fees & Charges	560	580	524
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>560</b>	<b>580</b>	<b>524</b>
<b>Net Cost of Service</b>	<b>306</b>	<b>331</b>	<b>339</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	306	331	339
Plus Capital Revenue	0	0	0
Less Depreciation	(7)	(6)	(9)
Depreciation Funded by General Rates	0	0	0
<b>Operations Funded by General Rates</b>	<b>299</b>	<b>325</b>	<b>330</b>

## Variance from budget

**Direct Costs** savings to budget in staff savings, advertising and support cost savings.

## How we performed

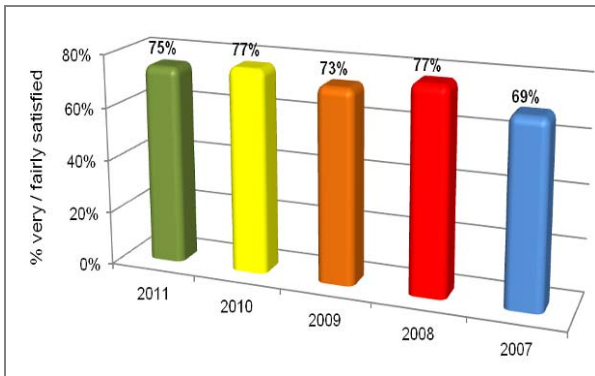
Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Provide a dog registration service.	% of known dogs registered by 30 June (measured by monitoring and auditing of registration data).	> 97.5%	Achieved – 98%	10,394 out of 10,567 dogs registered. Significant promotion was undertaken about registering dogs. This promotional work will be continued in following years.
Ensure dog complaints are actioned.	% of complaints responded to within 1½ working days (measured by monitoring and auditing of complaints register).	100%	Achieved 100%	3747 / 3747 complaints responded to within 1½ working days.
Ensure stock complaints are actioned.	% of complaints about wandering stock responded to immediately (measured by monitoring and auditing of complaints register).	100%	Achieved 100%	210 / 210 complaints responded to immediately.



## Community Satisfaction Survey

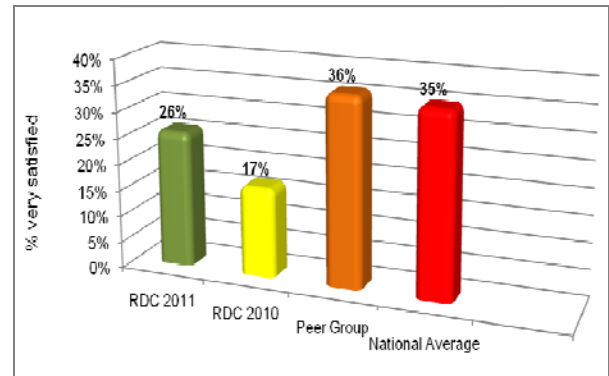
The graphs below have been prepared from the annual Community Satisfaction Survey.

Dog Control



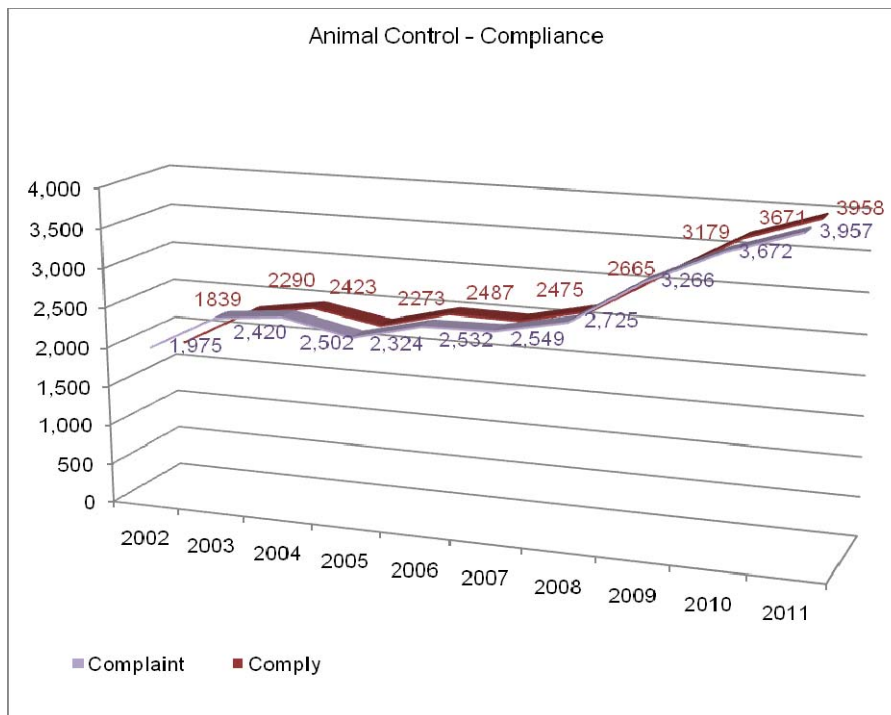
This graph shows the percentage of survey respondents very or fairly satisfied with this service over the last five years.

Dog Control



This graph shows the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.

## Other indicators



# Building Services



## What we do

- Process Project Information Memoranda (PIMs).
- Process building consent applications, assessing against the Building Code.
- Inspect building work in conjunction with building consents.
- Issue Code Compliance Certificates for buildings constructed in accordance with the consent.
- Audit buildings that have a Building Warrant of Fitness (BWOFF).
- Deal with complaints and breaches of the Building Act.
- Issue compliance schedules and compliance schedule statements.
- Issue notices to fix.
- Issue infringement notices.

## Why we do it

To ensure the safety of people living and working in buildings. This function is also provided to meet Council's statutory responsibilities under the Building Act 2004, and to ensure Rotorua district is provided with buildings that meet appropriate building standards.

## This year's highlights and achievements included:

- Processing 99.9% of all building consent applications within the statutory timeframes.
- Accreditation as a Building Consent authority maintained.
- Implementation of risk-based business practices to meet demand and fulfill customer expectations.

## Community Outcomes

### A safe and caring community

- By ensuring buildings are safely constructed and maintained.

### A community that respects its environment

- By ensuring heritage buildings are given due consideration during alterations.

### A healthy community

- By ensuring dangerous and insanitary buildings are dealt with to mitigate or remove the danger or insanitary condition.

### A prosperous community

- By ensuring consents are processed in a timely manner.
- By ensuring inspections are available within a reasonable timeframe.

### A learning community

- By ensuring Council provides information to the community on various acts and regulations.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	2,096	2,205	2,656
Financial Costs	0	1	0
Depreciation	9	9	13
<b>Total Costs</b>	<b>2,105</b>	<b>2,215</b>	<b>2,669</b>
<b>Revenue</b>			
Fees & Charges	1,790	1,930	1,796
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>1,790</b>	<b>1,930</b>	<b>1,796</b>
<b>Net Cost of Service</b>	<b>315</b>	<b>285</b>	<b>873</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	315	285	873
Less Depreciation	(9)	(9)	(13)
Depreciation Funded by General Rates	0	0	0
<b>Operations Funded by General Rates</b>	<b>306</b>	<b>276</b>	<b>860</b>

## Variance from budget

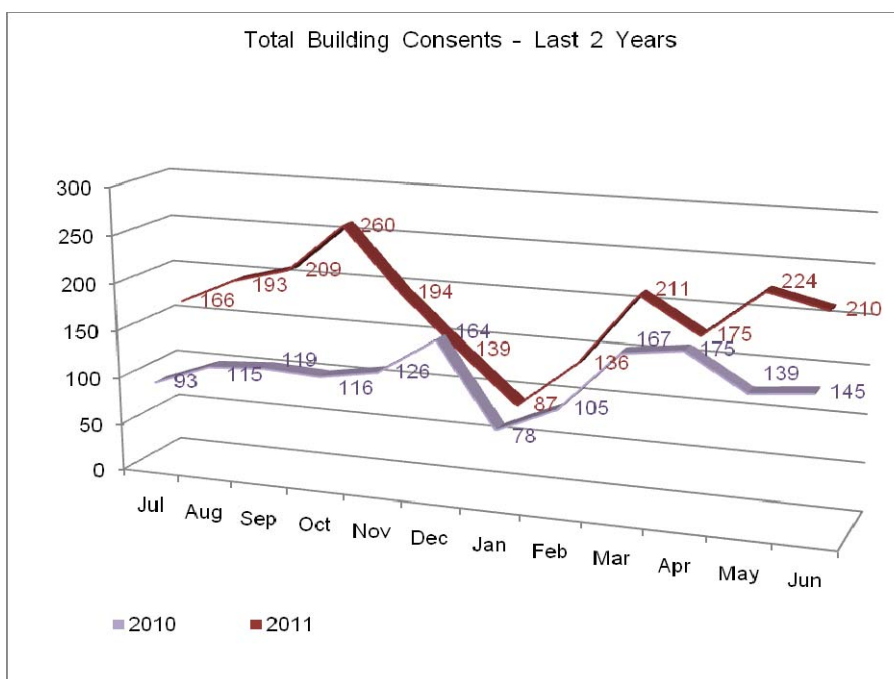
**Direct Costs** had a favourable variance. Key savings were due to a staff vacancy, support costs savings and restructure savings.

**Fees and Charges** unfavourable variance includes an allowance of an additional \$100k in the leaky homes provision.

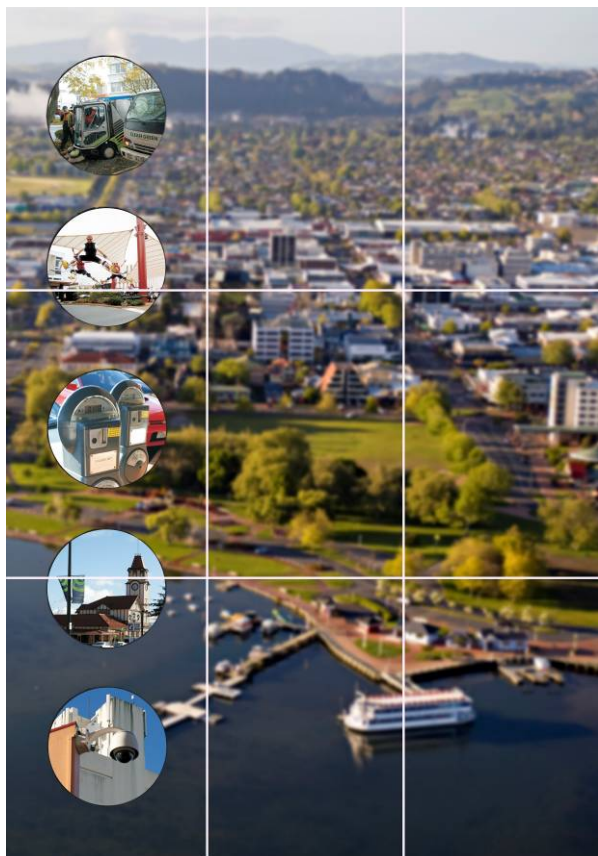
### How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Buildings are constructed and maintained so people can use them safely.	% of PIMs, building consents processed within 19 working days.	96%	Achieved – 98% issued	Achieved with 38% increase in applications.
	% of inspections undertaken within 72 hours.	100%	Not achieved – 99%	Resources diverted to meet external demands.
	Accredited system under the Building Act 2004 is maintained after bi-annual audits.	100%	Achieved 100%	Accreditation renewed May 2011.
	% of buildings with Building Warrants of Fitness audited annually.	> 25%	Achieved – 25.2%	Premises audited under risk based policy.
	% of complaints investigated in 72 hours.	100%	Achieved 100%	14.75 hours average with a maximum of 54 hours.

### Building Consent Levels



# City Services Operations



## What we do

Council has adopted a range of policies which cover the CBD, City Focus, public places, street appeals, provision and servicing of public conveniences, parking management, Lakefront and Government Gardens.

The activity is managed from the City Focus in the CBD to provide hands-on liaison with shoppers, retailers, residents and visitors.

### Locations and properties managed or maintained include:

- City streets (cleaning)
- Central Business District
- City Focus
- Government Gardens
- Lakefront
- Tryon Street
- Western Heights shopping centre
- Ngongotaha village
- Public conveniences (12 facilities)
- Tourism kiosks and signage
- Skate park
- Off-street car park, Haupapa Street (95 spaces)
- Off-street parking building, Hinemoa Street (244 spaces)
- On-street parking (1,200 metered and 2,900 unmetered spaces)

### Activities and services provided or supported include:

- Issue of permits for busking, street entertaining, sausage sizzles and cake/food stalls in the city centre
- Review of art in public places
- Review and comment on street openings in city centre
- Review and comment on road closures in city centre
- Crime prevention camera network
- Community policing and information centre
- Organising juvenile offenders' community work for Child, Youth and Family, and Department of Corrections
- Resident and visitor assistance and direction
- Facilitation and promotion of city events
- Street banners, flags, and decorative lighting features
- Promotion of city and district
- Review and comment on all city centre resource consent applications
- Membership of keep Rotorua Beautiful Committee
- Giant chess game
- Rotary time capsule (25 year uplift in 2028)
- Management and co-ordination of volunteer workers
- Spirit of Rotorua suggestions
- Advice on application of legislation

### It also involves management of a range of:

- Regulations (including litter, dogs, liquor, signs and hoardings, traffic, skateboarders, etc.)
- Bylaws
- Engineering requirements
- Promotion initiatives
- Property management issues
- Administrative tasks
- Compliance issues

## Why we do it

To create and maintain a well presented, welcoming, clean, tidy, pleasant, and vibrant city centre and environs:

- to meet community expectations; and
- to impress visitors to Rotorua.

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

- High level of community satisfaction with street cleaning and appearance of the CBD.
- Addition of in-house coin counter to further improve accounting/reconciliation.
- Replacement of meter trax software to new version called auto-trax.
- In excess of 300 events/performances at the City Focus.
- Addition of two more cameras and a mobile camera to enhance the CCTV network.

## Community Outcomes

### A safe and caring community

- By providing safe public places, buildings, and streets.
- By providing and managing a crime prevention camera network.
- By ensuring a very high standard of cleaning and maintenance in the areas administered.

### A community that respects its environment

- By removing tagging by 7.30 am daily.
- By maintaining public conveniences to a very high standard of upkeep and cleanliness.
- By ensuring the central city area is always clean and tidy.

### A community with excellent facilities, services, activities and events

- By ensuring ease of getting from place to place.
- By providing a good quality infrastructure for now and the future.

### A “happening” community

- By providing well managed and organised events.
- By ensuring activity in the City Focus and Central Business District is encouraged, adds flavour, and enhances Rotorua’s character and reputation.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	2,690	2,824	2,530
Financial Costs	63	67	55
Depreciation	237	284	285
Other	0	0	0
<b>Total Costs</b>	<b>2,990</b>	<b>3,175</b>	<b>2,870</b>
<b>Revenue</b>			
Capital Revenue	0	0	0
Fees & Charges	1,335	1,545	1,352
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>1,335</b>	<b>1,545</b>	<b>1,352</b>
<b>Net Cost of Service</b>	<b>1,655</b>	<b>1,630</b>	<b>1,518</b>
<b>Capital Costs</b>			
Renewals	55	82	105
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
<b>Total Capital</b>	<b>55</b>	<b>82</b>	<b>105</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	1,655	1,630	1,518
Plus Capital Revenue	0	0	0
Less Depreciation	(237)	(285)	(285)
Depreciation Funded by General Rates	54	82	105
<b>Operations Funded by General Rates</b>	<b>1,472</b>	<b>1,427</b>	<b>1,338</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	55	82	105
Loans from/(to) Corporate Fund	0	0	0
Capital Grants	0	0	0
<b>Total Capital</b>	<b>55</b>	<b>82</b>	<b>105</b>

## Capital Expenditure

	2011 Actual \$000
Parking meter acquisition	35
Security CCTV cameras	20
	<b>55</b>

### Variance from budget

**Direct Costs** had a favourable variance. This was made up of an unspent contingency, savings in staff vacancies and savings in property/building maintenance.

**Fees and Charges** unfavourable variance relates to parking income. Contributing factors for this being down are the decrease in visitors to the city centre, relocation of several large retailers to the central mall and more people utilising public transport.

## How we performed

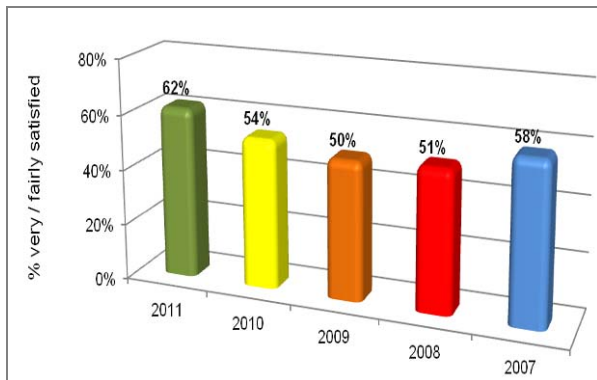
Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Provide a high standard of CBD cleaning and maintenance.	% of residents that are satisfied with appearance and cleanliness of CBD (as measured by periodic survey). <sup>1</sup>	70%	Achieved – 97%	Level of service reviews to be undertaken for new contract 2012/13.
Car parking availability in CBD is managed to the satisfaction of users.	% satisfied with parking in the CBD (as measured by periodic survey). <sup>1</sup>	60%	Achieved – 65%	Business Plan updated for further improvements to parking.
Provision of public toilets in the CBD that meets the expectation of users.	% satisfied with public toilets (as measured by periodic survey). <sup>1</sup>	55%	Achieved – 62%	Review of public toilet facilities underway.
Facilitating events at the city centre which contribute to the vibrancy of the city.	Number of events held in the city centre annually.	> 300 events held annually.	Achieved – 308 events	

<sup>1</sup> Community satisfaction survey (with Council services) undertaken in June 2011, which includes the views of 400 residents selected at random.

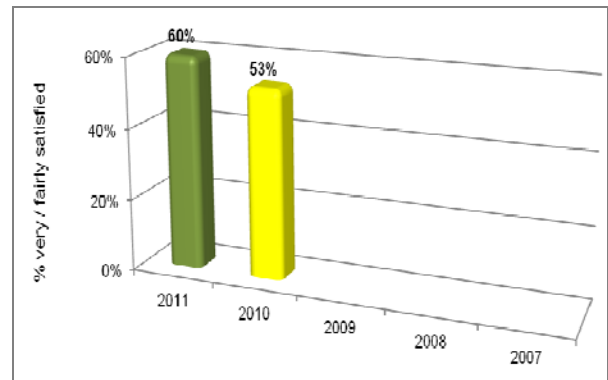
## Community Satisfaction Survey

The graphs below have been prepared from the annual Community Satisfaction Survey.

**Public Toilets**

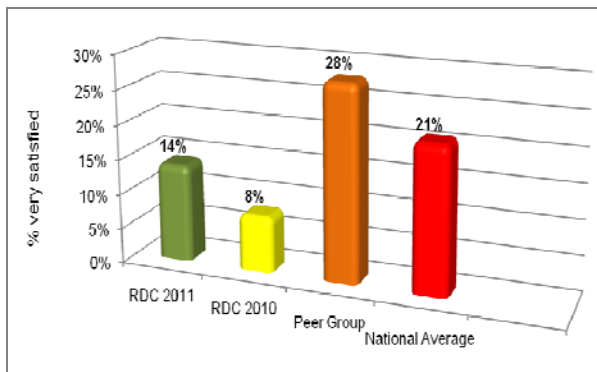


**City Centre Cleanliness**

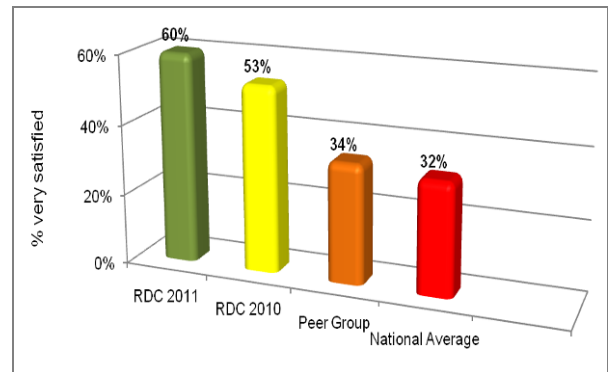


These graphs show the percentage of survey respondents very or fairly satisfied with this service.

**Public Toilets**



**City Centre Cleanliness**



These graphs show the percentage of survey respondents “very” satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.



## What we do

### Information Provision

- Providing public/business access to timely, accurate and relevant Rotorua economic information via web, publications, forums.

### Facilitation

- Facilitating private sector access to economic and business development initiatives, networks, funding programs and activity within Rotorua, such as NZTE.
- Working with the key economic sector groups to develop an environment that will stimulate growth.
- Building partnerships between key local, regional and central government agencies, Iwi and the Rotorua business community ensuring that the private sector has input into council business and economic development related issues.
- Partnering with local business to develop sustainable competitive advantage
- Facilitating the attraction of residents, business and investors to Rotorua.
- Providing an integrated response across Council to assist and enhance development opportunities
- Implementation of the Urban Design Framework
- Ensuring connectivity and partnerships with Iwi are strong.

### Marketing

- Marketing Rotorua nationally and internationally as a great place to live, work, learn, invest and conduct business, in conjunction with Destination Rotorua Marketing.

### Project Management

- Support implementation of the new economic strategy and the framework for growth.
- Young Enterprise Scheme.
- Lead agency for Settlement Support Programme.
- Marketing Rotorua's inherent benefits to both prospective migrants and industry through Destination Rotorua Marketing.
- Film Central film initiative/cluster programme. Promoting and facilitating Rotorua as a world class film destination through working closely with Film New Zealand and location scouts.
- Rotorua CBD Retail Strategy.
- Urban Design Framework Implementation Programme.
- Facilitating the opening up of strategically sustainable industrial land in Rotorua District.
- International relations and Sister City opportunities, including Nanjing Rotorua Town.
- Grow Rotorua Fund.
- National Cycle way and Cycling Centre of Excellence.

### Why we do it

To encourage and stimulate sustainable economic growth through a strategic framework developed by business for business. To deliver strategic programs that provide prosperity, improved standards of living and a better quality of life for Rotorua's citizens. To act as an enabler for partnerships and capacity growth for industry. To provide a platform on which skilled workforce migrates to Rotorua. To improve the skills and education capability for local business. To develop both a vibrant and safe CBD where we work, live, invest and play.

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

- National Cycleway.
- Night Market.
- First year of trans-Tasman flights - increasing passenger loadings.
- Eat Street - Food Plan.
- Home & Leisure Show - public interaction CBD
- Urban Design Framework / Implementation Plan.

## Community Outcomes

### A safe and caring community

- By working with Police and assisting with a retail crime prevention strategy for retailers, and developing CBD potential.

### A community that respects its environment

- Promoting sustainable business practices.

### A healthy community

- Assisting agencies and Council in development of programmes/collateral to encourage healthy activities and community well-being.

### A prosperous community

- Economic Growth Strategy
- By working closely with the business community to assist in attracting government funding.
- By working with local government agencies, employers and community groups to assist migrants with matching employment skill base requests.
- By assisting with the supply of relevant and accurate information.
- By developing and supporting the Film Central initiative.

### A community with excellent facilities and services

- Urban Design Framework Implementation.

### A community that values its living Maori culture

- By promoting the use of Maori in our daily activities by actively supporting the 'Kia Ora' campaign.
- By working closely with Maori on the CBD project.
- By promotion of cultural values to new migrants via workshops and guides.

### A learning community

- By supporting the Chamber of Commerce's Regional Partners program and promoting and supporting the Business mentors program in our region.

### A "happening" community

- By taking a lead role with Shop Rotorua and CBD revitalisation.
- By encouraging migrant community participation.
- By taking a lead role in the Forest Industries Expo.
- Partnerships (Heart of Tutanekai Street, Night Market, Eat Street)

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	2,691	1,119	1,303
Financial Costs	0	127	0
Depreciation	20	17	15
<b>Total Costs</b>	<b>2,711</b>	<b>1,263</b>	<b>1,318</b>
<b>Revenue</b>			
Capital Revenue	1	11	34
Fees & Charges	167	6	65
Investment Income	0	0	0
Subsidies & Grants	153	265	128
Targeted Rates	784	780	779
<b>Total Revenue</b>	<b>1,105</b>	<b>1,062</b>	<b>1,006</b>
<b>Net Cost of Service</b>	<b>1,606</b>	<b>201</b>	<b>312</b>
<b>Capital Costs</b>			
Renewals	0	0	0
Growth	0	0	121
Backlog	0	0	0
Level of Service	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>121</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	1,606	201	312
Plus Capital Revenue	1	11	34
Less Depreciation	(20)	(17)	(15)
Depreciation Funded by General Rates	0	0	0
<b>Operations Funded by General Rates</b>	<b>1,587</b>	<b>195</b>	<b>331</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	0	0	0
Loans from/(to) Corporate Fund	0	0	121
Capital Grants	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>121</b>

### Variance from budget

**Direct Costs** unfavourable variance relates to the payment of the Air New Zealand joint venture in relation to the Airport, which was not budgeted for in 2010/11.

**Financial Costs** has a favourable variance, this was the interest associated with the Grow Rotorua Fund, which was not drawn on in 2010/11.

**Fees and Charges** were above budget, due to night market revenue not budgeted for.

**Subsidies and Grants** are down on budget, primarily due to the BrightEconomy Board which was wound up.



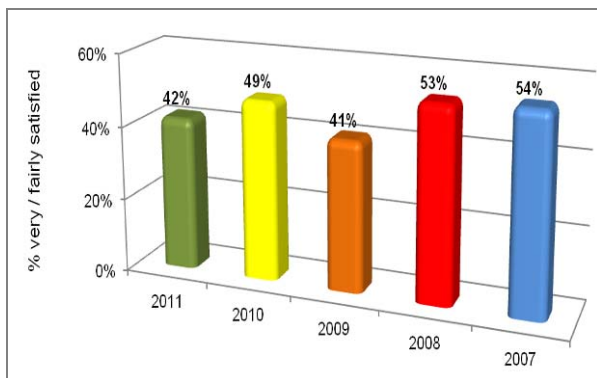
## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Market Rotorua nationally and internationally as a great place to live, work, learn, invest and do business.	Number of website visits per month	Maintain at 20,000 by June 2010	Not achieved.	The web strategy was redefined and many short term websites were developed.
	% of business and relocation enquiries responded to within 3 working days	> 95%	Achieved – 99%	All business enquiries responded to within 3 working days.
	Number of new clients pa attracted and maintained into the BMNZ programme	12	Achieved – 16 joined	There were 16 new Rotorua clients on the BMNZ programme.
	Number of new Rotorua specific business enquiries; and film and commercial enquiries generated pa	100 30	Not achieved.	58 business enquiries. 22 film enquiries.
	Amount of government and private sector funding attracted to assist in implementing the BrightEconomy strategy	\$50,000	N/A	N/A since 2008 funding change from government to regional projects.
	Number of businesses involved in the Rotorua Employment Skills Programme	250	N/A	The Rotorua Employment Skills Programme was terminated and is unlikely to recommence.
	Number of students involved in the YES (Young Enterprise Scheme)	50	Achieved.	There were 57 students registered for Young Enterprise.

## Community Satisfaction Survey

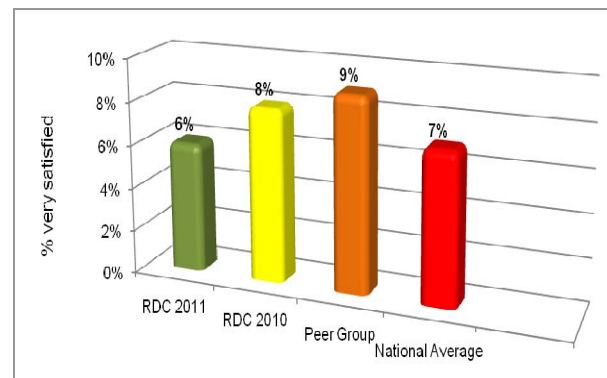
The graphs below have been prepared from the annual Community Satisfaction Survey.

**Job Promotion**



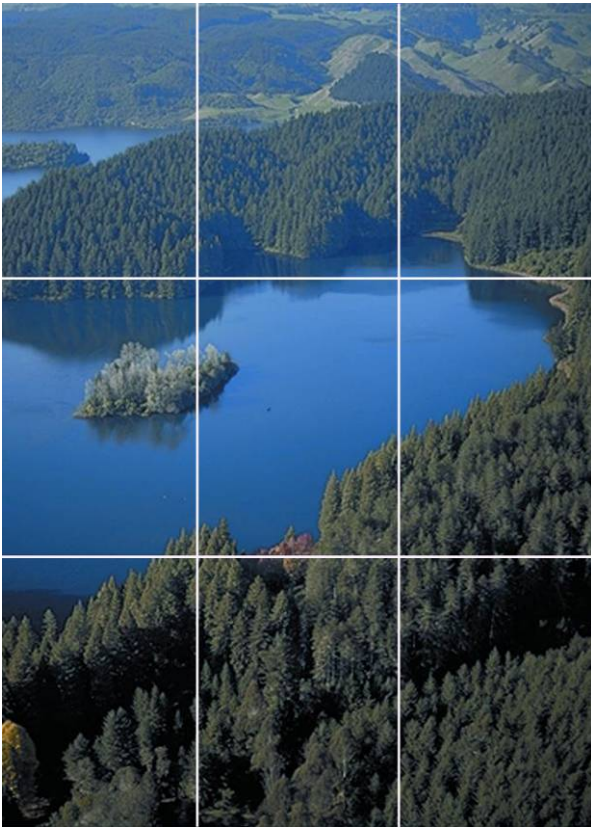
This graph shows the percentage of survey respondents very or fairly satisfied with this service over the last five years.

**Job Promotion**



This graph shows the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.

# Environmental Planning Implementation



## What we do

- Council has a legislative responsibility to implement the district plan by providing planning advice, processing consents and other statutory applications, and monitoring and enforcing the district plan and conditions of resource consents.
- Provision of a duty planning service for the community to help understand how the district plan may impact on activities they want to undertake on their land.
- Processing of non-notified and notified land use consents within statutory timeframes.
- Processing of non-notified and notified subdivision consents within statutory timeframes.
- Monitoring of compliance for conditions of consent.
- Ensure compliance with provisions of the district plan, and take enforcement action to ensure that this occurs.

## Why we do it

To meet statutory requirements for the processing of consent applications; to ensure that the quality of the environment enjoyed by residents and visitors is maintained and enhanced.

## This year's highlights and achievements included:

- Land use and subdivision consent processing figures above Annual Plan projections, and expected to be amongst the best in NZ when national figures are released.
- Only a small number of objections to consent decisions and environment court appeals.

## Community Outcomes

### A safe and caring community

- By the assessment of applications against planning framework that recognises the need to provide for safe homes, streets, and safe public spaces.

### A community that respects its environment

- By the implementation of planning management controls to assist in improving the natural and physical environment, and in achieving environmental respect.

### A healthy community

- By the implementation of an environmental planning framework that recognises the need to provide for a healthy community, and to reflect this in policy decisions.

### A prosperous community

- By the implementation of a planning framework that supports the local economy, recognises and provides for quality development, and celebrates and promotes the district's uniqueness.

### A community with excellent facilities, services, activities and events

- By providing a well planned district with supporting infrastructure, facilities, and services, that contribute to residents' and visitors' enjoyment of the district.

### A community that values its living Maori culture

- By implementation of an environmental planning framework that accounts for Iwi aspirations, recognises the spiritual and cultural connection of Maori, and recognises and provides for this in consent decisions.

### A learning community

- By the assessment of applications in a manner that supports increasing knowledge and awareness.

### A "happening" community

- By providing an environmental planning framework that supports the hosting of activities and events, and that assists creativity in the environment.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	1,935	2,200	2,137
Financial Costs	0	0	0
Depreciation	7	7	10
<b>Total Costs</b>	<b>1,942</b>	<b>2,207</b>	<b>2,147</b>
<b>Revenue</b>			
Fees & Charges	250	235	222
Investment Income	0	0	0
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>250</b>	<b>235</b>	<b>222</b>
<b>Net Cost of Service</b>	<b>1,692</b>	<b>1,972</b>	<b>1,925</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	1,692	1,972	1,925
Plus Capital Revenue	0	0	0
Less Depreciation	(7)	(7)	(10)
Depreciation Funded by General Rates	0	0	0
<b>Operations Funded by General Rates</b>	<b>1,685</b>	<b>1,965</b>	<b>1,915</b>

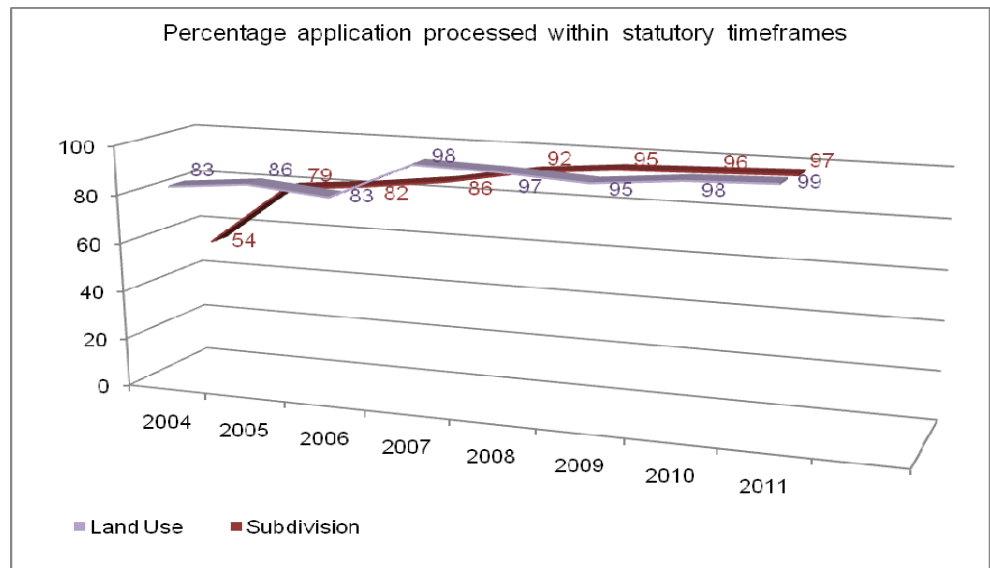
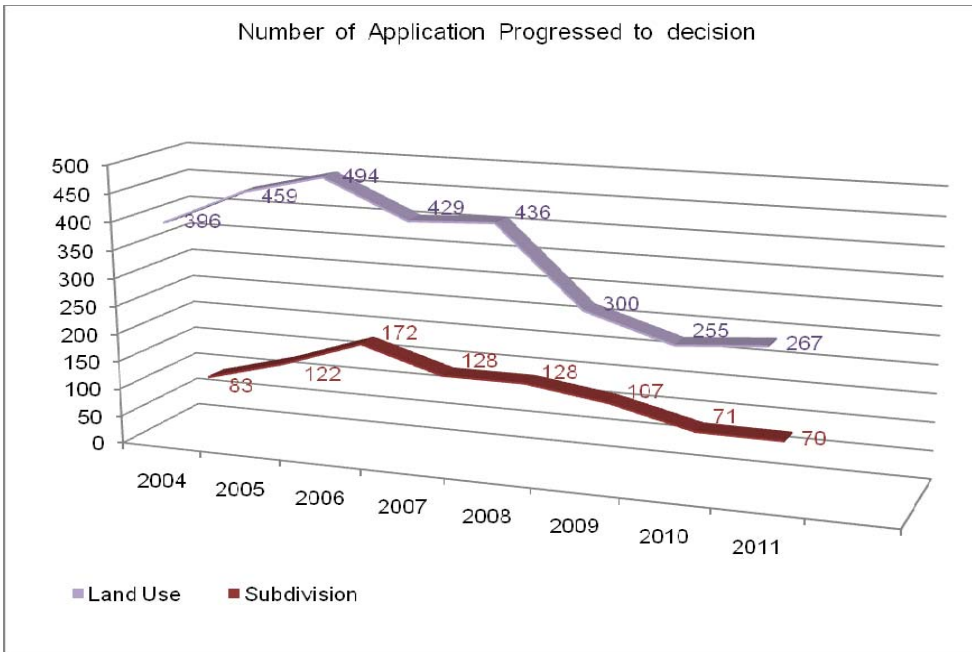
## Variance from budget

**Direct Costs** had a favourable variance. This was due to a reduction in reliance on external consultants and legal advice as a result of the decrease number of resource consents being processed.

## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Timely and consistent processing of resource consent applications.	% of land use consents processed with statutory timeframes.	> 92%	Achieved – 99%	267 land use consents processed within statutory timeframes.
	% of subdivision consents processed with statutory timeframes.	> 92%	Achieved - 97%	70 subdivision consents processed within statutory timeframes.. Performance in this area has been improving each year. Compares favourably with other councils.
	% of 223/224 applications processed within statutory timeframes.	100%	Not achieved – 91%	Unforeseen delays in confirming the completion of some consent conditions on 23 applications.
	% of other applications processed within statutory timeframes.	> 90%	Achieved 100%	53 other applications processed within statutory timeframes.
Appropriate community input sought for application with wide ranging environmental effects.	Monthly hearings matrix maintained and regular reporting to Planning and Bylaws committee.	100%	Achieved 100%	
High degree of probity in resource consent decision making.	Six monthly report of Hearing Commissioner appointments.	100%	Achieved 100%	Reports submitted on 14.09.10 and 15.03.11.
Monitoring of compliance with consent conditions for all consents granted.	Six monthly report to Planning and Bylaws Committee on compliance monitoring.	100%	Achieved 100%	Reports submitted on 03.08.10 and 03.05.10.
Prompt responses to complaints about planning and environmental issues.	All complaints responded to within 24 hours of receipt.	100%	Achieved 100%	101 complaints responded to within 24 hours of receipt (excluding noise complaints).
Facilitate Tangata Whenua input into decision making processes.	Maintenance of Iwi Consultative Committee Register.	100%	Achieved 100%	

Other Indicators



# Environmental Planning Policy



## What we do

- Council has a legislative responsibility to develop, manage and maintain the district plan, which is the main planning document that manages and controls land use and subdivision in the district. Council's policies on managing the Rotorua environment are primarily established through the district plan.
- Progressive development and maintenance of an operative district plan.
- Monitoring the state of the district's environment at not less than 5 yearly intervals. To date council has published state of the environment reports in 2003 and 2008.
- Monitoring and reporting on council's environmental outcomes as stated in the Ten Year Plan. Community outcomes monitoring at a local and cross-regional level.
- Advocacy on behalf of the community on local, regional and national environmental issues.
- Responding to regional and central government policy proposals where these affect land use and resource management within the district.
- Provision of strategic policy advice in relation to the environment, land management and subdivision, to elected members of council.

## Why we do it

To ensure the sustainable management of the natural and physical resources of the district now and into the future, while mitigating adverse effects.

To guide and enhance the quality of the natural and physical environment as the district grows and develops.

## This year's highlights and achievements included:

- Successful round of councillor workshops to set the policy foundation for the District Plan review.
- Public release of the draft District Plan on 16 April 2011.
- State of Environment Report for 2011 commenced.
- Lakes A Monitoring Report for the 2006-2011 period commenced.
- Collation of corporate responses to the proposed Regional Policy Statements of Waikato and Bay of Plenty Regional Councils.
- Collation of corporate response to the governments discussion paper on the second phase of Resource Management Act reforms.

## Community Outcomes

### A safe and caring community

- By providing an environmental planning framework that recognises the need to provide for safe homes, streets, and safe public spaces.

### A community that respects its environment

- By providing a primary land use planning tool that assists in achieving environmental respect, and providing planning management controls to assist in improving natural and physical environment.

### A healthy community

- By providing an environmental planning framework that recognises the need to provide for a healthy community, and reflecting this in policy decisions.

### A prosperous community

- By providing an environmental planning framework that is inclusive for Iwi aspirations, recognises the spiritual and cultural connection of Maori, and recognises and provides for this in policy decisions.

### A community with excellent facilities, services, activities and events

- By providing an environmental planning framework that supports the local economy, recognises and provides for quality development,
- and celebrates and promotes the district's uniqueness.

### A community that values its living Maori culture

- By providing a well planned district with supporting infrastructure, facilities, and services, that contribute to residents' and visitors' enjoyment of the district.

### A learning community

- By providing useful and relevant research about the district that is easily accessed by the community.

### A “happening” community

- By providing an environmental planning framework that supports the hosting of activities and events, and that assists creativity in the environment.

### What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	1,244	1,655	1,659
Financial Costs	0	0	0
Depreciation	5	5	5
<b>Total Costs</b>	<b>1,249</b>	<b>1,660</b>	<b>1,664</b>
<b>Revenue</b>			
Fees & Charges	1	11	1
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>1</b>	<b>11</b>	<b>1</b>
<b>Net Cost of Service</b>	<b>1,248</b>	<b>1,649</b>	<b>1,663</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	1,248	1,649	1,663
Plus Capital Revenue	0	0	0
Less Depreciation	(5)	(5)	(5)
Depreciation Funded by General Rates	0	0	0
<b>Operations Funded by General Rates</b>	<b>1,243</b>	<b>1,644</b>	<b>1,658</b>

#### Variance from budget

**Direct Costs** had a favourable variance. This relates primarily to consultants' advice and regional plans consultants. This is due to the majority of work undertaken by the Policy team. Some of these costs will flow into next year due to the extension of consultation on the draft district plan.

### How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Operative Rotorua district plan maintained and kept current.	Web based district plan kept current.	100%	Achieved 100%	
Status of district plan reported to Planning and Bylaws Committee.	Update report to Planning and Bylaws committee at each meeting.	100%	Achieved 100%	
Comprehensive review of operative district plan.	Notification of district plan review in 2009.	Submission process completed December 2010.	Not achieved.	Submission timeline extended to 31.07.11.
Council initiated plan changes undertaken in response to topical issues, and processed to statutory requirements.	Plan changes reported to Planning and Bylaws committee and progressed within statutory time.	100%	N/A	No plan changes received.
Advocating on behalf of the community on regional and national environmental policy matters.	Private plan changes reported to Planning and Bylaws committee and progressed within statutory time.	100%	N/A	No plan changes received.
Monitor the state of the district's environment.	State of the Environment monitoring undertaken yearly.	100%	Achieved 100%	The 2012 State of Environment Report is in preparation and scheduled for release early 2012.



## What we do

### Venues

This activity covers the operation of the Rotorua Convention Centre (including the Civic Theatre and ticketing agency), Te Runanga Tea House, Soundshell, Energy Events Centre (including the Sportsdrome), and International Stadium (including Number 2 field).

Council provides quality event facilities for the Rotorua community which supports endeavours to attract large, high yield local, regional, national and international events.

The venues are used for a variety of activities including:

- Local amateur performance
- Sport and recreation
- Conference and incentive activities
- Social functions
- Touring and local professional performing groups
- Cultural activity performances

### Events

This activity contributes to the identification and attraction of major events to Rotorua, and their subsequent growth. We provide assistance to event promoters and organisers in dealing with the array of people, processes and legislation required for organising a major event. It supports local event organisers through provision of the equipment shed and recreation programmes.

## Why we do it

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

To attract major events to Rotorua District that provide substantial economic benefit and make Rotorua an attractive place to live and visit.

To strategically manage and promote recreation programmes that contribute to healthy lifestyles for Rotorua residents.

## This year's highlights and achievements included:

- **Rugby World Cup** – Planning for the successful hosting of 5 World Cup teams and 3 matches continued throughout the year. Capital renewal works undertaken, including the painting of the Pink Terraces, has the stadium in prime condition for RWC
- **Major Sporting Events** –
  - Three ANZ Trans Tasman Netball fixtures were hosted, one of which was a relocation from Christchurch
  - Rotorua hosted the 4 Nations rugby league test between the world champion Kiwis and Papua New Guinea, and the Warriors played the Parramatta Eels
  - The Australasian Multi Sport Championship was hosted for the first time in June and the Rotorua event will carry that championship status for a further 2 years
- **Civic Theatre Stagehouse Redevelopment** – Redevelopment of the Civic Theatre stagehouse was completed in August 2010 and reopened in September 2010. The project was completed within the construction timeframe and budget. Theatre usage since opening has increased significantly over comparative periods before the redevelopment was undertaken
- **Other Major Events**
  - The Tough Guy/Tough Gal event hosted a third weekend for the first time with in excess of 5,500 entrants in total, of which over 4,000 are estimated to be overnight visitors
  - The Lion Foundation Marathon continues to be a major iconic Rotorua event. The introduction of a half Marathon this year boosted attendances by approx 25%
  - Hosting of the world single speed MTB Biking Championships was a great success with strong international entries
  - Hosting the Rotorua Creative Arts Trust's outstanding Wearable Creationz show over two nights at the Energy Events Centre. Over 3,000 patrons attend this exceptional event that showcases the creativity of our community
- **Business growth**– Business levels and income was 4.85% ahead of the previous year's figures despite a difficult trading environment with the global financial crisis.

- **Raggamuffin reggae festival** – This music festival at Rotorua International Stadium continues to be an outstanding success and a highlight on Rotorua's event calendar. A comprehensive economic impact report showed a direct spend of \$9.3 million dollars and a total impact of \$14.9 million dollars for the local economy.
- **'Meetings'** - In June the Energy Events Centre hosted the CINZ 'Meetings' trade show which exposed Rotorua's facilities and services to international and national buyers and has provided significant business opportunities for both RDC venues and other Rotorua businesses
- **Australian Marketing** – Events and Venues has vigorously promoted Rotorua and our facilities to the conventions and incentives market following the introduction of trans-Tasman air services. Twenty-three conferences are already booked and are expected to bring approx 4800 international delegates to Rotorua.

## Community Outcomes

### A healthy community

- By providing recreational opportunities for the community at sporting events and venues..
- By contributing to improved health status for residents using sporting venues.
- By providing effective responses to developing health issues, and developing partnerships to promote healthy living.

### A prosperous community

- By high utilisation of the various RDC venues and the attraction of major events to Rotorua which encourages growth and promotes employment opportunities.

### A community with excellent facilities, services, activities and events

- By providing Rotorua with a range of venues of national and international standard.
- By providing a range of venues for both major events and community use.

### A "happening" community

- By attracting/hosting events including sporting, cultural festivals, arts, leading edge activity events, celebrating and nurturing traditional Maori Culture and fostering artistic expression in art, music, dancing, public performance and exhibitions.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	4,372	4,200	3,975
Financial Costs	652	474	744
Depreciation	1,608	1,946	1,621
Other	6	0	0
<b>Total Costs</b>	<b>6,638</b>	<b>6,620</b>	<b>6,340</b>
<b>Revenue</b>			
Capital Revenue	194	1,105	941
Fees & Charges	2,092	2,117	2,021
Subsidies & Grants	37	0	56
Targeted Rates	1,495	1,489	1,550
Other Income	29	0	0
<b>Total Revenue</b>	<b>3,847</b>	<b>4,711</b>	<b>4,568</b>
<b>Net Cost of Service</b>	<b>2,791</b>	<b>1,909</b>	<b>1,772</b>

### Capital Costs

Renewals	115	420	210
Growth	0	3	0
Backlog	0	9	0
Level of Service	1,975	1,574	3,835
<b>Total Capital</b>	<b>2,090</b>	<b>2,006</b>	<b>4,045</b>

### Operational Funding

Net Cost of Service of General Rate Activities	2,791	1,909	1,772
Plus Capital Revenue	184	770	837
Less Depreciation	(1,614)	(1,946)	(1,621)
Depreciation Funded by General Rates	115	420	206
Add back half share roading depreciation	0	0	0
Self Funding/DC Reserve Movements	(41)	335	(373)
<b>Operations Funded by General Rates</b>	<b>1,435</b>	<b>1,488</b>	<b>821</b>

### Capital Funding

Funding from Depreciation (Rates)	115	420	595
Loans from/(to) Corporate Fund	1,428	1,068	2,386
Capital Grants	547	517	1,064
<b>Total Capital</b>	<b>2,090</b>	<b>2,005</b>	<b>4,045</b>

## Capital Expenditure

	2011 Actual \$000
Piano	176
Security lighting	52
Theatre redevelopment	1,687
Assets replacement	43
Floor coverings	82
Pink Terrace seating	50
	<b>2,090</b>



### Variance from budget

**Direct Costs** unfavourable variance relates to higher equipment, plant and building maintenance at the Energy Events Centre; higher costs at the stadium in electricity and grounds costs as well as higher costs relating to the Rugby World Cup.

**Financial Costs** has an unfavourable variance, primarily relating to the development contribution interest costs on the Energy Events Centre which were not budgeted for.

**Depreciation** favourable variance primarily relates to the Convention Centre redevelopment being capitalised later than planned.

**Capital Revenue** This variance is predominantly due to the capital funding for the Convention Centre redevelopment budgeted in 2009/10 but was subsequently also included in the 2010/11 budget in error.

**Capital Expenditure** was above budget due to the painting of the pink terraces at the stadium a year ahead of schedule, for the Rugby World Cup.

### How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Excellent well maintained and well used venues.	Number of Rotorua residents who use an Events and Venues facility during the year. <sup>1</sup>	80%	Achieved – 86%	
	% of residents satisfied with the level of service. <sup>1</sup>	80%	Achieved – 83%	
	% of repeat bookings from commercial clients within a three year period.	50%	Achieved – 67.8%	There were 103 repeat bookings from commercial clients for the year which represented 67.8%.
Encourage and promote a wide range of events and conferences with high levels of participation that add to the appeal of Rotorua for its citizens and visitors.	% of hirers are from community groups.	40%	Achieved – 58.5%	675 community groups hired venues out of 1153 for the year.
	% increase due to growth in relation to participation levels.	3%	Not achieved - -14% (224,285)	Reduction in pax numbers against 2009/10 due to reduction in Raggamuffin attendees, no Maori rugby fixture and closure of Civic Theatre for 2 months. 2009/10 pax numbers were up 27% against 2008/09 year.
	Number of conferences each year.	> 25	Achieved – 33	Increased business in latter part of 2010/11 as a direct result of Christchurch earthquakes. This includes Meetings 2011.
	Number of delegates attending each year.	> 11,000	Achieved – 11,408	

<sup>1</sup> Community satisfaction survey (with Council services) undertaken in June 2011, which includes the views of 400 residents selected at random.

# Inspection



## What we do

- Environmental health** – the promotion and conservation of public health, achieved by the enforcement of the provisions of the Health Act, regulations, the Resource Management Act and relevant bylaws. Activity includes the registration and inspection of food premises, hairdressers and camping grounds, investigation of health complaints, monitoring of water supplies, swimming pool water quality and noise control.
- District licensing agency** – the management of the district licensing agency as required by the Sale of Liquor Act, to administer and enforce compliance with the provisions of the act, regulations and council's liquor policy. This is intended to ensure that managers and licensed premises hold the appropriate liquor licence and to work towards a reduction in the abuse of liquor within the community.
- General** – provide a complaint response service for matters covered by a number of bylaws to minimise nuisance to the general public. This includes signs, obstruction of public property, disposal of abandoned vehicles, littering, prostitution and gambling.
- Geothermal** – administer the Geothermal Safety Bylaw 2008 and provide an advisory role including undertaking testing for the presence of hydrogen sulphide gas with the intention of ensuring as far as possible, the safety of public from geothermal activity.

- Hazardous substances** – ensure public safety in the handling and storage of hazardous substances by the enforcement of the Hazardous Substances and New Organisms Act, in public places and private dwellings.

## Why we do it

To enhance the health, safety, comfort and well-being of residents and visitors within the district by encouraging wise use and protection of the environment and sustainable resource management.

## This year's highlights and achievements included:

- 78% community satisfaction with noise control. The number of complaints received was 3573, the third highest in the last 11 years.
- Successful implementation of temporary liquor bans for two major events.
- All health performance targets were achieved.

## Community Outcomes

### A safe and caring community.

- By ensuring safe public places.
- By minimising risks from nuisances and offensive behaviour

### A community that respects its environment

- By protecting and preserving the environment.

### A healthy community

- By protecting and preserving public health.
- By providing effective responses to developing health issues.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	1,303	1,473	1,321
Financial Costs	1	1	0
Depreciation	8	6	12
<b>Total Costs</b>	<b>1,312</b>	<b>1,480</b>	<b>1,333</b>
<b>Revenue</b>			
Fees & Charges	342	397	368
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>342</b>	<b>397</b>	<b>368</b>
<b>Net Cost of Service</b>	<b>970</b>	<b>1,083</b>	<b>965</b>
<b>Capital Costs</b>			
Renewals	0	0	6
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	970	1,083	965
Plus Capital Revenue	0	0	0
Less Depreciation	(8)	(6)	(12)
Depreciation Funded by General Rates	0	0	6
<b>Operations Funded by General Rates</b>	<b>962</b>	<b>1,077</b>	<b>959</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	0	0	6
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>6</b>

## Variance from budget

**Direct Costs** are favourable to budget. This relates to savings achieved in advertising, materials, fleet, legal advice and software maintenance.

**Fees and Charges** were under budget in the sale of liquor licenses due to lower activity.

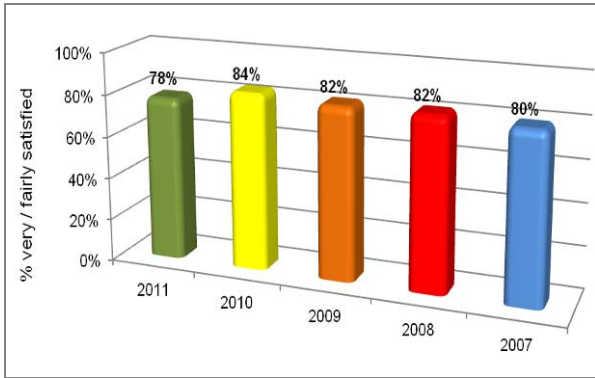
## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Environmental Health – Promotion and conservation of public health by inspection and registration of food premises, hairdressers and camping grounds, investigation/resolution of noise and health nuisances/ complaints.	% of health complaints responded to within 1.5 working days.	100%	Achieved 100%	There were 265 health complaints for the year which were responded to within 1.5 working days.
	% of food premises registered.	100%	Achieved 100%	There were 580 food premises registered during the year.
	% of noise complaints responded to within 2 hours.	100%	Achieved 100%	There were 418 noise complaints, all of which were responded to within 2 hours by staff.
District Licensing Agency – Inspection of licensed premises to ensure compliance with licence conditions and Sale of Liquor Act.	% of licensed premises inspected under Sale of Liquor Act at least once every 12 months.	100%	Achieved 100%	297 premises were inspected. There are 297 registered licensed premises in total.
General – Investigation/resolution of complaints/nuisances.	% of general complaints responded to within 1 working day.	100%	Not achieved – 94.9%	312 complaints received of which 16 were not responded to within the required timeframe
	% of litter complaints responded to within 1 working day.	100%	Achieved 100%	42 litter complaints received which were all responded to within 1 working day.
Geothermal – Investigation/resolution of complaints about geothermal issues and provision of gas level testing service. Ensuring compliance with provisions of Geothermal Safety Bylaw.	% of geothermal gas complaints responded to within 1 working day.	100%	Achieved 100%	22 geothermal gas complaints received which were all responded to within 1 working day.
Hazardous Substances – Ensuring compliance with provisions of hazardous substances legislation and regulations in private dwellings and public places.	% of hazardous substance complaints responded to within 1 working day.	100%	Achieved 100%	2 complaints received which were both responded to within 1 working day.

## Community Satisfaction Survey

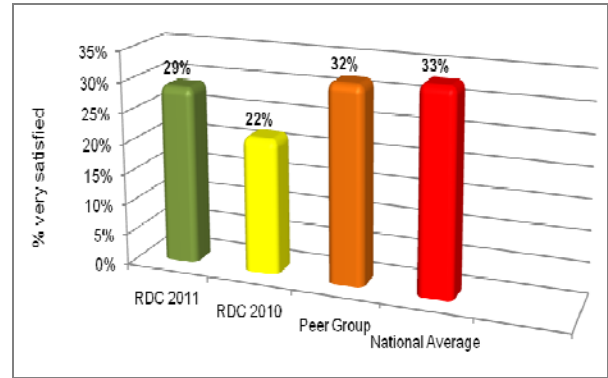
The graphs below have been prepared from the annual Community Satisfaction Survey.

**Noise Control**



This graph shows the percentage of survey respondents very or fairly satisfied with this service over the last five years.

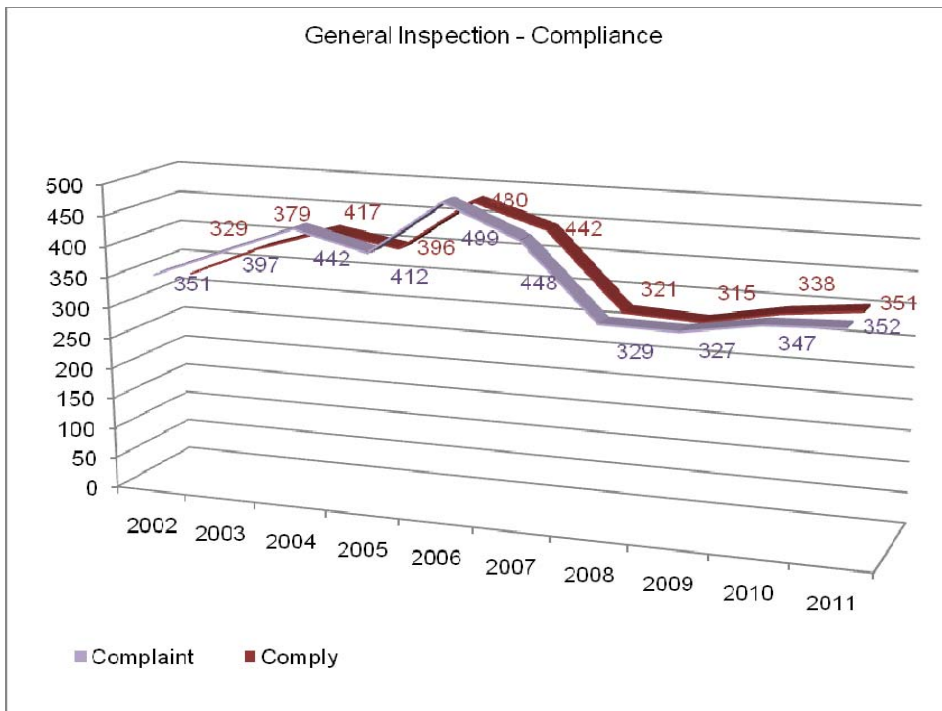
**Noise Control**



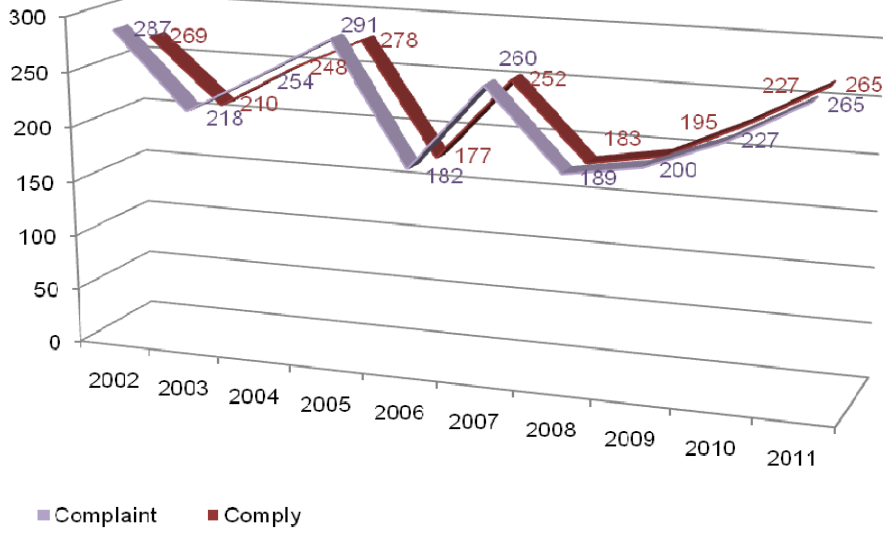
This graph shows the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.

## Other indicators

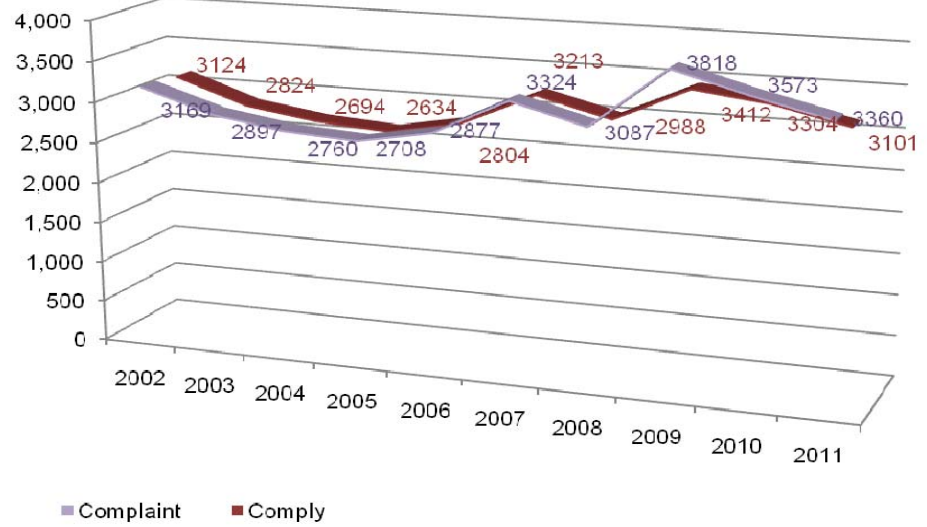
**General Inspection - Compliance**



Environmental Health - Compliance



Noise Control - Compliance



# Parking Enforcement



## What we do

- Ensure there is a turnover of traffic in all areas of parking.
- Ensure that drivers adhere to road rules.
- Check meters and pay-and-display machines.
- Check that vehicles are compliant and have a current certificate of vehicle inspection and current licence label.
- Ensure that mobility parking spaces are available for genuine users.

## Why we do it

To maximise the availability of parking during working/shopping hours to ensure the CBD area has a regular turnover of parking spaces, and so that parking is carried out in a safe manner.

## Community Outcomes

### A safe and caring community.

- By enforcing the parking regime and ensuring that vehicles are roadworthy.

### A prosperous community:

- By encouraging more businesses to invest in the area due to the availability of parking for customers and workers alike.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	867	942	899
Financial Costs	1	1	1
Depreciation	14	13	13
<b>Total Costs</b>	<b>882</b>	<b>956</b>	<b>913</b>
<b>Revenue</b>			
Fees & Charges	1,750	1,731	1,772
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>1,750</b>	<b>1,731</b>	<b>1,772</b>
<b>Net Cost of Service</b>	<b>(868)</b>	<b>(775)</b>	<b>(859)</b>
<b>Capital Costs</b>			
Renewals	37	72	0
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	0	0
<b>Total Capital</b>	<b>37</b>	<b>72</b>	<b>0</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	(868)	(775)	(859)
Plus Capital Revenue	0	0	0
Less Depreciation	(14)	(13)	(13)
Depreciation Funded by General Rates	37	72	0
<b>Operations Funded by General Rates</b>	<b>(845)</b>	<b>(716)</b>	<b>(872)</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	37	72	0
Loans from/(to) Corporate Fund	0	0	0
Capital Grants	0	0	0
<b>Total Capital</b>	<b>37</b>	<b>72</b>	<b>0</b>

## Capital Expenditure

	2011 Actual \$000
Handheld Ticket Writers	37
	<b>37</b>

## Variance from budget

Direct Costs are favourable to budget. This is due to savings from staff vacancies and court filling fees.

## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Ensure CBD retailing is provided with a regular turnover of parking spaces for potential customers.	% average parking availability (1 in 7 spaces available between 10am and 3pm as measured by periodic survey*).	15%	Achieved.	Survey completed on demand.
Ensure parking restrictions are enforced.	Number of days enforcement is undertaken.	5.5 days/week	Achieved.	Enforcement officers out on the streets Monday to Friday 9:00am to 5:00pm and Saturday from 9:00am to 12:00noon.

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



# Rotorua Museum



## What we do

The Rotorua Museum, Te Whare Taonga o Te Arawa, is situated in the Bathhouse, an historic landmark building sited strategically in Government Gardens, a heritage precinct of national importance. The Bathhouse building holds a category 1 classification from the NZ Historic Places Trust, the highest level of significance for buildings in New Zealand.

The museum opens to the public every day except Christmas Day, from 9am to 8pm daily during NZ daylight saving time, and from 9am to 5pm the rest of the year.

The Centennial Project which commenced with the reinstatement of the viewing platform in 2006 saw the Bathhouse building completed to its original specifications and was completed in 2010-2011. A major fundraising campaign, led by a dedicated charitable trust, secured almost \$18 million towards this \$22 million project. Stage II of the project, the North Wing Extension was completed in September 2008 and opened to the public in November 2008. Stage III, the South Wing extensions commenced in May 2009 and was completed in May 2011, opening to the public in September 2011.

Reflecting the value added through capital investment, Council has increased its adult admission price to \$18 for all paying visitors, at the completion of the South Wing, effective 02 September 2011.

## Collections

Seven important collections are at the heart of the museum's identity. They are (with catalogued holdings as at 30.06.08):

- Ethnology (658 items catalogued)
- Fine Arts (2,196 items catalogued)
- Natural Environment (472 items catalogued)
- Photography (17,035 items catalogued, approx. 75,000-100,000 items in total)
- Resource and archives (8,055 items catalogued)
- Social History (12,592 items catalogued)
- Taonga Maori (1,303 items catalogued)

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 for accession and catalogue collection items aims to have every item recorded and stored on a computerised collection management system.

## Exhibitions

- **Taking the Cure**  
Tells the story of the Bathhouse building and the origins of tourism in Rotorua.
- **Maori Battalion**  
B Company of 28 Maori Battalion was made up of volunteers from the Rotorua/Bay of Plenty/Thames-Coromandel areas and fought in some of the most famous campaigns of WWII. This exhibition is a tribute to those men, and the people they left behind.
- **Tarawera Eruption**  
The 1886 eruption of Mount Tarawera changed the lives for all who lived in this area forever. The fabulous Pink and White Terraces were destroyed, along with many villages around the mountain. This exhibition tells the story of the fateful night and remembers the victims, both Maori and Pakeha.
- **Rotorua Stories Cinema**  
An interactive theatre experience telling the stories of Rotorua in a dramatic and entertaining way was added to the museum's attractions in 1998, and has been upgraded at regular intervals since. It remains a core part of the museum experience for locals and visitors alike.
- **Mudbath Basement**  
The famous Mudbath Basement has recently been opened up again to visitors after 100 years. Visitors must go through the basement of the building to arrive at the mudbaths which have sat undisturbed in the same place for over 100 years.
- **Viewing Platform**  
Reinstatement of the historic viewing promenade on the North Wing roof (Stage 1 of the centennial project) was completed in March 2006, and made possible by grants from the Ministry of Tourism and the NZ Lotteries Grants Board with supplementing annual plan funding from RDC.

## Programmes

A dynamic and active programme of public lectures, films, tours, floor talks and children's activities is provided throughout the year. Some of the events are so popular that dozens of people are turned away. It is expected that the public programme will continue to grow as the museum grows into the new galleries provided through the Centennial Project.

## Guided Tours

Guided tours provided by a team of over 80 volunteer docent guides have become a core part of the Rotorua Museum experience. The guides undergo a rigorous 14 week training programme before graduating and starting their careers as guides for museum visitors. Tours will take place 8 times a day in summer and 7 times a day in winter.

## Education

Since 1998 the museum has been contracted by the Ministry of Education to provide Learning Experiences Outside the Classroom to some 11,000 school students per annum. Two teachers are employed to develop and deliver curriculum-linked programmes and school groups come from all over New Zealand to use the service.

## Why we do it

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** – Construction of Stage III of the Centennial Project, the South Wing, began in July 2009. The construction project was completed in May 2011, within budget. The finished museum would open to the public on 2 September 2011.
- **Exhibitions and Public Programmes** – Staged 24 exhibitions during year, and 27 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 12,428 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 eleventh year. The current three year contract runs until 30 June 2013.
- **Visitor Numbers and Admissions Revenue** – A total of 108,746 visitors came to the museum during the year. Admissions revenue of \$668,908 was earned, while \$254,076 in retail sales was made.
- **Visitor Spend** – Total spend for the year averaged \$11.14 per paying visitor. This remains one of the highest spends per visitor of any museum in New Zealand.
- **Museum Bus** – Funded by the Ngati Whakaue Education Endowment Trust, the Museum Bus provided free transportation to the museum for over 5,000 local students from decile 1-5 schools. This highly successful partnership has been continued for a second year.

## Community Outcomes

### A community that values its living Maori culture

- By preservation and sustainable development of Maori resources.

### A learning community

- By providing learning activities accessible for everyone.
- By providing quality educational institutions.

### A "happening" community

- By providing great facilities to visit.
- By fostering artistic expression, art, music, dance, public performances and exhibitions.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	2,743	2,551	2,394
Financial Costs	178	145	121
Depreciation	406	456	418
Other	7	0	0
<b>Total Costs</b>	<b>3,334</b>	<b>3,152</b>	<b>2,933</b>
<b>Revenue</b>			
Capital Revenue	7,472	3,916	2,768
Fees & Charges	1,075	1,183	1,084
Subsidies & Grants	10	0	2
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>8,557</b>	<b>5,099</b>	<b>3,854</b>
<b>Net Cost of Service</b>	<b>(5,223)</b>	<b>(1,947)</b>	<b>(921)</b>
<b>Capital Costs</b>			
Renewals	(35)	190	83
Growth	417	8	19
Backlog	622	1,600	0
Level of Service	8,825	8,305	5,508
<b>Total Capital</b>	<b>9,829</b>	<b>10,104</b>	<b>5,610</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	(5,223)	(1,947)	(921)
Plus Capital Revenue	7,472	3,916	2,763
Less Depreciation	(413)	(456)	(418)
Depreciation Funded by General Rates	(35)	190	83
Self Funding/DC Reserve Movements	0	0	(8)
<b>Operations Funded by General Rates</b>	<b>1,801</b>	<b>1,703</b>	<b>1,499</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	(35)	178	100
Loans from/(to) Corporate Fund	2,533	3,722	2,069
Capital Grants	6,900	6,205	3,441
Development Contributions	431	0	0
<b>Total Capital</b>	<b>9,829</b>	<b>10,104</b>	<b>5,610</b>

## Capital Expenditure

	<b>2011 Actual \$000</b>
Asset Replacement	10
Collection Purchase	9
Centennial Development Stg 3	9,208
Additional Capital Purchases	14
External Lighting	21
CCTV security camera replacement	5
Rotorua Museum Grounds Improvement	562
	<b>9,829</b>

## Variance from budget

**Direct Costs** unfavourable variance relates to the painting of the exterior of the Bathhouse building. This was budgeted for 2011/12, however was brought forward for the opening of the museum upgrade.

**Fees and Charges** were below budget; this was due to the upgrade and tourism downturn.

**Capital Revenue** is above budget for funding from the Museum Centennial Trust. This is just a timing issue over the whole of the project. Last year the variance was \$2.9 million unfavourable.

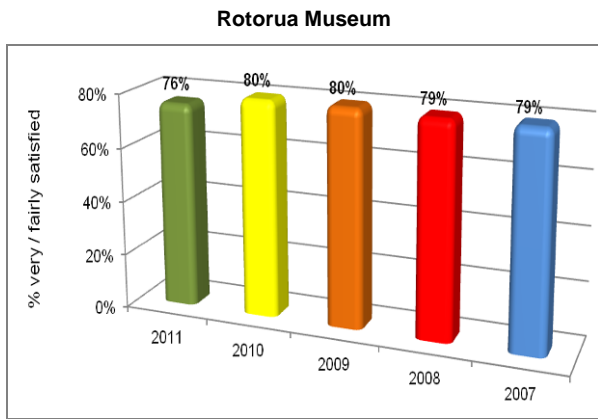
## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
An outstanding museum experience, open seven days a week and free to local residents of Rotorua.	% of households in Rotorua that visit the museum each year.	55%	Achieved – 57%	57% of Rotorua households surveyed stated that at least one member of the household visited the museum during 2010/11.
	% of local residents very /fairly satisfied with the museum and its services. <sup>1</sup>	75% with an increasing trend corresponding with future capital development of the museum	Achieved – 76%	
Collect, preserve, catalogue and conserve the community's cultural heritage.	Number of collections and items.	7	Achieved.	The museum continues to maintain 7 permanent collections with 2598 catalogued records.
Interpret and display the art, culture and stories of Rotorua and Te Arawa via a number of permanent exhibitions.	Number of permanent exhibition galleries.	7	Not achieved – 6	Not achieved due to Centennial Project and closure of South Wing.
Provide a range of educational levels including primary, secondary, tertiary and adult learning.	Number of public programmes (workshops/lectures) per year.	15	Achieved – 27	27 public programmes (workshops/lectures) were undertaken for the year.
	Number of students each year participating in the LEOTC programme (curriculum based learning).	12,000	Achieved – 12,428	12,428 students participated in the LEOTC programme for the year. (NB: New contract with MOE is set at 11,000 students).
Provide a range of unique exhibitions from other parts of New Zealand.	Number of touring exhibitions.	10	Achieved – 24	24 touring exhibitions were hosted during the year.
	Number of language based navigational maps so museum visitors can self-guide around the museum.	14	Achieved – 14	At all times throughout the year there were at least 14 navigational maps available for visitors.
	Number of guided tours per day.	7	Achieved.	There were 7 guided tours each day during winter and 8 guided tours during summer.

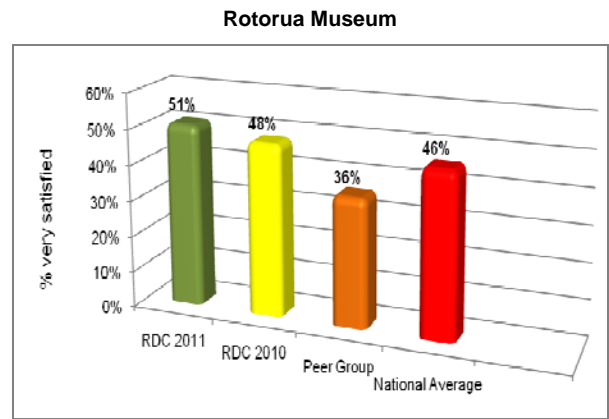
<sup>1</sup> Community satisfaction survey (with Council services) undertaken in June 2011, which includes the views of 400 residents selected at random

## Community Satisfaction Survey

The graphs below have been prepared from the annual Community Satisfaction Survey.



This graph shows the percentage of survey respondents very or fairly satisfied with this service over the last five years.



This graph shows the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.





## What we do

### Destination Marketing

#### Domestic marketing

Undertake year-round marketing activity in key regions to encourage domestic travellers to come to Rotorua on a regular basis. Target markets are household shoppers, dual income, no kids and family. Activity includes a combination of strategic media placement, attendance at consumer shows, billboard advertising, website 'hot deals' and TV advertising.

#### International marketing

Undertake marketing activity in the following key markets – Australia, USA, UK, Japan, China, India and other Asian markets. Activity is predominantly focused on working with the travel trade in these markets in joint venture activity, product updates, assisting with brochure development, training and facilitating familiarisation trips. A lot of this activity is done in conjunction with Tourism New Zealand.

#### Event marketing

Undertake marketing activity to promote events in Rotorua. This includes both international and domestic visitors with specific events being targeted. Activity includes 12 month domestic media campaign, promoting one large international event, ensuring key events are exposed through major external event websites, producing Rotorua events brochure twice a year with targeted distribution, and developing travel packages that can be sold in conjunction with key events.

### Conference and incentive marketing

Undertake marketing activity to promote Rotorua as an attractive conference and incentive destination for both domestic and international markets. Activity includes 12 month print and online advertising, attendance at key conference tradeshows, facilitating familiarisation trips for conference and incentive organisers, organising promotional events in both Auckland and Wellington showcasing Rotorua operators and product, ensuring Rotorua conference and incentive content on key websites is kept updated and relevant, and undertaking direct mail and advertising targeting businesses and associations.

### Rotorua Travel Office and i-SITE

The Tourism Rotorua Travel Office operates 364 days a year.

#### Domestic travel bookings

Offers a comprehensive domestic travel reservation service for both Rotorua and New Zealand products to local residents and visitors. Commercial returns are earned through commissions on sightseeing and travel sales. It is also contracted to the Rotorua education network to provide quoting and booking services for school groups visiting Rotorua.

#### Information

A full information service is provided for Rotorua and the rest of New Zealand through counter enquires, email requests and phone inquiries. With the development of trans-Tasman air services, the Rotorua Travel Office trialled a presence at the airport providing greater access to visitors in terms of travel reservations, tourist attraction bookings and information.

#### 'The Organiser'

A one-stop-shop for groups (international and domestic), corporates, associations and conference organising. The conference and event services provided are full registration, budget and accounting, development of the programme, venue management, speaker liaison, sponsorship and exhibition along with promotion of the event. Group services provided are quotes, itinerary planning (Rotorua or NZ-wide tours) and New Zealand-wide attractions, accommodation and transport information, and servicing the Education Network.

### Why we do it

A complete review has seen considerable work put into creating a new Destination Rotorua Marketing. Its focus has been broadened to encompass the marketing of Rotorua as a great place to live, play, work and invest. Underpinning our performance are three clear aims: To re-engage our industry; To lead and initiate in the marketing of Rotorua; and To build 'Brand Rotorua'.

The Rotorua Travel Office and i-SITE provides a point of first contact for visitors for information, and for booking things to see and do around Rotorua and the rest of New Zealand.

## This year's highlights and achievements included:

- **Trans-Tasman** – 12 months ago flights commenced direct Sydney to Rotorua opening up new markets for leisure, and conference and incentive business out of Australia.
- Establishment and operational success of the Rotorua Tourism Committee.
- A destination marketing business plan with the following seven key areas of focus:
  - Aggressively target and grow the Asian visitor market – specifically China
  - Grow and increase Rotorua's share of Australian visitor arrivals to New Zealand – especially off-peak
  - Increase average room nights and spend to be at least equal to the national average for both international and domestic visitors to Rotorua
  - Increase the Auckland visitor market by 5% - 50,000 visitor nights
  - Create value and work in partnership with Rotorua region operators
  - Take a leadership position in online marketing and travel search
  - Increase ease of access to Rotorua as a visitor destination
- Development of a more appropriate marketing focussed organisational structure to drive the above business plan.
- Successfully secured MEETINGS 2011 for the first time with a 12 week turnaround from confirmation to completion of event. One hundred and eighty two hosted buyers attended MEETINGS 2011 from Australia and New Zealand and nine from China. One hundred and fifty two companies exhibited at MEETINGS 2011. The spin-off is inevitable – Conferences & Incentives New Zealand (CINZ) estimates the benefit to New Zealand from MEETINGS is \$25 million and Rotorua has already confirmed a number of conferences and incentives to date.
- Rotorua had an 11% market share of multi-day conferences hosted in Convention Activity Survey regions, ranking it almost third equal with Canterbury and behind New Zealand largest cities of Wellington (27%) and Auckland (26%). Rotorua had only eight fewer conferences than Canterbury, which positions Rotorua to very likely overtake Canterbury's market share in the next reporting period. Rotorua's 11% market share positions it ahead of all other resort regions including Queenstown with 10%, Taupo with 5% and Nelson with 2%.
- A \$500,000 digital marketing campaign was launched in Sydney from February through to June. Partnering with high profile Australian travel wholesale company Value Tours. Rotorua and wider central North Island travel packages were marketed through mainstream online media. Over 80,000 people visited the campaign website during the campaign.
- DRM hosted a record number of international trade familiarisations through 2010/11. Familiarisations are the most effective way of showcasing Rotorua to travel sellers based overseas. Working with a variety of travel organisations DRM attracted over 450 key travel sellers from 13 key international markets to Rotorua and they were hosted by DRM.
- Wotif.com Rotorua Winter Campaign aimed at domestic market to drive increased bookings, room

nights and revenue to the region. Resulted in 13.6% growth in Rotorua year on year bookings.

- Rotorua Locals' Week – Focus on domestic visiting friends and relatives (VFR) market in Rotorua, timed to lead up to the peak in summer. Resulted in total attraction and activities visits by Rotorua locals increasing 10% from November 2009.
- Auckland – AA Travel joint venture campaign allowed geo-targeting of their database to Aucklanders with high propensity to travel, resulting in over 450,000 subscribers reached during campaign.
- Five key events were targeted by DRM to provide extra marketing support and help drive increased attendance.
- Media Training to take advantage of RWC.
- HO HO Bus Service announced.
- Improvements to mountain biking facilities and rentals in forests underway.
- Launch of massive Auckland campaign, No1 Queen Street planned.
- Engaged in a series of briefings with industry.
- Revived high-end group.
- Provided leadership, training and joint marketing opportunities for Australian and China Markets.
- Worked closely with Events and Venues to market and promote key events and events calendar for year.
- Reviewed website functionality and online ecommerce strategy.
- Rotorua Travel Office
  - New Hot Deals brochure produced for the winter season. The Money Exchange group has taken up tenancy to provide a foreign exchange service.
  - Tourism Rotorua's i-SITE, which assists more than 900,000 visitors seeking advice and assistance each year, achieved an overall Qualmark score of 87%, an improvement of 6% on its 2009 score.
  - In providing services to the Rotorua Education Network, The Organiser business unit of Tourism Rotorua has successfully facilitated the visit of 160 education groups to Rotorua in the 2010/11 year involving over 900 Adults and 5300 students. This represents an increase of 2200 pax and 40 groups over the previous year. A highlight of this result is the inclusion of a new business stream of 262 packages purchased through Australlearn.
  - The Organiser also provided services to two conferences and 33 groups over the period with the highlight being the NZ community board conference which generated a \$63k profit which was put back into the community. Presently The Organiser is providing services to a number of Rugby World Cup projects for groups.

## Community Outcomes

### A community that respects its environment

- By helping to protect a range of natural resources in the district.
- By encouraging people to use and enjoy our natural environment.

### A prosperous community

- By promoting our district's unique qualities to encourage more people to visit, to stay longer and spend more.
- By ensuring Rotorua is renowned for tourism; a vibrant tourism sector provides more employment opportunities for locals.

### A community that values its living Maori culture

- By fostering Maori cultural activities and expression.
- By encouraging a community that recognises the value of partnerships, including the Treaty of Waitangi.

### What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	5,276	5,998	5,032
Financial Costs	10	15	13
Depreciation	87	100	96
<b>Total Costs</b>	<b>5,373</b>	<b>6,113</b>	<b>5,141</b>
<b>Revenue</b>			
Fees & Charges	1,912	2,048	2,040
Investment Income	36	60	30
Subsidies & Grants	335	900	0
Targeted Rates	2,415	2,404	1,859
<b>Total Revenue</b>	<b>4,698</b>	<b>5,412</b>	<b>3,929</b>
<b>Net Cost of Service</b>	<b>675</b>	<b>701</b>	<b>1,212</b>
<b>Capital Costs</b>			
Renewals	0	0	0
Growth	0	0	0
Backlog	0	40	0
Level of Service	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>40</b>	<b>0</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	675	701	1,212
Plus Capital Revenue	0	0	0
Less Depreciation	(87)	(100)	(96)
Depreciation Funded by General Rates	0	0	0
<b>Operations Funded by General Rates</b>	<b>588</b>	<b>601</b>	<b>1,116</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	0	0	0
Loans from/(to) Corporate Fund	0	40	0
Capital Grants	0	0	0
<b>Total Capital</b>	<b>0</b>	<b>40</b>	<b>0</b>

### Variance from budget

**Direct Costs** were favourable to budget. The key variance here was due to lower than planned funding from Tourism New Zealand for the Rotorua Australia marketing campaign. This is offset in subsidies and grants below. Also spending was kept to a minimum in the Travel Office.

**Fees and Charges** were below budget; due to reduction in fees from industry for joint ventures as well as the current economic climate.

**Subsidies and Grants** are below budget from lower than planned funding from Tourism New Zealand for the Rotorua Australia marketing campaign. This is offset in direct costs above.

## How we performed

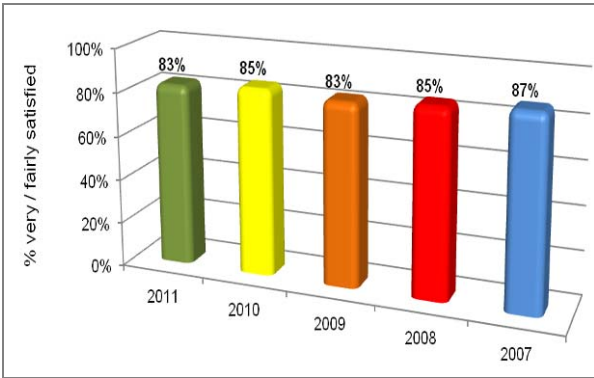
Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
<b>Destination Marketing</b>				
Market Rotorua as a preferred destination for leisure, conference/ incentive and events visitors of both international and domestic origin.	Contribute to the number, the length of stay and the average spend of visitors to Rotorua.	1.7 million overnight visitors	Not achieved – 1.5 million visitors	The Christchurch earthquakes resulted in a decline of international visitor activity in Rotorua. A decreased appeal for travel to New Zealand commenced following the September 2010 earthquake. The reduced accommodation capacity in Christchurch following the February 2011 earthquake resulted in fewer visitors travelling on the Christchurch-Rotorua flights as a result of avoiding Christchurch and linking to the North Island from other South Island places. Given Christchurch is the only South Island place Rotorua has flights to, visitors not using the Christchurch-Rotorua flights modified their itineraries to allow for the extra travelling time to Rotorua from using other North Island airports. Visitors elected to reduce their length of stay in Rotorua, substitute overnight visits to Rotorua for day visits or in some instances opt out of visiting Rotorua altogether.
		> 2.3 average nights	Not achieved – 2.3 average nights.	
		> \$120 spend per overnight visitor/night	Not measurable.	
Encourage the Rotorua tourism industry to deliver on the promise of Manaakitanga (provision of exceptional hospitality) to the visitor experience.	Average visitor satisfaction rating of Rotorua experience as measured by the Rotorua Regional Visitor Monitor.	8 out of 10 score achieved.	Achieved – 8.4	The Rotorua Regional Visitor monitor surveyed visitors about their Rotorua experience during 2010/11 and the average rating (out of 10) of those people surveyed was 8.4.
Encourage the uptake of sustainability within the tourism industry.	% of businesses advertising in the Rotorua Visitor Guide that are associated with the Rotorua Sustainable Tourism Charter, Qualmark or Green Globe.	80%	Achieved – 80%	There was an average of 60 businesses advertising in the Rotorua Visitor Guide and 48 are associated with the Rotorua Sustainable Tourism Charter, Qualmark or Green Globe.
<b>Rotorua Travel Office</b>				
Booking services are provided to visitors to Rotorua to encourage extended length of stay and visitor spend.	Amount of commissions revenue generated by Travel Office.	\$1.5 million	Achieved - \$1.6 million	
	% of satisfaction of industry members of the Tourism Advisory Board with the booking services provided by the Travel Office.	Review against benchmark as set in 2008/09	N/A	Tourism Advisory Board disestablished during the year.
Provide an accessible, informative and friendly point of contact to visitors to Rotorua.	% of customers satisfied or very satisfied as per annual customer survey.	80%	Achieved – 99.6%	275 customers were surveyed during the year and 274 stated they were satisfied or very satisfied with the service they received.
Provide Conference and Group services.	% of clients satisfied or very satisfied with levels of service.	80%	Achieved.	Clients did provide some feedback during the year on their level of satisfaction, however, a robust measuring system was not in place. it will be in place for 2011/12.



## Community Satisfaction Survey

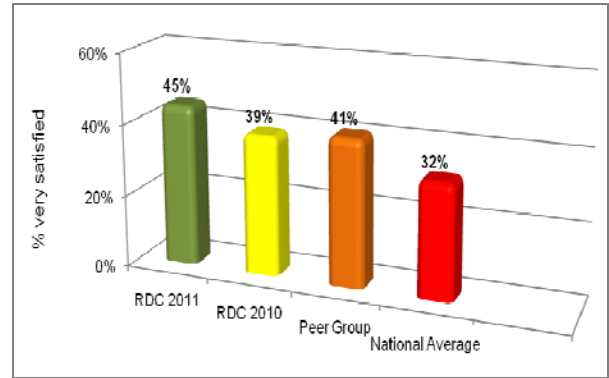
The graphs below have been prepared from the annual Community Satisfaction Survey.

Event and Tourism Promotion



This graph shows the percentage of survey respondents very or fairly satisfied with this service over the last five years.

Event and Tourism Promotion



This graph shows the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.



# Infrastructure Services 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, services, activities and events	A community that values its living Maori culture	A learning community	A "happening" community
82	Aquatic Facilities	✓		✓					✓
86	Infrastructural planning and compliance		✓		✓	✓			
88	Public Gardens and Open Spaces	✓	✓	✓		✓			✓
92	Rotorua Airport	✓			✓	✓			
94	Stormwater and Land Drainage	✓	✓			✓			
97	Transport	✓	✓	✓	✓	✓			
101	Waste Management	✓	✓			✓		✓	
105	Wastewater		✓	✓		✓			
109	Water	✓	✓	✓	✓	✓			

## Overview of Group

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

- Aquatic facilities
- Infrastructural planning and compliance
- Public gardens and open spaces
- Rotorua airport
- Stormwater and land drainage
- Transport
- Waste management
- Wastewater
- Water supplies

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

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

## Performance Targets

	Targets	Achieved	Not Measured	Not Achieved
Aquatic Facilities	8	5	-	3
Infrastructural Planning and Compliance	5	4	-	1
Public Gardens and Open Spaces	7	6	-	1
Rotorua Regional Airport	2	2	-	-
Stormwater and Land Drainage	4	4	-	-
Transport	5	3	1	1
Waste Management	5	1	-	4
Wastewater	5	1	-	4
Water	6	4	-	2
<b>Total</b>	<b>47</b>	<b>30</b>	<b>1</b>	<b>16</b>

**Targets not achieved** for Aquatic Centre activity are due to lower numbers and satisfaction feedback being below target.

For Infrastructural Planning and Compliance activity, it was due to a number of high risk trade waste premises not monitored during the year.

Public Gardens activity did not achieve the targeted residents' satisfaction for sports fields.

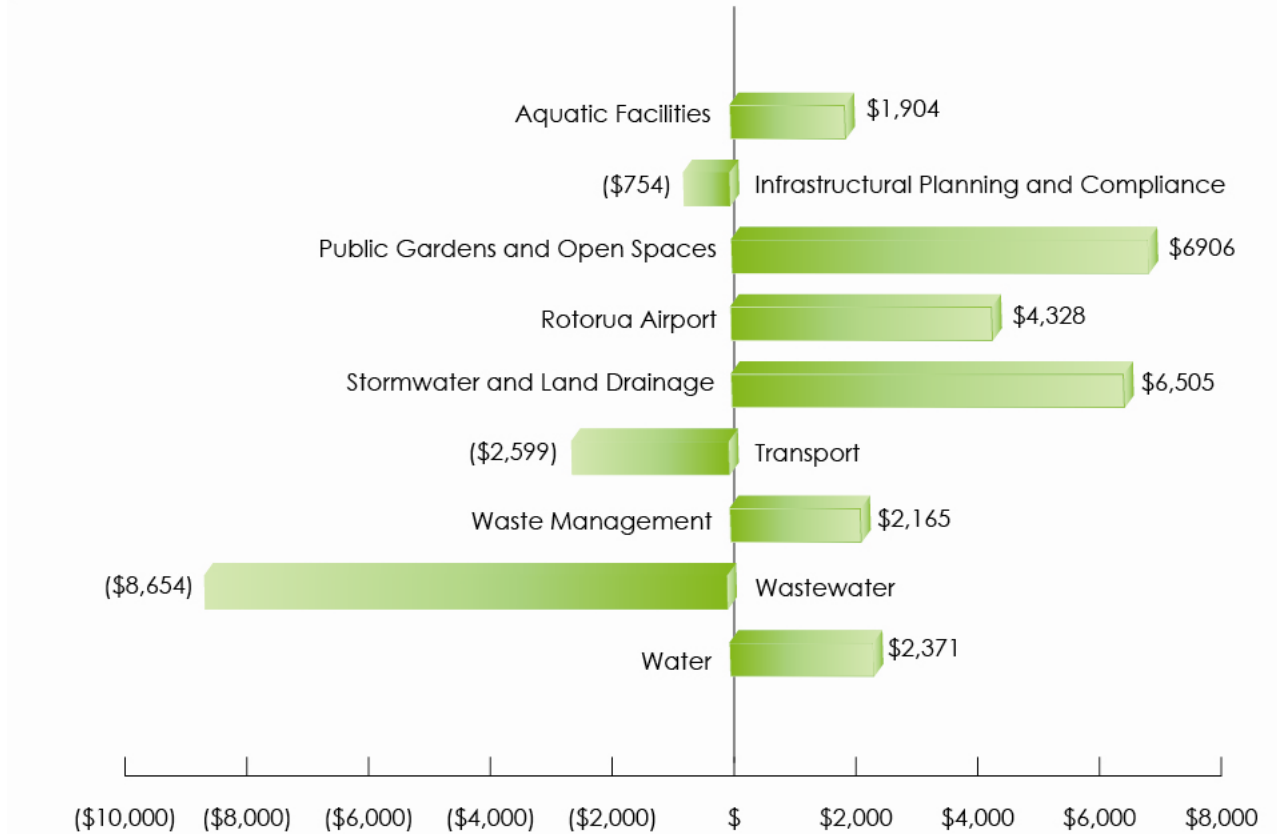
Transport activity was due to bus services not meeting the target of running on time.

Waste Management activity related to increasing the recycling target, meeting timetable on refuse collection and one consent breach.

Water activity was due to technical faults with data systems

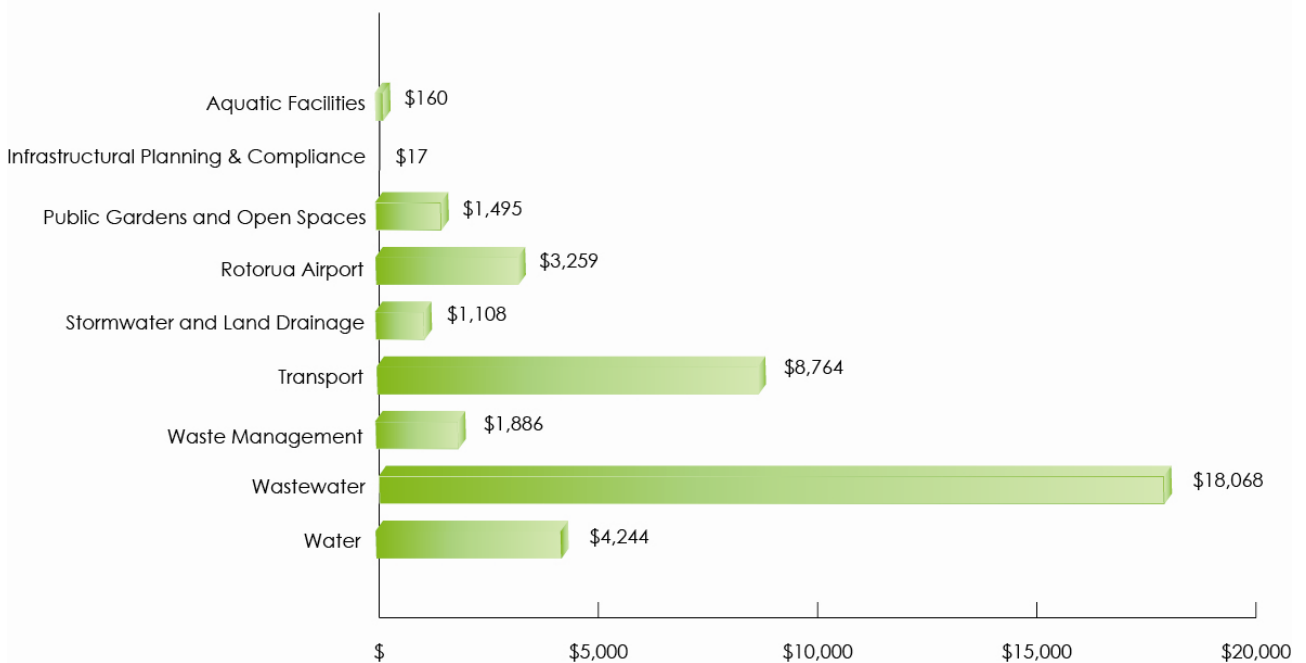
### Net Cost of Service

\$ in thousands



### Capital Expenditure

\$ in thousands



# Aquatic Facilities



## What we do

### The Facilities

The Rotorua Aquatic Centre is open 7 days per week from 6am to 9pm and operates 364 days per year. It is a Pool Safe accredited facility and is made up of:

- 50m outdoor swimming pool
- 18m indoor learners' pool
- 25m indoor swimming pool with a 7m bulkhead.
- 3 outdoor spa pools,
- Indoor lazy river
- Indoor spa pool.
- Splash pad
- A cardio studio in partnership with Gold's Gym

The facilities are Pool Safe accredited having five star Qualmark certification and Enviro-Gold accreditation from New Zealand tourism's official quality agency.

Investigations are underway to assess the changing needs of Rotorua's demography, an ageing population and changing recreational patterns in order that the facility continues to meet the needs of the community. Any capital improvements arising from these investigations are to be developed for detailed consideration in the next Long Term Plan.

Fees at the Aquatic Centre have been constant for some time and are generally below industry norms.

### Recreational and Sporting opportunities

The centre is one of many major aquatic facilities based in the Central North Island and caters for local, regional and national aquatic sports and provides recreational, health, fitness and leisure programmes. Sporting and physical activity opportunities include recreational programmes such as aqua jogging and aerobic classes, Outrigging (Waka-Ama) Aqua Mums, Green Team Holiday Programme and Flippa Ball (mini water polo). Other activities include swimming, water polo, canoe polo, underwater hockey, 'Learn to Swim' programmes, playground and inflatable fun, volleyball and an onsite cardio studio.

### Water Safety Education

The centre offers Learn to Swim programmes targeting at all age groups, Unison Lake Safety Programme, Central North Island Lifeguard Competition, boat safety, Swim for Life campaign, pre-entry Police swim test, training and assessment.

### Health and Community Wellbeing

The centre offers programmes and facilities which cater to the wide range of community needs and include, Ladies Only nights, Liberty Swing, discounted admissions for seniors, hydraulic lift for disabled swimmers, School fund raising events and youth events.

In addition 'Give it a Go Day' caters for the full community and provides for local sporting clubs to promote their sports and activities to the whole community in a fun filled, educational day at the Aquatic Centre.

Whanau Day provides a fun filled day for families to enjoy the Aquatic Centre and to interact with each other.

The cardio studio contributes to healthy living by offering a range of cardio vascular equipment specific to building fitness, rehabilitation and weight management.

### Why we do it

To promote healthy active lifestyles and to provide the community with low cost, diverse leisure and recreational opportunities. To foster positive strategic partnerships with the local community including swim and sports clubs, recreation and health professionals, government and industry organisations and local business.

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

- **Visitor Admissions** – 332,080 visitor admissions.
- **Learn to Swim** – 46,459 enrolments (an increase of 11% on last year).
- **Unison Lakes Safety Programme** – 2,302 students enrolled (an increase of 28% on last year).
- **NZ Qualmark** – 5 Star Rating – highest rating certified by NZ tourism's official quality agency, with 94.6% result.

- **Enviro-Gold Accreditation** – Achieved for Responsible Tourism (first swimming pool in New Zealand).
- **Sustainability** – Energy savings on average of 4% every year since 2004/2005. Reduced trade waste and water by meter from two main swimming pools by 25% on last year (3,166 m<sup>3</sup>).
- **Waste Minimisation** – 15% decrease in waste to landfill on 2008/2009 (recycling of 1,940kg).

## Community Outcomes

### A safe and caring community

- By providing a safe public space for families and whanau to work, play and talk together
- By providing opportunities to learn personal and community safety skills

### A healthy community

- By giving everyone the opportunity to participate in sport and physical activity
- By encouraging the community to live healthy and active lifestyles

### A “happening” community

- By providing a variety of fun and accessible activities and event
- By providing pools for competitive swimming, underwater hockey and water polo

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	2,644	2,770	2,516
Financial Costs	60	81	71
Depreciation	348	338	330
Other	5	0	5
<b>Total Costs</b>	<b>3,057</b>	<b>3,189</b>	<b>2,922</b>
<b>Revenue</b>			
Capital Revenue	21	170	18
Fees & Charges	1,103	1,136	1,094
Investment Income	15	14	12
Subsidies & Grants	14	6	1
Targeted Rates	0	0	0
Other Income	0	0	202
<b>Total Revenue</b>	<b>1,153</b>	<b>1,326</b>	<b>1,327</b>
<b>Net Cost of Service</b>	<b>1,904</b>	<b>1,863</b>	<b>1,595</b>
<b>Capital Costs</b>			
Renewals	83	145	117
Growth	51	9	0
Backlog	26	21	0
Level of Service	0	0	0
<b>Total Capital</b>	<b>160</b>	<b>175</b>	<b>117</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	1,904	1,863	1,595
Plus Capital Revenue	21	170	0
Less Depreciation	(353)	(338)	(330)
Depreciation Funded by General Rates	83	145	117
Self Funding/DC Reserve Movements	0	0	31
<b>Operations Funded by General Rates</b>	<b>1,655</b>	<b>1,840</b>	<b>1,413</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	83	145	117
Loans from/(to) Corporate Fund	26	21	0
Capital Grants	0	0	0
Development Contributions	51	9	0
<b>Total Capital</b>	<b>160</b>	<b>175</b>	<b>117</b>

## Capital Expenditure

	2011 Actual \$000
Aquatic centre upgrade (external lighting)	76
Aquatic centre replacements	83
	<b>160</b>

### Variance from budget

**Direct Costs** were favourable to budget, with savings made in chemicals, geothermal, maintenance and insurance.

**Capital Revenue** variance below budget is due to lower development contributions as a result of the economic downturn.

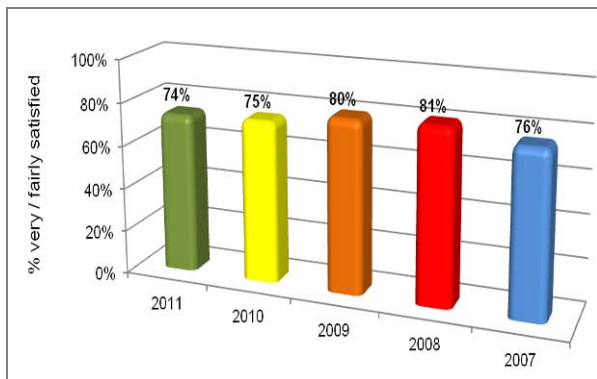
## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
To provide fun, safe and affordable swimming pools for competitive sports, casual recreation and health and fitness training.	% of households used/visiting the Rotorua Aquatic Centre in a year.	68%	Not achieved – 64%	\$3 million capital upgrade scheduled for 2009/10 deferred to 2012/13.
	Number of visits and net operating cost of providing the service.	330,000 visits at <\$4.85	Not achieved – 332,080 visits at \$5.58 per visit	Number of visits target met but operating cost target not able to be met due to error in original KPI formula.
	% of users/visitors who are very/fairly satisfied with the level of service.	90%	Not achieved – 87%	Due to capital program deferred, level of service dropped which cause the decrease in level of satisfaction
	Pools are safe and well supervised and PoolSafe accreditation achieved.	100%	Achieved	PoolSafe accreditation valid until February 2013.
Provide innovative targeted programmes to raise activity levels.	% of children in Rotorua who have completed Unison Lake Safety Programmes by the time they reach high school ending 2016/2017.	30%	Achieved – 78%	Commenced recording in 2003 with target on track to achieve 90% by 2016 – currently 78%
	Number of people who are members of the Cardio gym.	350	Achieved – 360	360 people are members of the gym
	Number of people participating in recreation programmes.	1,200	Achieved – 4,754	4,754 people participated in recreation programmes
	Number of individuals participating in Learn to Swim School programmes.	40,000	Achieved - 46,459	46,459 individuals participated in Learn to Swim programmes

## Community Satisfaction Survey

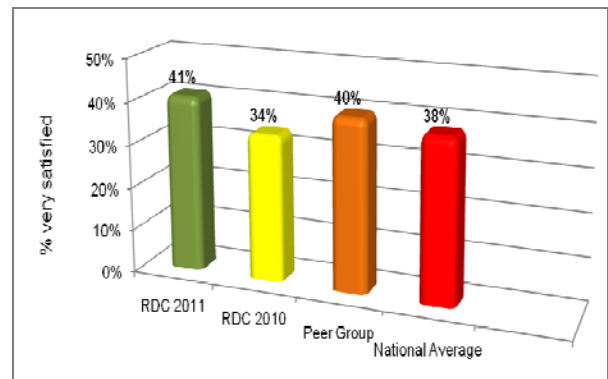
The graphs below have been prepared from the annual Community Satisfaction Survey.

**Aquatic Centre**



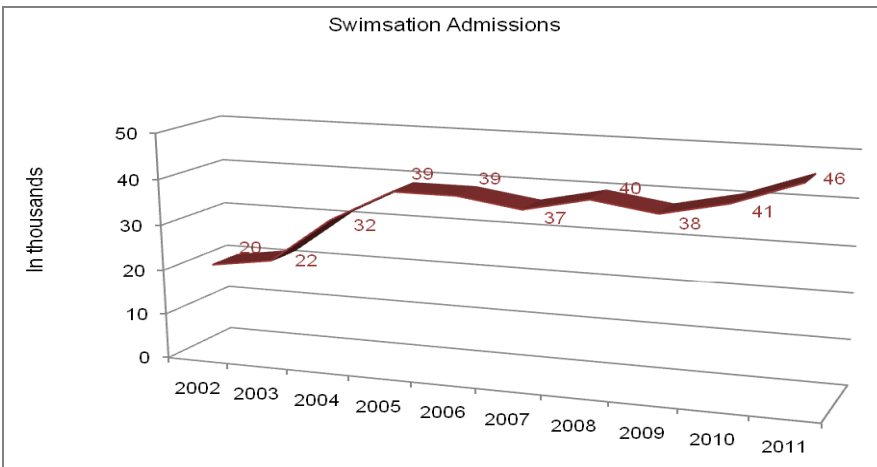
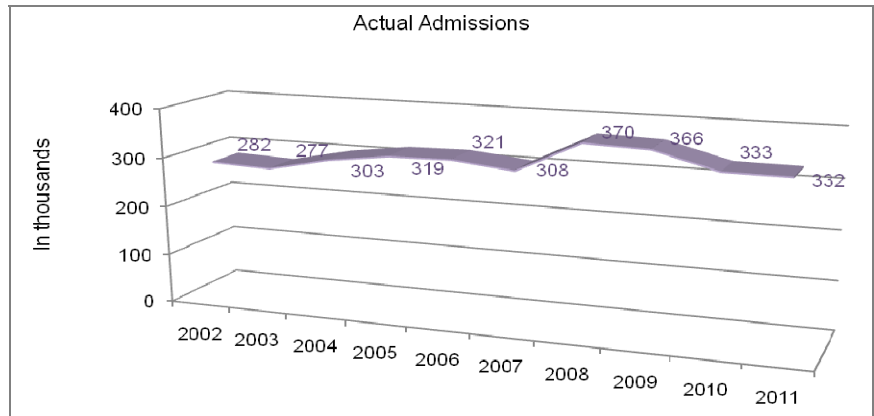
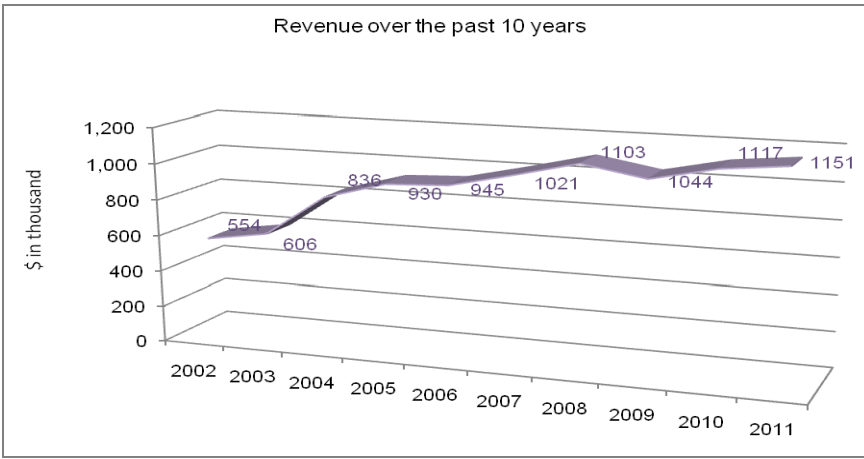
This graph shows the percentage of survey respondents very or fairly satisfied with this service over the last five years.

**Aquatic Centre**



This graph shows the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.

Other Indicators



# Infrastructural Planning and Compliance



## What we do

- Monitoring of strategic policies that may affect council utility operations.
- Identify, prioritise and minimise council's exposure to risk and ensure that risk analysis is carried out in decision-making and practice.
- Provide an IAANZ accredited laboratory and laboratory testing service for council's water, wastewater and aquatic centre functions.
- Provide a trade waste, stormwater licensing, spill control and road opening administration function for council.
- Provide land development engineering input into the resource consent, building consent, PIM and LIM processes.
- Provide an asset transfer control, engineering standards and engineering audit function.

## Why we do it

To ensure the resource consent process and any consequential effect on council's infrastructural assets is managed on a sustainable basis, while providing specialist support to council's engineering services

## This year's highlights and achievements included:

- Commenced electronic Road Corridor Access Request System incorporating the use of B4UDig and RAMM web based systems. This aligns Council with the majority of contractors and utility companies. Internal processing is also now electronic and the new system will significantly improve works completion and maintenance follow ups.
- Aquatic Centre – Wastewater flow metering installed to assist with water usage and minimisation of wastewater.
- Trade Waste assessments for timber and concrete processing industries to reduce waste discharges.
- Active involvement in the Emergency Services Coordinating Committee.
- Changed all high strength (wastewater) industries to charging on strength rather than volume. This concludes the five year notice period that has been running since 2005.
- Working with industries to better control stormwater runoff and improve discharges to the streams and lakes.
- New fish symbols for private discharge points to further protect discharge to the lake.
- Input into the District Plan review.

## Community Outcomes

### A community that respects its environment

- By looking after our air, land and water resources.
- By contributing to waste reduction.

### A prosperous community

- By supporting and encouraging development and growth.
- By facilitating the provision of good quality, efficient community infrastructure.
- By facilitating the efficient and effective use of the road services corridor.

### A community with excellent facilities, services, activities and events

- By facilitating the transfer of satisfactory, safe, maintained services and roads from developers to Council.
- By providing good quality infrastructure for the future.



## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	254	476	249
Financial Costs	2	8	0
Depreciation	97	104	148
Other	1	0	8
<b>Total Costs</b>	<b>354</b>	<b>588</b>	<b>405</b>
<b>Revenue</b>			
Fees & Charges	1,108	876	897
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>1,108</b>	<b>876</b>	<b>897</b>
<b>Net Cost of Service</b>	<b>(754)</b>	<b>(288)</b>	<b>(492)</b>
<b>Capital Costs</b>			
Renewals	17	4	56
Growth	0	0	19
Backlog	0	0	0
Level of Service	0	0	5
<b>Total Capital</b>	<b>17</b>	<b>4</b>	<b>80</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	(754)	(288)	(492)
Plus Capital Revenue	0	0	0
Less Depreciation	(97)	(104)	(148)
Depreciation Funded by General Rates	17	4	56
<b>Operations Funded by General Rates</b>	<b>(834)</b>	<b>(388)</b>	<b>(584)</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	17	4	56
Loans from/(to) Corporate Fund	0	0	25
Capital Grants	0	0	0
<b>Total Capital</b>	<b>17</b>	<b>4</b>	<b>81</b>

## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
To provide Integrated Risk Management to the organisation.	Number of activities reviewed in accordance with Integrated Risk Management process.	4 low level reviews	Achieved.	Reviews completed or in draft form.
Provision of laboratory services and test results in accordance with IAANZ standards.	Maintain IAANZ accreditation.	100%	Achieved 100%	IAANZ accreditation maintained for 2011.
Manage and control the community's wastewater discharges.	% of premises that have a conditional trade waste consent or stormwater licence inspected each year for compliance.	40%	Achieved – 53.8%	481 premises out of 893 premises with a conditional trade consent/stormwater licence were inspected for the year.
	All high risk premises monitored for compliance with their trade waste consent or stormwater licence conditions each year.	100%	Not achieved 83%	40 out of a total of 46 high risk premises were monitored for compliance with their trade waste consent/ stormwater licence conditions during the year. Mechanisms are in place to ensure all these premises will be inspected during 2011/12.
	% of pollution control complaints responded to within two hours.	90%	Achieved – 98.1%	53 out of 54 pollution control complaints were responded to within 2 hours.

## Capital Expenditure

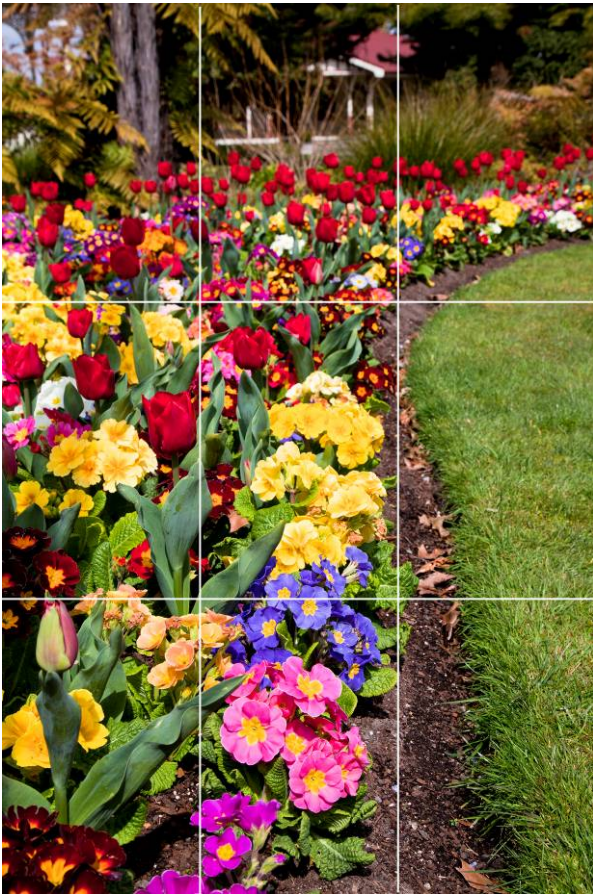
	2011 Actual \$000
Incubator Tropicool 400L	7
Portable Turbidimeter with case	2
Asset plant replacement	8
	<b>17</b>

### Variance from budget

**Direct Costs** were favourable to budget, predominantly due to HYDRUS achieving higher recoveries.

**Fees and Charges** were favourable due unbudgeted external billing by HYDRUS.

# Public Gardens and Open Spaces



## What we do

### Open space

The council provides and manages 800 hectares of reserve land (excluding the Tokorangi Forest), 64 kilometres of walkways, 75 playgrounds with 247 individual pieces of play equipment, and 50 hectares of sportsfield land. This open space provides for recreation and organised sport, garden environments and green corridors that contribute to the district's natural form, character and amenity values.

### Cemeteries/crematorium

The council provides and manages five operational cemeteries and one crematorium to meet the burial and remembrance needs of the community. Cemeteries are located at Rotorua, Mamaku, Reporoa, Ngakuru-Waikite and Kauae. Kauae Cemetery is owned by the Kauae Cemetery Trust with Council being responsible for its maintenance.

Council has purchased a 13.4 ha block of land off State Highway 5 adjacent to the Lakeview Golf Club for development as the new Rotorua Cemetery when the existing Rotorua and Kauae Cemeteries reach capacity in 5 years time.

### Tokorangi / Whakarewarewa forest parks

Rotorua District Council is responsible for the maintenance of walking and mountain bike trails in the Tokorangi Forest, famous for the magnificent stands of towering Californian Coastal Redwoods. The tracks in the adjacent Whakarewarewa Forest are maintained by volunteer track sponsors.

The council is charged with maintaining and enhancing the landscape, recreational potential and aesthetic value of the forest as a significant backdrop to Rotorua.

There is an effective working relationship established with the Central North Island Iwi Collective working alongside Ngati Whakaeu, Tuhurangi and Timberlands that has maximised recreational use of the forest for events and casual use.

### Urban design / policy development

The Parks and Recreation Department plays a major role in urban design, being responsible for peer review of all subdivision and landscaping plans submitted to council. This department provides a consultation service to other council departments on landscaping, recreational opportunities and optimal utilisation of potential resources.

The department also manages development of strategic documents for parks and recreation activity in order for the service to be provided within council policy and industry best practice.

### Nursery

Council operates an in-house nursery to provide a cost effective supply of quality plants for Council's parks, gardens and displays (indoor and outdoor), and for environmental improvement and streetscaping projects. The nursery also provides high quality plant material to other local authorities which in turn subsidises the cost of plants used within Rotorua District.

## Why we do it

To provide a network of open spaces at a neighbourhood and district level for casual and organised recreation; to contribute to the shape and form of the places in which we live.

To contribute directly and indirectly to the physical, mental, and spiritual health, and to the social, cultural, economic and environmental well-being of the Rotorua community and its environment.

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

To protect and enhance ecological and heritage landscape values within the Rotorua District.

## This year's highlights and achievements included:

- **Playgrounds** – 1 new playground at Carroll Place Reserve.
- **National Research Bureau Survey** – Satisfaction results - beautification and landscaping 95%, sportsfields 82%, reserves and playgrounds 89%.
- **Rotorua Community Youth Centre Trust** – Completion of Stage 2 of the Youth Centre now providing a permanent home close to the CBD.
- **State Highway 5 Entranceway Project** – at Tarukenga, commissioning pou and sculpture. A finalist in NZ Recreation Association's Outstanding Project of the year awards.

- **Redwoods** – The first site in NZ to gain prestigious Green Flag accreditation for the Tokorangi and Whakarewarewa Forest Parks.
- **Alexander Rd Reserve** – Landscaping works at this Lake Tarawera reserve completed culminating 25 year development programme transforming land from a blackberry infested overgrown wasteland to a valuable community asset.
- **Youth Spaces** – Confirmation of two youth spaces to be located at Wrigley Road and Park Road reserves. Funding received from SPARC for \$300,000 for the associated 'Freeparking' project.
- **New Cemetery Land** – Purchase of land on State Highway 5 for the new Rotorua cemetery.
- **Centennial Park** – Completion of the Maple Grove in Centennial Park as another component in the ongoing development of this significant and, as yet, largely unrecognised open parklands located within the Rotorua Urban environment.

## Community Outcomes

### A safe and caring community

- By ensuring our parks, reserves and open spaces are safe, welcoming areas for the community to gather and interact in.
- By planning facilities and structures in accordance to Crime Prevention Through Environmental Design (CPTED) principles.
- By meeting a range of community burial and cremation needs.

### A community that respects its environment

- Through the principle of Kaitiakitanga (guardianship), managing and protecting our natural resources.

### A healthy community

- By providing areas for people to engage in healthy activities.

### A community with excellent facilities, services, activities and events

- Through the provision of facilities, reserves and services to a high quality that are affordable, well maintained and managed.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	8,088	8,864	8,077
Financial Costs	745	985	943
Depreciation	1,549	1,445	1,480
Other	150	0	1
<b>Total Costs</b>	<b>10,532</b>	<b>11,294</b>	<b>10,501</b>
<b>Revenue</b>			
Capital Revenue	265	821	963
Fees & Charges	1,378	1,479	1,333
Investment Income	113	85	88
Subsidies & Grants	6	0	8
Targeted Rates	0	0	0
Other Income	1,864	0	1,187
<b>Total Revenue</b>	<b>3,626</b>	<b>2,385</b>	<b>3,579</b>
<b>Net Cost of Service</b>	<b>6,906</b>	<b>8,909</b>	<b>6,922</b>
<b>Capital Costs</b>			
Renewals	512	733	298
Growth	64	76	287
Backlog	29	32	111
Level of Service	890	485	334
<b>Total Capital</b>	<b>1,495</b>	<b>1,326</b>	<b>1,030</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	6,906	8,909	6,922
Plus Capital Revenue	265	821	995
Less Depreciation	(1,699)	(1,445)	(1,480)
Depreciation Funded by General Rates	512	733	298
Self Funding/DC Reserve Movements	7	69	769
<b>Operations Funded by General Rates</b>	<b>5,991</b>	<b>9,087</b>	<b>7,504</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	512	733	220
Loans from/(to) Corporate Fund	99	484	591
Capital Grants	11	0	27
Development Contributions	54	66	131
Reserves Net	819	43	67
<b>Total Capital</b>	<b>1,495</b>	<b>1,326</b>	<b>1,036</b>

## Capital Expenditure

	2011 Actual \$000
Crematorium - general	141
Land purchase for new cemetery	797
Tarawera Landing Project	42
Tree Trust Development (Maple Grove)	26
Western Height Skate Park	2
City Entrance Feature	8
New Reserve Development	37
Lake Front Dev (Village Green Upgrade)	8
Boat Ramps Development	21
Parks Renewal	369
Playground Development	35
Tokorangi Forest	9
	1,495

### Variance from budget

**Direct Costs** were below budget. This included the deferral of the lakefront development investigation, recoveries from log sales, a reduction of lake weed clearance costs, restructure savings realised and other savings across the activity.

**Financial Costs** are under budget due to Council achieving lower interest costs for the year.

**Depreciation** is higher than budget, as through the revaluation process, additional assets were added, which consequently increased depreciation.

**Other Costs** are unbudgeted assets disposed.

**Fees and Charges** are below budget as a result of lower burials and cremations and lower nursery sales.

**Capital Revenue** is unfavourable to budget. This is due to less financial contributions collected as a result of fewer developments.

**Other Income** is assets added through the asset matching and revaluation process.

**Capital Expenditure** has an unfavourable variance. This is due to the purchase of a new cemetery site, partly offset by savings made from Youth skate facility and Lakefront development deferral.

## How we performed

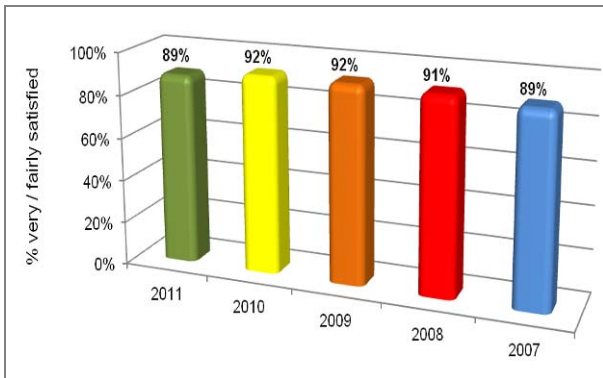
Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
<b>Open Spaces</b>				
Enhance the aesthetic look of Rotorua in terms of quality plantings, bedding displays, interpretation and design.	% of residents very/fairly satisfied with level of service. <sup>1</sup>	90%	Achieved – 95%	
Provide a network of parks, open spaces and wetlands that meet community and environmental needs (environmental sensitivity awareness).	Amount of reserve per 1000 population.	12 hectares/ 1000 people	Achieved – 17.48 hectares/ 1000 people	
Provide a variety of recreation opportunities and facilities in parks.	% of children's play areas within 500m of dwellings in the urban area.	90%	Achieved – 97.7%	There are 19,065 dwellings closer than 500 metres from a children's play area out of a total of 19,510 dwellings in the urban area.
	Kilometres of walkways provided in the District.	45 kilometres	Achieved – 64 kilometres	
Provide and maintain sports fields for local, regional, national competitions, and participation.	% of residents very/fairly satisfied with the level of service as measured by the community satisfaction survey. <sup>1</sup>	88%	Not achieved – 82% residents Achieved – 89% households.	
<b>Cemeteries/Crematorium</b>				
Ensure that culturally sensitive, well designed, conveniently located cemeteries and cremation facilities are available in Rotorua District.	Provision of sufficient long term burial plots in Rotorua District main cemetery (shown as the number of years of developed plots).	3/4 years supply	Achieved.	Currently 5 years supply available.
	Provision of sufficient daily cremator capacity.	6/day	Achieved.	Averaging 1.5 hours/cremation.

<sup>1</sup> Community satisfaction survey (with Council services) undertaken in June 2011, which includes the views of 400 residents selected at random

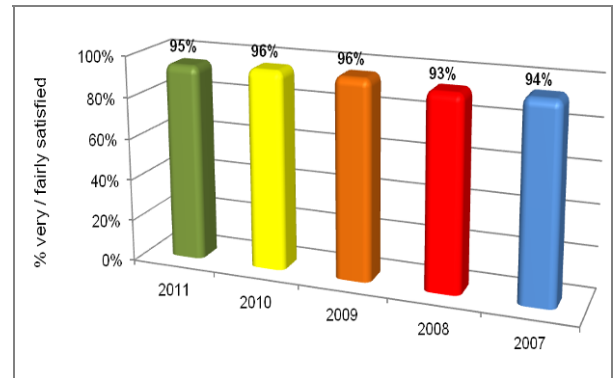
## Community Satisfaction Survey

The graphs below have been prepared from the annual Community Satisfaction Survey.

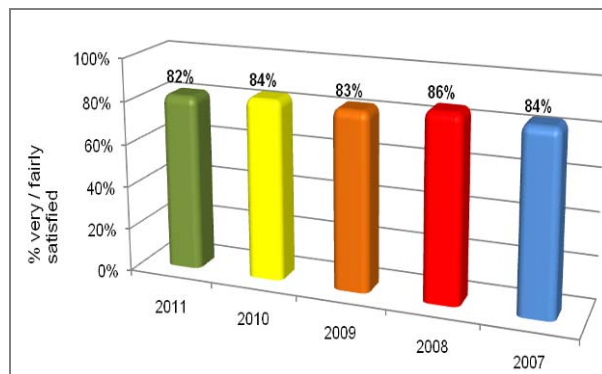
**Parks and Reserves**



**Beautification and Landscaping**

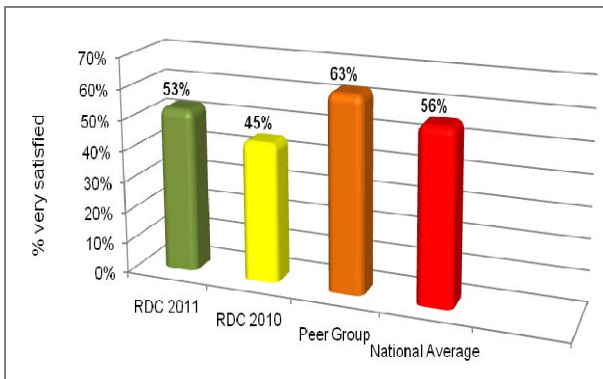


**Sportsfields**

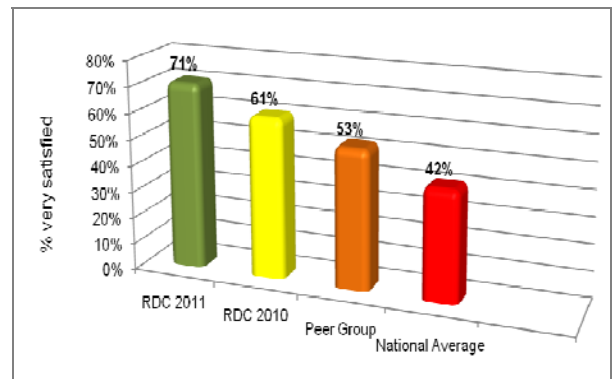


These graphs show the percentage of survey respondents very or fairly satisfied with this service over the last five years.

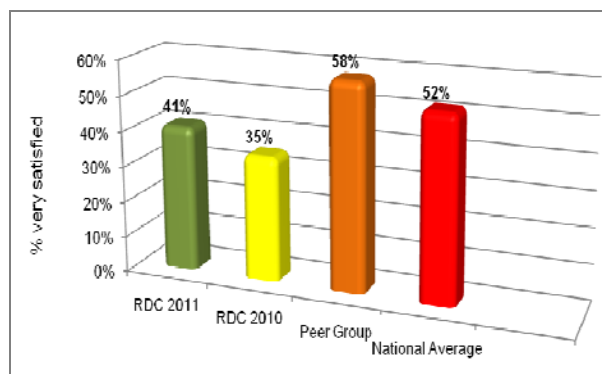
**Parks and Reserves**



**Beautification and Landscaping**

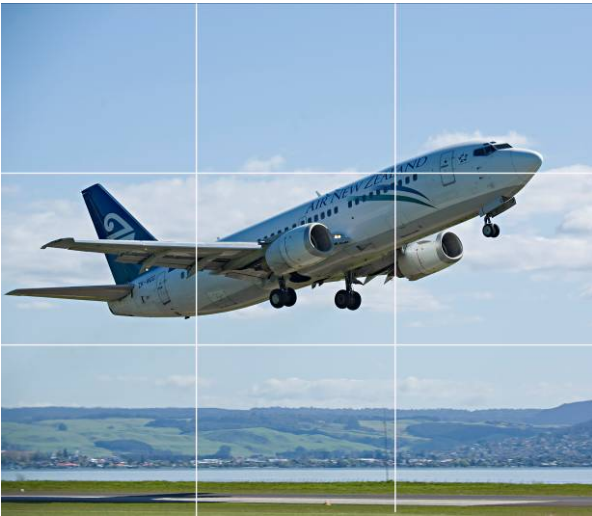


**Sportsfields**



These graphs show the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.

# Rotorua Airport



## What we do

Rotorua District Council owns the assets at the Rotorua Regional Airport and leases them to an operating company, Rotorua Regional Airport Limited (RRAL) – a council controlled trading organisation, in accordance with the Local Government Act 2002. The airport now operates a Rotorua International Airport.

This activity is focussed on optimal management of the assets for the overall benefit of the community through their utilisation by the operating company.

### Specific responsibilities are to:

- manage and maintain the infrastructure at the airport.
- plan, implement and manage the capital development programme.

## Why we do it

The council, representing the wider community, has taken a leadership role in developing the Rotorua Regional Airport to ensure direct access to and from Rotorua, and to serve the needs of the Rotorua and wider Bay of Plenty communities.

## This year's highlights and achievements included:

- Final stage of the southern runway extension completed 17 March 2011.

## Community Outcomes

### A safe and caring community

- By providing a safe option for those wanting to travel directly to or from Rotorua rather than having to travel between Rotorua and other cities, particularly Auckland, by road.
- By ensuring that infrastructural assets are designed, built and managed in accordance with the appropriate safety standards and legislation.

### A prosperous community

- By providing direct air access to and from Rotorua, the council is directly supporting growth, employment opportunities and economic development of the city, district and wider Bay of Plenty community.

### A community with excellent facilities, services, activities and events

- By contributing to an integrated transport system and a modern, safe airport for the region. The airport asset is subject to an asset management plan to ensure it remains intact and serviceable for future generations.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	313	217	1,523
Financial Costs	3,492	3,402	2,916
Depreciation	804	804	710
Other	1,152	0	380
<b>Total Costs</b>	<b>5,761</b>	<b>4,423</b>	<b>5,529</b>
<b>Revenue</b>			
Capital Revenue	0	3,000	0
Fees & Charges	915	1,367	1,026
Investment Income	3	0	5
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
Other Income	515	0	0
<b>Total Revenue</b>	<b>1,433</b>	<b>4,367</b>	<b>1,031</b>
<b>Net Cost of Service</b>	<b>4,328</b>	<b>56</b>	<b>4,498</b>
<b>Capital Costs</b>			
Renewals	0	0	0
Growth	(2)	0	0
Backlog	0	0	0
Level of Service	3,261	5,147	4,678
<b>Total Capital</b>	<b>3,259</b>	<b>5,147</b>	<b>4,678</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	4,328	56	4,498
Plus Capital Revenue	0	0	0
Less Depreciation	(804)	(804)	(710)
Depreciation Funded by General Rates	0	0	0
Self Funding/DC Reserve Movements	(3,524)	748	(3,788)
<b>Operations Funded by General Rates</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	0	0	0
Loans from/(to) Corporate Fund	0	0	0
Capital Grants	0	0	0
Reserves Net	3,259	5,147	4,678
<b>Total Capital</b>	<b>3,259</b>	<b>5,147</b>	<b>4,678</b>

## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
The airport assets will be developed and managed in a safe manner and in compliance with the relevant legislation.	Number of airport closures or flight delays caused by the failure of the airport to meet industry safety and operational standards.	Nil	Achieved.	No closures as a result of failure to meet industry safety and operational standards.
The assets will be provided at reasonable cost.	% of programmed construction and maintenance work completed on time and within budget.	100%	Achieved 100%	

## Capital Expenditure

	2011 Actual \$000
Runway & other renewals	23
Property purchases	53
Southern extension	3,170
Wetlands mitigation	13
	<b>3,259</b>

### Variance from budget

**Direct Costs** unfavourable variance relates to increased costs from the asset management team as well as an increase in building repairs required.

**Other Costs** include the write-off in asset value of houses purchases as part of the noise mitigation process.

**Fees and Charges** are unfavourable. This is as a result of the lease calculation with Rotorua International Airport (RIA) which factors the net profit made into lease payable calculation to Rotorua District Council.

**Capital Revenue** budgeted an amount of \$3 million dollars of capital contribution from an external party. This has not yet happened.

**Other Income** relates to two properties that were purchased in relation to RIA, but were not recorded as such.

**Capital Expenditure** is less than planned due to property purchases and delay in wetland mitigation due to difficulty in securing suitable site

# Stormwater and Land Drainage



## This year's highlights and achievements included:

- System performed well during two major storm events.
- Completion of Stage 1 of Koutu drainage improvements.
- Upgrade of drainage system in Springfield.

## Community Outcomes

### A safe and caring community

- By protecting people and property from flooding.

### A community that respects its environment

- By controlling the level of pollutants in stormwater flows and protection of natural stream channel environments. This contributes to improved lake water quality.

### A community with excellent facilities, services, activities and events

- By providing good quality infrastructure that will last for another 50-100 years.

## What we do

- Stormwater systems are maintained and operated to manage the drainage of excess rainfall (not what is poured or flushed down household or business drains).
- The purpose of the stormwater system is to protect building floor levels from flooding during heavy rain up to the level of a once in 50 year flood.
- Stormwater pipes are mostly less than 50 years old. The system generally has the capacity to cope with periods of heavy rain although in some areas of intensive development, extreme rainfall will result in localised flooding. The council has a programme to progressively reduce this flooding.
- The management of stormwater and flooding is complex, requiring an integrated approach covering ecosystems, people, urban design, communities and businesses, as well as cultural, amenity and social values. Individual property owner activities can have a major impact on stormwater management. Regulation of property owner responsibilities is important as a function for local government as is being a provider of public stormwater facilities. Performance measures should therefore be developed for both the regulatory and service provider roles.

## Why we do it

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



## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	1,771	1,512	1,492
Financial Costs	588	325	440
Depreciation	2,163	1,132	1,120
Other	2,289	0	0
<b>Total Costs</b>	<b>6,811</b>	<b>2,969</b>	<b>3,052</b>
<b>Revenue</b>			
Capital Revenue	21	180	7
Fees & Charges	239	107	77
Investment Income	7	1	0
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
Other Income	39	0	420
<b>Total Revenue</b>	<b>306</b>	<b>288</b>	<b>504</b>
<b>Net Cost of Service</b>	<b>6,505</b>	<b>2,681</b>	<b>2,548</b>
<b>Capital Costs</b>			
Renewals	410	515	184
Growth	199	101	91
Backlog	499	403	854
Level of Service	0	155	9
<b>Total Capital</b>	<b>1,108</b>	<b>1,174</b>	<b>1,138</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	6,505	2,681	2,548
Plus Capital Revenue	21	180	0
Less Depreciation	(4,451)	(1,132)	(1,120)
Depreciation Funded by General Rates	410	515	184
Add back half share roading depreciation	0	0	0
Self Funding/DC Reserve Movements	0	0	7
<b>Operations Funded by General Rates</b>	<b>2,485</b>	<b>2,244</b>	<b>1,619</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	410	515	103
Loans from/(to) Corporate Fund	536	658	1,035
Capital Grants	0	0	0
Development Contributions	162	0	0
<b>Total Capital</b>	<b>1,108</b>	<b>1,174</b>	<b>1,138</b>

## Capital Expenditure

	2011 Actual \$000
City Stormwater Upgrades	736
Stormwater Renewals	372
	<b>1,108</b>

## Variance from budget

**Direct Costs** unfavourable variance is due to the storms in January that caused extensive flooding. The Regional Council's share has been recovered in Fees and Charges.

**Financial Costs** have increased higher than budget due to the revaluation increasing the value of assets in this activity by \$48 million.

**Depreciation** has also increased significantly due to the asset revaluation increasing.

**Other Costs** include assets identified through the revaluation process that were still in the asset register but not in asset management plans.

**Fees and Charges** are favourable. As mentioned above in Direct Costs, higher costs were recovered from the Regional Council as a result of the cyclones.

**Capital Revenue** is below budget due to less development contributions collected.

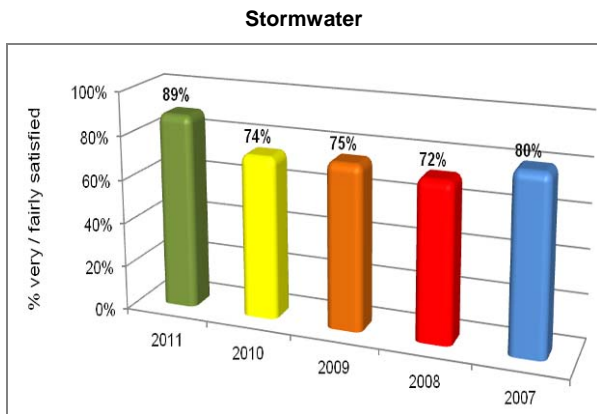
## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Provision of a stormwater network to minimise the impact of flooding.	Number of dwellings per year affected by flood waters.	< 3*	Achieved.	2 dwellings affected by flood waters.
	% of blockages responded to within 24 hours.	> 95%	Achieved – 97.9%	There were 48 blockages of stormwater systems reported and 47 responded to within 24 hours.
	% satisfaction of people protected by urban land drainage schemes as measured by annual community satisfaction survey.	> 80%	Achieved – 89%	
Provision of a stormwater network to minimise the impact on the environment.	Number of breaches of consent conditions notified by Regional Council.	0	Achieved	There were no breaches of consent conditions notified by Regional Council.

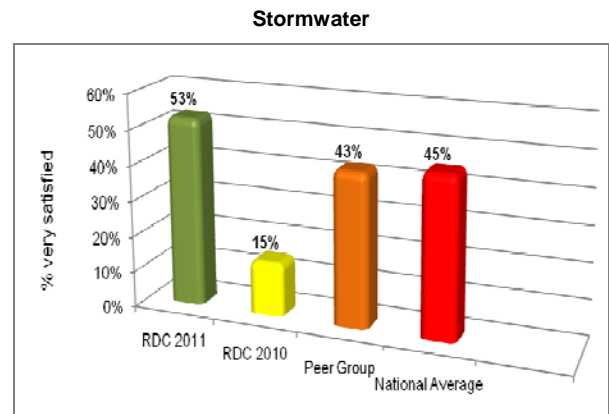
- <sup>1</sup> Community satisfaction survey (with Council services) undertaken in June 2011, which includes the views of 400 residents selected at random
- \* Records show that in most years no dwellings are affected by flooding but in a significant rainfall event some dwellings would be expected to be affected by flood waters. The performance target shown is therefore an average per year over the 10 year period.

## Community Satisfaction Survey

The graphs below have been prepared from the annual Community Satisfaction Survey.



This graph shows the percentage of survey respondents very or fairly satisfied with this service over the last five years.



This graph shows the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.



## What we do

- Manage and maintain the local road network, including road marking, traffic signals, signage and street furniture.
- Plan, implement and manage capital development programmes.
- Prioritise and manage programme of road safety improvements.
- Provide, maintain and manage infrastructure to support walking, cycling and public transport (by providing and managing bus shelters and bus stops).
- Provide footpath and verge maintenance and construction in both urban and rural areas.
- Provide an ongoing programme of seal extension in the rural areas.
- Provide kerbing and channelling maintenance and construction throughout the district.
- Provide and manage streetlighting.
- Provide roadside mowing and vegetation control.
- Promoting demand management and providing education about road safety and alternatives to private passenger vehicles.
- Provide co-ordination, resources, support and advice to individuals, community groups and other agencies on road safety and sustainability projects.
- Management and administration of the local highway network is undertaken by Council. This is a unique situation, normally undertaken by the NZ Transport Agency (NZTA). Council must work within the national funding and policy system but can

develop and try to advance locally needed works or improvements through advocacy from within the system. The activity is virtually self-funding via a management fee on-charged to NZTA.

- Act as delegated highway manager.
- Manage highway maintenance activities within nationally set levels of service.
- Develop and deliver improvements to the network.
- Provide information and respond to the public on local highway issues.
- Provide strategic planning advice.
- Provide local emergency response on highway corridors.
- Provide local area contact for the NZ Transport Agency for highways.

## Why we do it

The council provides roads and transport so that people can have safe, easy and comfortable access to homes, shops, businesses, and recreational and leisure destinations. An efficient transport network is vital to assist the district's economy. Street corridors also provide access for power, telecommunications, gas, water supply and waste disposal activities.

Council has a strong focus on road safety including reducing road crashes in our district and encouraging sustainable (buses, rail, cycling and walking) modes of travel.

The council also provides local input into highway asset management, projects and decision-making.

## This year's highlights and achievements included:

- Securing funding for Lake Road upgrade.
- Victoria Street arterial almost across the line for designation.
- Completion of planned works programme.

## Community Outcomes

### A safe and caring community

- By increased public awareness leading to reduced road injuries, deaths and crashes.
- By improved safety in public places and when travelling, from provision of a safe transport system.

### A community that respects its environment

- By providing roading and transport services in a sustainable manner that mitigates the impact on our air and water resources.

### A healthy community

- By improving health through the encouragement and awareness of more active travel choices and more opportunities to walk and cycle.

### A prosperous community

- By encouraging growth and more investment in our district through the provision of an efficient and affordable transport system.

## A community with excellent facilities, services, activities and events

- By making it easier to get from place to place and to walk and cycle in the city.
- By provision of good, safe, maintained services and roads.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	7,323	8,032	7,283
Financial Costs	1,592	2,285	1,976
Depreciation	4,640	4,983	4,607
Other	0	0	11
<b>Total Costs</b>	<b>13,555</b>	<b>15,300</b>	<b>13,877</b>
<b>Revenue</b>			
Capital Revenue	3,573	7,359	3,645
Fees & Charges	377	188	332
Investment Income	51	38	32
Subsidies & Grants	3,179	3,554	3,093
Targeted Rates	8,974	8,914	8,565
Other Income	0	0	657
<b>Total Revenue</b>	<b>16,154</b>	<b>20,053</b>	<b>16,324</b>
<b>Net Cost of Service</b>	<b>(2,599)</b>	<b>(4,753)</b>	<b>(2,447)</b>
<b>Capital Costs</b>			
Renewals	4,705	4,236	4,657
Growth	1,037	7,930	763
Backlog	0	0	0
Level of Service	3,022	2,140	3,093
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>8,764</b>	<b>14,306</b>	<b>8,513</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	(2,599)	(4,753)	(2,447)
Plus Capital Revenue	3,573	7,359	3,182
Less Depreciation	(4,640)	(4,983)	(4,607)
Depreciation Funded by General Rates	4,705	4,668	4,657
Add back half share roading depreciation	(2,134)	(2,292)	(2,118)
Self Funding/DC Reserve Movements	0	0	452
<b>Operations Funded by General Rates</b>	<b>(1,095)</b>	<b>(1)</b>	<b>(881)</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	2,628	2,376	3,449
Loans from/(to) Corporate Fund	3,124	2,091	2,213
Capital Grants	2,732	6,506	2,585
Development Contributions	280	3,333	202
Reserves Net	0	0	19
Asset Sales	0	0	45
<b>Total Capital</b>	<b>8,764</b>	<b>14,306</b>	<b>8,513</b>

## Capital Expenditure

### Transport (Subsidised)

	2011 Actual \$000
Cycleway Construction	42
Kerb And Channel Renewals	30
Major Drainage Control	38
Minor Safety Projects	779
New Bus Shelter	69
Road Reseals	2,871
Rehabilitation Renewals	1,316
Structural Replacement	124
Traffic Service Renewals	173
Victoria Street	394
Lake Road	592
Emergency Capital Reinstatement	138
<b>Total</b>	<b>6,564</b>

### Transport (Unsubsidised)

	2011 Actual \$000
Security lighting	21
Kerb And Channel Renewals	41
Footpath Renewal	116
Maori Roadlines	78
Minor Safety Improvements	35
Rural Seal Extension	1,151
Rural Street Improvements	663
Urban Street Improvements	67
Land Acquisition	29
<b>Total</b>	<b>2,200</b>

### Variance from budget

**Direct Costs** were below budget. These savings were made in operational expenditure to offset cut backs in renewal capital expenditure made by Council as well as New Zealand Transport Agency.

**Financial Costs** are under budget due to Council achieving lower interest costs for the year as well as capital expenditure being well below budget.

**Depreciation** is favourable, predominantly due to capital expenditure being \$5.5million less than budget.

**Fees and Charges** favourable variance to budget is due to the sale of surplus road reserve.

**Subsidies and Grants** are lower than budget due to less funding from NZTA and from petrol taxes.

**Capital Revenue** is unfavourable to budget due to the Lake Road capital project not being done, hence no funding from NZTA in 2010/11.

**Capital Expenditure** deferred related to the Lake Road Project.

## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Improve the safety of the roading network.	RDC at or below peer* group for crashes per 100 million vehicle km travelled.	Continued decline over 10 year period (compared against peer group statistics annually*)	N/A	Data last published by NZTA June 2009. No longer publishing data. Performance measure changed for the future.
Provision of an efficient transport system that enables generally free movement from place to place.	95% of public bus services run on time	95% (Measured by BOP Regional Council)	Not achieved – 91%	BOP Regional Council reported that 91% of the bus services ran on time.
Maintain parking availability in CBD.	% average parking availability (1 in 7 spaces available between 10am and 3pm as measured by survey**).	15%	Achieved.	Surveys completed on demand.
Maintain road condition ratings at a level near to national average (local road only).	Cumulative road condition indices to be a minimum of -1.5% below national average.	< 1.5% minimum	Achieved - -1.4%	Road condition indices measure structural condition of road pavements. RDC aims to have NZ average condition pavements and being an urban authority would expect to be below NZ average. The target of -1.5% means that a very small amount of pavement fall below average.
Educational and sustainability programmes are supported.	At least 6 programmes are delivered per year.	100%	Achieved	8 programmes were delivered which were: <ul style="list-style-type: none"> <li>• Cycling</li> <li>• Speed</li> <li>• Alcohol</li> <li>• Walking</li> <li>• Rear seat passengers</li> <li>• Younger drivers</li> <li>• Safer roads and roadsides (intersections)</li> <li>• Older drivers – Agewise and Mobility</li> <li>• Highway safety promotion</li> </ul>

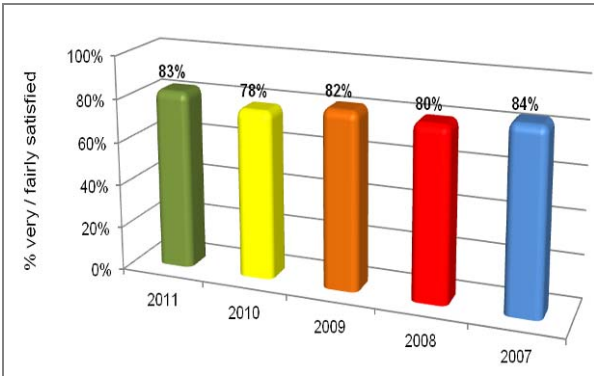
\* peer group is similarly sized councils in New Zealand e.g. New Plymouth, Hastings.

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

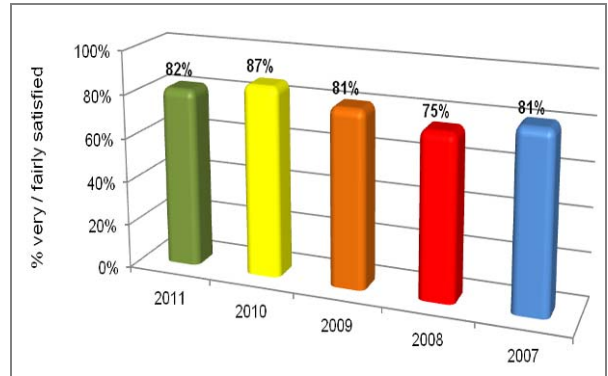
## Community Satisfaction Survey

The graphs below have been prepared from the annual Community Satisfaction Survey.

**Roads and Streets**

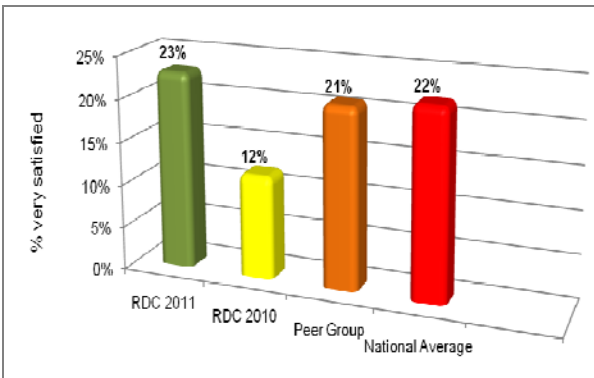


**Footpaths**

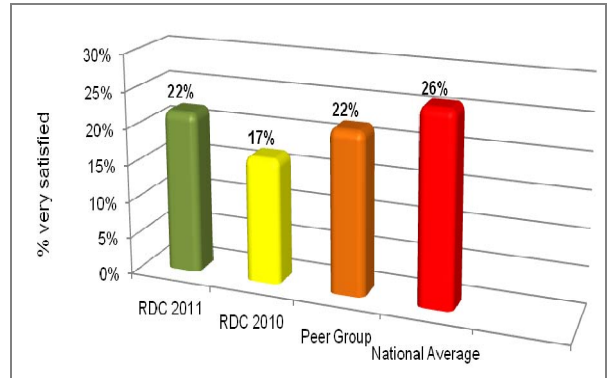


These graphs show the percentage of survey respondents very or fairly satisfied with this service over the last five years.

**Roads and Streets**



**Footpaths**



These graphs show the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.



# Waste Management



## What we do

- 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 to provide cost effective disposal facilities. There is also a public expectation that council will provide such services.
- Plan, provide and manage waste disposal facilities.
- Manage and provide recycling and re-use services.
- Provide a weekly refuse collection service for residential properties.
- Provide litter collection and management services.
- Provide waste minimisation education to the community.

## Why we do it

To manage the collection, reduction, re-use, recycling and disposal of waste in an environmentally sustainable manner.

## This year's highlights and achievements included:

- Construction of Waste 2 Gold pilot plant.
- Recycling centre upgrade underway.

## Community Outcomes

### A safe and caring community

- By providing safe collection and disposal of refuse.

### A community that respects its environment

- By encouraging waste reduction and minimisation.
- By looking after our air, land and water resource.

### A community with excellent facilities, services, activities and events

- By providing good quality infrastructure for the future.

### A learning community

- By providing waste minimisation education.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	6,315	6,530	5,041
Financial Costs	309	329	220
Depreciation	1,216	1,319	1,696
Other	51	0	0
<b>Total Costs</b>	<b>7,891</b>	<b>8,178</b>	<b>6,957</b>
<b>Revenue</b>			
Fees & Charges	3,679	4,355	2,490
Investment Income	5	18	15
Subsidies & Grants	0	258	13
Targeted Rates	2,042	2,042	1,869
<b>Total Revenue</b>	<b>5,726</b>	<b>6,673</b>	<b>4,387</b>
<b>Net Cost of Service</b>	<b>2,165</b>	<b>1,505</b>	<b>2,570</b>
<b>Capital Costs</b>			
Renewals	164	258	8
Growth	0	2,550	0
Backlog	0	0	0
Level of Service	1,722	1,551	1,797
<b>Total Capital</b>	<b>1,886</b>	<b>4,359</b>	<b>1,805</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	2,165	1,505	2,570
Plus Capital Revenue	0	0	0
Less Depreciation	(1,266)	(1,319)	(1,696)
Depreciation Funded by General Rates	164	0	0
Add back half share roading depreciation	0	0	0
Self Funding/DC Reserve Movements	181	598	224
<b>Operations Funded by General Rates</b>	<b>1,244</b>	<b>784</b>	<b>1,098</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	164	0	0
Loans from/(to) Corporate Fund	0	1,000	0
Capital Grants	0	0	0
Reserves Net	1,722	3,359	1,805
<b>Total Capital</b>	<b>1,886</b>	<b>4,359</b>	<b>1,805</b>

## Capital Expenditure

	2011 Actual \$000
Landfill Cells	46
Landfill Reseals	49
Organic Waste Project (Waste 2 Gold)	1,096
Gas Flaring Project	225
Leachate Project	307
In Town Recycling Centre	161
Ngongotaha Recycling Centre	3
	<b>1,886</b>

### Variance from budget

**Direct Costs** are favourable due to higher than planned recoveries from Castlecorp and Waste Water Treatment Plant for the landfill, partly offset by higher costs in refuse collection for increased level of service in CBD.

**Depreciation** is less than budget as a consequence of capital works deferred.

**Fees and Charges** are less than budget. This is due to carbon credit revenue planned but not yet achieved and lower volumes of waste being disposed of at the landfill due to the economic downturn and diversion.

**Subsidies and Grants** show an unfavourable variance to budget. However the revenue was received, but coded to miscellaneous revenue under Fees and Charges.

**Capital Expenditure** - recycling centre upgrade project not completed in 2010/11, and Waste 2 Gold project allowed for a contingency not used.

## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Provide recycling facilities within 13km to 95% of population.	Increase in recovery of recyclable materials of at least 5% pa.*	3,860 tonnes	Not achieved – 3,614 tonnes	The total amount of recyclable material recovered for 2010/11 was 3,614 tonnes which was 6.3% below the target. A notable decrease in glass at Christmas occurred.
Provide for recovery of green waste and concrete.	Number of tonnes per annum of green waste and concrete recovered.	16,000 tonnes/pa ± 10%	Not achieved – 9,362 tonnes	Only 9,362 tonnes of green waste and concrete was recovered mainly due to a lack of building activity in the city as a result of the economic conditions.
Provision of weekly refuse collection to communities where majority request service.	Refuse collection is completed as scheduled.	Maintain completion by 4pm daily	Not achieved 96.2%	On 12 occasions the refuse collection was not completed by 4pm.
Provision of landfill/hazardous waste disposal facilities.	% reduction in total landfilled volume.	62,500 tonnes/pa ± 10%	Achieved – 53,413 tonnes	The total quantity put in the landfill for 2010/11 was 53,413, which is a 14.5% reduction on the target.
Minimise impact on environment.	Number of breaches of consent conditions notified by Regional Council.	No breach	Not achieved.	1 breach reported in January.

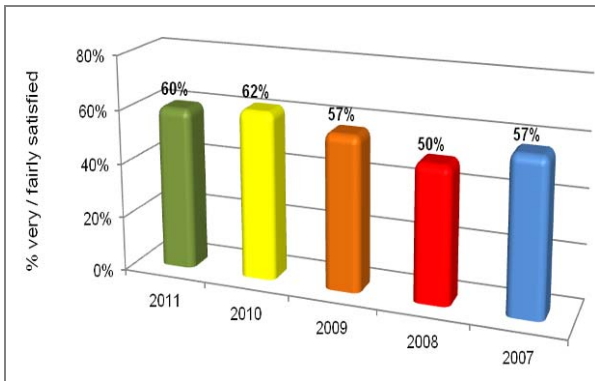
\* Performance targets show a 5% year on year increase from the base figure of 3,500 tonnes in 2008/09



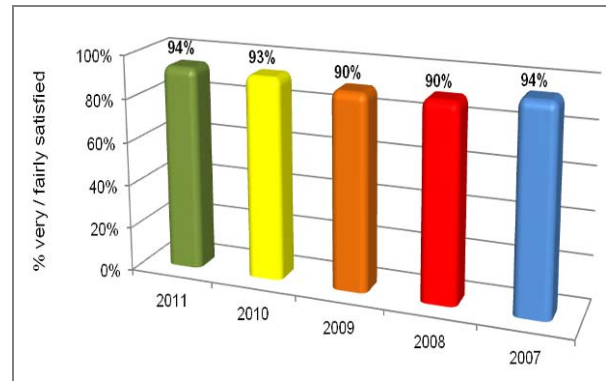
## Community Satisfaction Survey

The graphs below have been prepared from the annual Community Satisfaction Survey.

### Recycling Waste

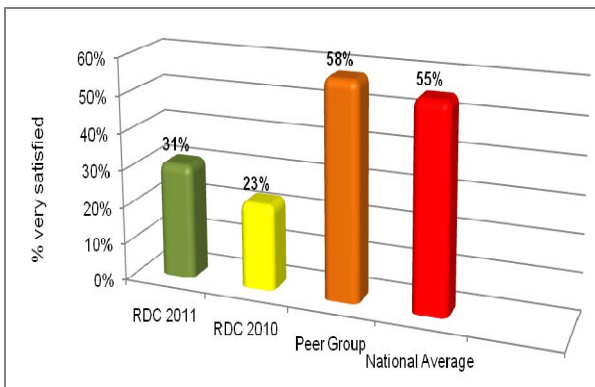


### Rubbish Collection

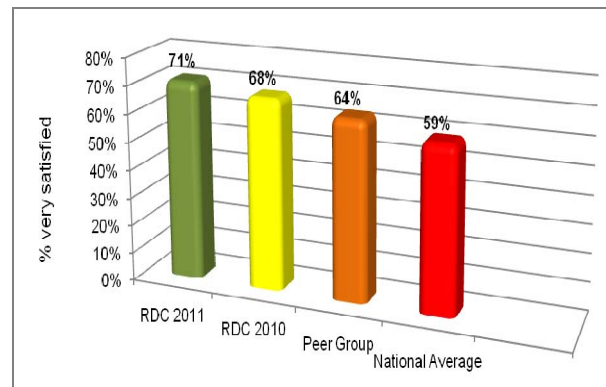


These graphs show the percentage of survey respondents very or fairly satisfied with this service over the last five years.

### Recycling Waste



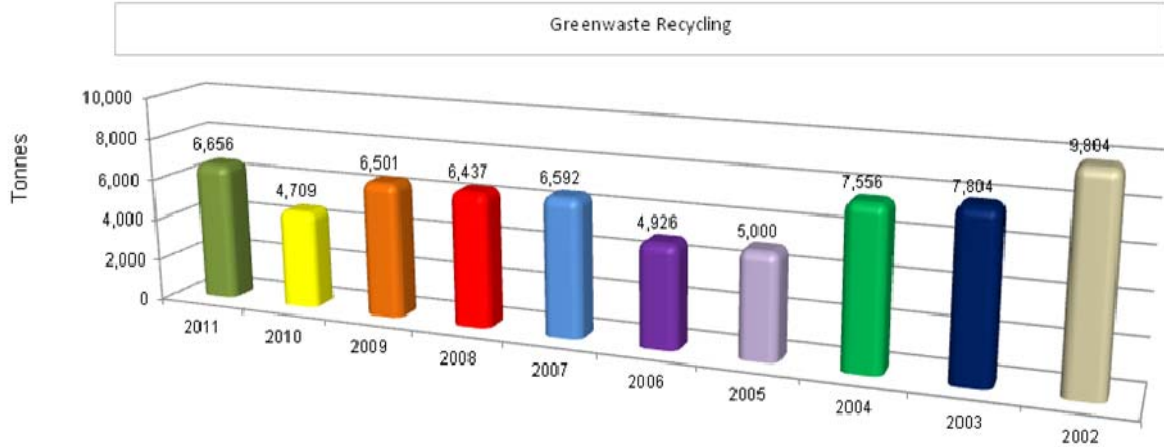
### Rubbish Collection



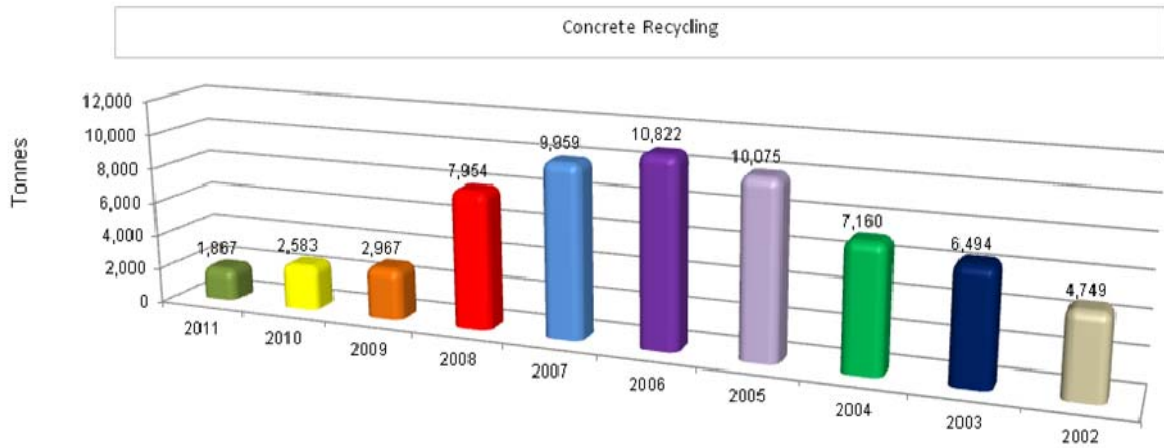
These graphs show the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.



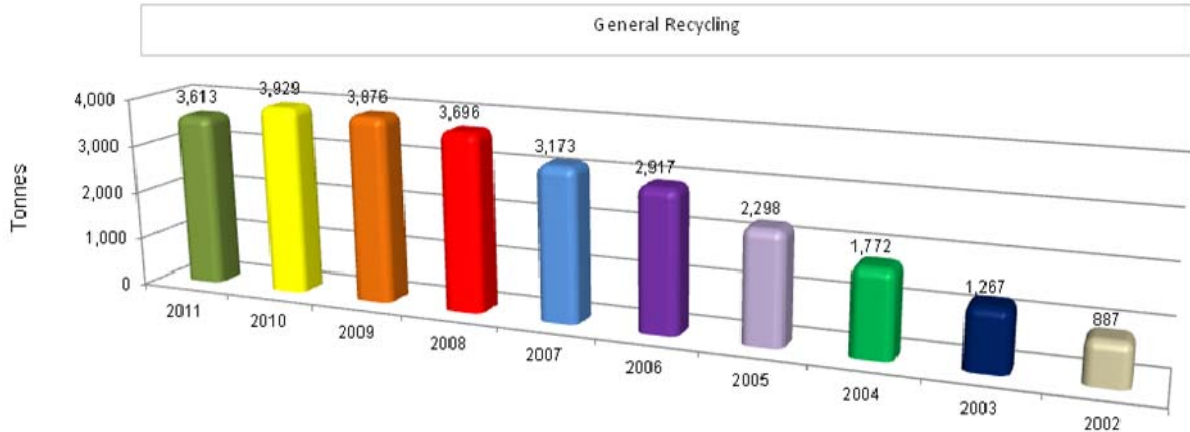
Other Indicators



NOTE: Only volumes of product that have gone off the site for recycling/processing are shown on this graph.



NOTE: Only volumes of product that have gone off the site for recycling/processing are shown on this graph.



NOTE: Only volumes of product that have gone off the site for recycling/processing are shown on this graph. Does not include greenwaste and concrete. Includes glass, paper, cardboard, aluminium and steel cans, scrap metal, plastics, and batteries, e-waste, clothing (does not include material at the 'Urban Ore')



## What we do

The wastewater activity comprises the collection, treatment and disposal of wastewater from the three urban areas of Rotorua (Ngongotaha, city and eastern suburbs) as well as identified rural lakeside communities (at present Mourea, Marama Point, Okawa Bay/Duxton Hotel, Brunswick, Rotokawa and Okareka). The serviced area is programmed to be extended to include Okere, Otaramarae, Whangamarino, Tarawera, Hamurana, Gisborne Point/Hinehopu, Rotoma and Mamaku.

### The functions required for the provision of these services include:

- strategic planning and improvement of wastewater networks to provide for growth within the district.
- planning and implementation of renewal work to ensure infrastructure is maintained.
- developing of maintenance, levels of service and quality standards.
- management and maintenance of assets and services including monitoring of flow and wastewater treatment effluent quality.
- developing of emergency and contingency plans to ensure service is maintained during adverse events.
- provision of information and education to the public regarding wastewater services and systems.
- development of funding policies and systems to enable continuing provision of the service into the future.

## Why we do it

To provide environmentally safe, efficient and sustainable collection, treatment and disposal of water borne waste and by-products.

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

- Completion of Okareka sewerage scheme.
- Completion of Paradise Valley sewerage scheme.
- Tendering and award of Hamurana/Awahou sewerage scheme.
- Approval of \$4.46 million subsidy from Ministry of Health for Rotoma sewerage scheme.
- Installation of standby electricity generator for the Wastewater Treatment Plant.
- Renewal of wastewater services at Whakarewarewa.
- Okere/Otaramarae/Whangamarino sewerage scheme completed.
- WWTP Membrane Batch Reactor treatment upgrade.

## Community Outcomes

### A community that respects its environment

- By protecting the environment and lake water quality through wastewater treatment.

### A healthy community

- By providing a sanitary wastewater collection and treatment service.

### A community with excellent facilities, services, activities and events

- By providing good, quality infrastructure for the future.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	5,792	6,308	5,913
Financial Costs	257	436	215
Depreciation	3,713	3,877	3,554
Other	(45)	0	84
<b>Total Costs</b>	<b>9,717</b>	<b>10,621</b>	<b>9,766</b>
<b>Revenue</b>			
Capital Revenue	5,128	7,595	6,080
Fees & Charges	23	42	108
Investment Income	988	726	613
Subsidies & Grants	0	0	7
Targeted Rates	12,175	11,282	11,338
Other Income	57	0	447
<b>Total Revenue</b>	<b>18,371</b>	<b>19,645</b>	<b>18,593</b>
<b>Net Cost of Service</b>	<b>(8,654)</b>	<b>(9,024)</b>	<b>(8,827)</b>
<b>Capital Costs</b>			
Renewals	2,489	6,556	1,648
Growth	10,992	15,084	4,862
Backlog	4,587	3,585	1,617
Level of Service	0	0	0
Other Capital Expenditure	0	0	0
<b>Total Capital</b>	<b>18,068</b>	<b>25,225</b>	<b>8,127</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	(8,654)	(9,024)	(8,827)
Plus Capital Revenue	296	0	4,951
Less Depreciation	(3,713)	(3,877)	(3,554)
Depreciation Funded by General Rates	0	0	0
Self Funding/DC Reserve Movements	12,071	12,901	7,429
<b>Operations Funded by General Rates</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Funding</b>			
Capital Grants	5,074	6,816	3,187
Development Contributions	6,967	1,141	1,195
Reserves Net	6,027	17,269	3,757
Asset Sales	0	0	(12)
<b>Total Capital</b>	<b>18,068</b>	<b>25,226</b>	<b>8,127</b>

## Capital Expenditure

### Wastewater Urban

	2011 Actual \$000
Land Treatment Renewals	305
Network Improvements	673
Network Renewals	741
Pump Station Improvements	10
Pump Station Renewals	374
Waste Water Treatment Plant Improvements	5,246
Waste Water Treatment Plant Renewals	558
<b>Total</b>	<b>7,907</b>

### Wastewater Rural

	2011 Actual \$000
Reporoa Sewerage Scheme	1
Gisborne Point and Hinehopu Sewerage Scheme	665
Hamurana Sewerage Scheme	621
Okareka Sewerage Scheme	1,639
Rotoma Sewerage Scheme	463
<b>Total</b>	<b>3,389</b>

### Eastern Sewerage Scheme

	2011 Actual \$000
Okere and Otaramarae Sewerage Scheme	6,772
<b>Total</b>	<b>6,772</b>

### Variance from budget

**Direct Costs** are favourable as a result of trade waste income being up. Charges are now based on strength as opposed to just volume for large users. Also savings were achieved at the Waste Water Treatment Plant in electricity, insurance and maintenance.

**Financial Costs** are under budget due to Council achieving lower interest costs for the year, as well as capital expenditure being below budget.

**Depreciation** is less than budget as a consequence of capital works deferred.

**Investment Income** is favourable to budget due to a difference in the estimated opening balance of the self funding and development contributions account versus what the actual balance was at the beginning of 2010/11. Predominantly because of forecasted capital expenditure being not achieved.

**Targeted Rates** are higher than planned as a result of more ratepayers opting for lump sum payment for sewerage schemes than anticipated.

**Capital Revenue** is under budget due to less development contributions collected and funding for sewerage schemes deferred as a result of delays.

**Capital Expenditure** projects not completed in 2010/11 include delays in sewerage schemes, network upgrades, spray block drip conversion and treatment plant renewals

## How we performed

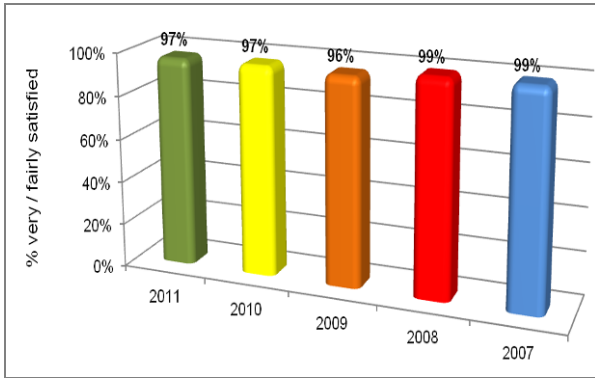
Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Implementation and management of schemes to minimise the impact on the environment.	% compliance with air, land and water discharge requirements.	100%	Not achieved – 99%	The level of achievement of 99% represents total compliance with management, sampling and discharge requirements for the wastewater treatment plant and compost plant. The 1% non-compliance relates to the level of nitrogen in the Waipa Stream. Council is about to commission a \$7 million upgrade of the Wastewater Treatment Plant to improve nitrogen removal from the effluent which ultimately reduces load in the Waipa Stream.
	Completion of new sewerage schemes.*	Okareka, Okere/ Otaramarae/ Whangamarino	Not achieved.	Okareka complete. Okere/Otaramarae/Whangamarino on schedule.
Provision of an efficient collection and disposal service.	Number of overflows to waterways.	< 2	Not achieved - 4	4 overflows, 1 caused by power cut to Wastewater Treatment Plant. These overflows are included in the total for the following performance measure but are monitored separately as any discharge to waterways has a much greater potential health and/or environmental risk. A standby generator is now installed at the plant. The other overflows were the result of an unknown blockage, a pipe blocked by geothermal encrustation, and a broken pipe. Each of these faults were investigated and appropriate repairs/maintenance carried out.
	Total number of overflows caused by network faults (per 100km of mains).	< 14	Achieved – 12	11.6 per 100km. This represents 54 overflows for the year in total. Council is continually working to reduce the incidence of overflows by targeting problem areas for increased maintenance and inspections.
	% of customers satisfied with wastewater services as measured by annual community satisfaction survey.	99%	Not achieved – 97%	The following graph shows that while this year's target was not achieved, satisfaction has remained relatively constant over the last 6 years. Council continues to work to ensure that these services are maintained to a high level.

\* Subject to Resource Consent and other planning constraints.

## Community Satisfaction Survey

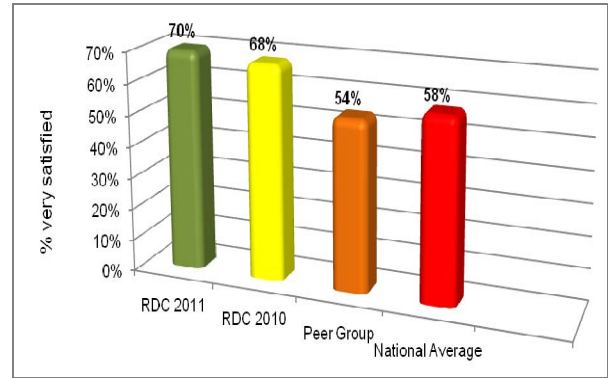
The graphs below have been prepared from the annual Community Satisfaction Survey.

Waste Water Treatment



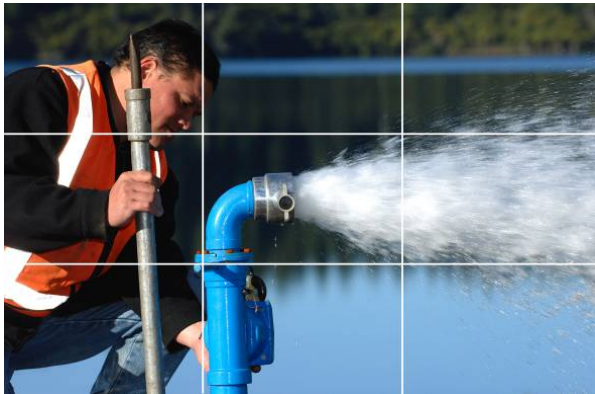
This graph shows the percentage of survey respondents very or fairly satisfied with this service over the last five years.

Waste Water Treatment



This graph shows the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.





## What we do

The water supply activity comprises the provision of potable water to three urban supply areas, five rural residential supply areas and two farming supply areas.

### The functions required to be carried out in providing the service include.

- Strategic planning and improvement of water networks to provide for growth within the district.
- Planning and implementation of renewal work to ensure infrastructure is maintained.
- Developing of maintenance planning, levels of service and quality standards.
- Management and maintenance of assets and services including monitoring of pressure, flow and water quality.
- Developing of emergency and contingency plans to ensure service is maintained during adverse events.
- Provision of information and education to the public regarding water use and conservation.
- Development of funding policies and systems to enable continuing provision of the service into the future.

## Why we do it

To provide, in a cost-effective manner, a constant, adequate, sustainable and high quality supply of water to meet the needs of communities within the district.

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

- Approval of \$435k subsidy from MOH for Mamaku water supply.
- Renewal of water services at Whakarewarewa.
- Renewal and upgrade of Reporoa water network.
- Ngongotaha bulk water main upgrade.

## Community Outcomes

### A safe and caring community

- By maintaining sufficient water for fire fighting purposes.

### A community that respects its environment

- By using water efficiently and encouraging others to do so too.

### A healthy community

- By providing safe drinking water to the community.

### A prosperous community

- By providing opportunities for businesses to develop and grow through meeting commercial water needs.

### A community with excellent facilities, services, activities and events

- By providing good quality infrastructure for the future.

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	4,630	4,754	4,411
Financial Costs	303	427	238
Depreciation	4,104	1,936	3,008
Other	485	0	3,437
<b>Total Costs</b>	<b>9,522</b>	<b>7,117</b>	<b>11,094</b>
<b>Revenue</b>			
Capital Revenue	431	508	46
Fees & Charges	13	128	21
Investment Income	2	2	2
Subsidies & Grants	0	0	0
Targeted Rates	6,627	6,842	6,433
Other Income	78	0	4,178
<b>Total Revenue</b>	<b>7,151</b>	<b>7,480</b>	<b>10,680</b>
<b>Net Cost of Service</b>	<b>2,371</b>	<b>(363)</b>	<b>414</b>
<b>Capital Costs</b>			
Renewals	1,708	2,135	1,911
Growth	2,209	1,106	868
Backlog	327	1,681	563
Level of Service	0	33	0
<b>Total Capital</b>	<b>4,244</b>	<b>4,955</b>	<b>3,342</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	2,371	(363)	414
Plus Capital Revenue	98	0	0
Less Depreciation	(4,104)	(1,936)	(3,008)
Depreciation Funded by General Rates	12	21	0
Add back half share roading depreciation	0	0	0
Self Funding/DC Reserve Movements	1,562	2,282	2,559
<b>Operations Funded by General Rates</b>	<b>(61)</b>	<b>4</b>	<b>(36)</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	12	21	0
Loans from/(to) Corporate Fund	7	10	43
Capital Grants	0	0	0
Development Contributions	1,756	738	527
Reserves Net	2,469	4,187	2,772
<b>Total Capital</b>	<b>4,244</b>	<b>4,955</b>	<b>3,342</b>

## Capital Expenditure

	2011 Actual \$000
Monitoring equipment	16
Telemetry improvements	3
Pump Station Improvements	524
Pump Station Renewals	62
Programmed Renewals	52
Reticulation Improvements	1,853
Reticulation Renewals	1,063
Project Renewals	559
Revenue Meter Renewals	37
Water Plant Renewals	8
Capital Improvements	67
	<b>4,244</b>

### Variance from budget

**Direct Costs** are lower than budget primarily due to savings in group recovery costs flowing through.

**Financial Costs** are under budget due to Council achieving lower interest costs for the year as well as capital expenditure being below budget.

**Depreciation** is much higher than budget. This is due to the budget 2010/11 depreciation being calculated before the 2009/10 asset movements had been complete, which included a significant revaluation movement. Also assets that were in work in progress at the time and were capitalised at year end were not taken into account. There were also some assets in geothermal areas that had their lives reduced as a result of the revaluation process.

**Other Costs** include assets disposed of during the year including rising mains, meters and telemetry equipment.

**Fees and Charges** are unfavourable to budget due to backflow preventer testing programme delayed, hence no charges.

**Targeted Rates** are lower than budget as metered consumption is down.

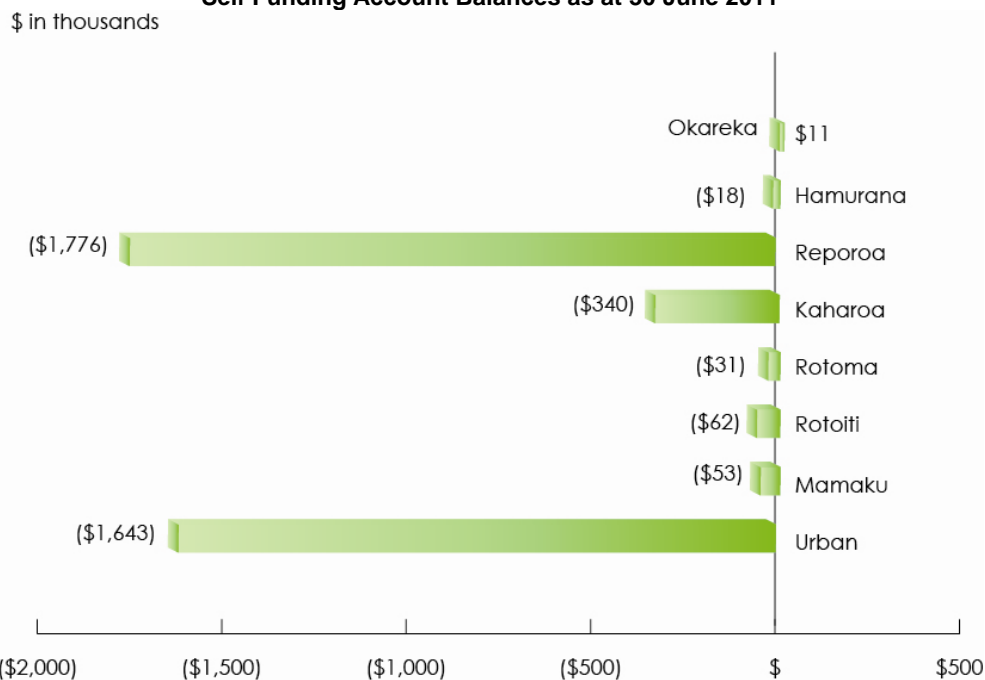
**Capital Revenue** is below budget due to less development contributions collected offset by an unbudgeted subsidy received from the Ministry of Health for Mamaku bore.

**Other Income** relates to assets vested in council.

**Capital Expenditure** projects not completed in 2010/11 include backflow prevention additions, pressure management work, and pump renewals.

## Water

### Self Funding Account Balances as at 30 June 2011



Self Funding Account Balances are effectively the cash balance accumulated to date to fund future capital requirements for the specific water areas.



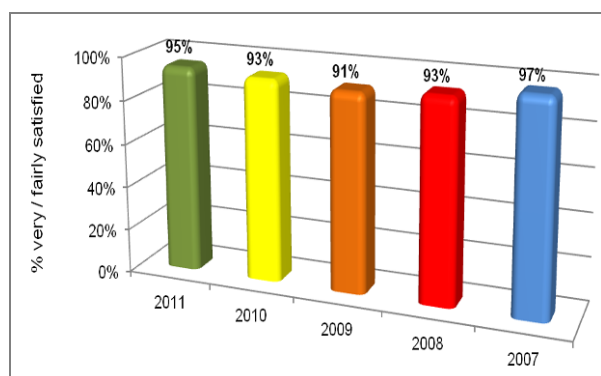
## How we performed

Level of Service	Performance measures	Target for 2010/11	Achievement	Comments
Provision of safe drinking water.	% compliance with the DWSNZ monitoring requirements.	100%	Not achieved – 99.8%	Minor non-compliances due to technical faults with data systems.
	Ministry of Health public health gradings are maintained at appropriate minimum levels for all supplies.	Cc	Not achieved – Ec	Technical faults with the treatment monitoring system have delayed the grading review. It is expected that the treatment upgrades will achieve C when the review is complete. The distribution zone grades already achieve c.
Water supply is adequate for fire fighting purposes within urban fire districts.	% of fire hydrants comply with NZ Fire Service Code of Practice within urban fire districts.	95%	Achieved – 96%	96.1% over 2,502 hydrants. These are tested on a rotational basis over every 5 years.
Reliable and effective water network and treatment facilities.	% of connections meet minimum flow and pressure at point of supply during normal operation.	95%	Achieved – 98%	Overall a result of 98% was achieved. This includes Central 99%, Eastern 99.5% and Ngongotaha 100%. This is measured by a combination of hydraulic modelling supported by flow/pressure testing.
	% of urban customers satisfied with water services as measured by annual community satisfaction survey.	93%	Achieved – 95%	This includes 'fairly satisfied' and 'very satisfied' results.
	Number of water restrictions imposed on consumers due to inability to meet full demand.	None	Achieved – no water restrictions.	Current water supplies are adequate for expected demand and no issues are expected with restrictions in the short to medium term.

## Community Satisfaction Survey

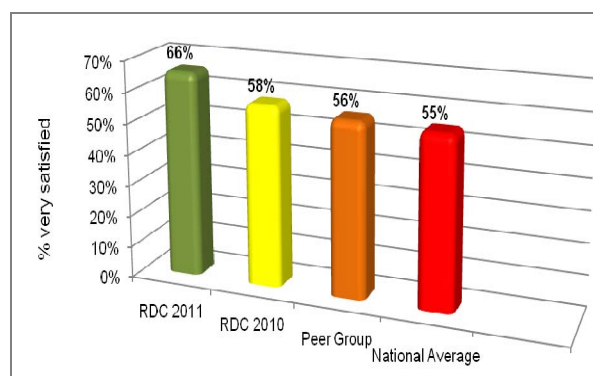
The graphs below have been prepared from the annual Community Satisfaction Survey.

**Water Supplies**



This graph shows the percentage of survey respondents very or fairly satisfied with this service over the last five years.

**Water Supplies**



This graph shows the percentage of survey respondents "very" satisfied with this service over the last two years and compares it with our peer group and the national average for 2011.

# Castlecorp



## Overview of Castlecorp

Castlecorp's purpose is to provide infrastructural services for the residents of Rotorua district, representing council as a service provider. Council delivers these services in accordance with legislative requirements and community expectations.

Castlecorp is a business unit of the council that earns its income from services provided to other council departments. 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
- Sports field and reserve maintenance
- Public garden and horticultural maintenance
- Purchasing and maintenance of small plant and fleet vehicles

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

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

## What it cost us

	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
<b>Operating Expenses</b>			
Direct Costs	(525)	(750)	(511)
Financial Costs	44	57	53
Depreciation	799	884	699
Other	38	0	40
<b>Total Costs</b>	<b>356</b>	<b>191</b>	<b>281</b>
<b>Revenue</b>			
Fees & Charges	320	188	303
Subsidies & Grants	0	0	0
Targeted Rates	0	0	0
<b>Total Revenue</b>	<b>320</b>	<b>188</b>	<b>303</b>
<b>Net Cost of Service</b>	<b>36</b>	<b>3</b>	<b>(22)</b>
<b>Capital Costs</b>			
Renewals	976	1,184	1,605
Growth	0	0	0
Backlog	0	0	0
Level of Service	0	(234)	0
Other Capital Expenditure	1	0	0
<b>Total Capital</b>	<b>977</b>	<b>950</b>	<b>1,605</b>
<b>Operational Funding</b>			
Net Cost of Service of General Rate Activities	36	3	(22)
Plus Capital Revenue	0	0	0
Less Depreciation	(836)	(884)	(699)
Depreciation Funded by General Rates	976	1,184	1,605
<b>Operations Funded by General Rates</b>	<b>176</b>	<b>303</b>	<b>884</b>
<b>Capital Funding</b>			
Funding from Depreciation (Rates)	1,214	1,184	1,605
Loans from/(to) Corporate Fund	0	0	0
Capital Grants	0	0	0
Asset Sales	(238)	(234)	0
<b>Total Capital</b>	<b>977</b>	<b>950</b>	<b>1,605</b>

## Capital Expenditure

	2011 Actual \$000
Trailer for Bobcat	13
Stealth Mower	23
Vehicle Replacements	1,174
Maintenance Equipment Purchases	29
Plant replacement	2
Office Equipment	2
Furniture & Fittings	5
Fleet Sales	-271
	<b>977</b>

## Variance from budget

Castlecorp has added 6 additional staff to provide higher levels of service in the following areas:

- High levels of service for refuse collection in the CBD
- Additional investment in a comprehensive leak detection programme
- Night Market set up and removal costs
- Forest Irrigation Blocks removal and installation
- Increased water capital replacement programme

This has resulted in higher than budgeted staff costs and direct costs which consequently increased Castlecorp's internal recoveries.

# Rotorua Regional Airport Ltd

## Overview

Rotorua Regional Airport Limited (RRAL) is a limited liability company. RRAL is fully owned by the Rotorua District Council and is a Council Controlled Trading Organisation as defined under section 6 of the Local Government Act 2002.

Airport operations are managed by a chief executive reporting to the company's board of directors. The airport operates as Rotorua International Airport.

During the year the airport celebrated its first full year of direct trans-Tasman services. Currently this comprises a twice weekly direct service between Sydney and Rotorua, operated by Air New Zealand.

Aircraft movements continue to be well below the levels of pre-2008 and the global financial crisis. However the board remains optimistic about commercial opportunities for the future.

The year was a positive year for the company with a recovery from last year's financial deficit of \$380,000 to a surplus of \$200,000, an improvement of \$580,000, and \$1.2 million favourable to budget. This result suggests an improving trend in financial performance.

Revenue is favourable to budget by \$341,000, and \$640,000 higher than last year's revenue. The key reasons for this are the recovery of customs charges and an increase from terminal leases received.

Total expenditure was favourable by \$812,000 to budget largely due to decreases in lease payments to Rotorua District Council calculated in accordance with the lease agreement, as well as budget provision of \$655,000 for marketing support that was not spent. Operating expenditure increased by \$60,000 over last year, an increase of 2%.

## Management and Governance

The following Directors held office as at 30 June 2011:

Raymond Noel Cook (Chairman)  
 Wiremu Atetini Kingi  
 Geoffrey Brian Kenny  
 Peter John Guerin  
 Stuart Alan Crosby

The following Directors resigned during the year:

Michael John McVicker  
 Robert William Martin  
 Neil Francis Oppatt

## Performance Targets for 2010/11

The performance targets for 2010/11 were:

Performance Measure	Target	Achievement
Ratio of net profit (after tax) to average shareholders funds.	(167%)	12%
Debt to equity percentage	40-45%	24%
Interest cover – times	>2.00	7.26

## 2010/11 Results

### Statement of Comprehensive Income

For the year ended 30 June:	2011	2010
	\$000	\$000
Revenue	2,909	2,269
Expenditure	2,709	2,649
Surplus / (Deficit)	200	(380)
Taxation	0	0
Net surplus / (Deficit)	200	(380)

### Statement of Financial Position

As at 30 June:	2011	2010
	\$000	\$000
Current assets	2,242	2,324
Current liabilities	1,054	1,387
Working capital	1,188	937
Plant, property, equipment and intangibles	959	1,010
	1,947	1,947
Financed by:		
Equity	1,727	1,527
Debt	420	420
	2,147	1,947

### Financial Forecasts & Performance Targets

	Actual	Budget
Year ending 30 June:	2011	2011
	\$000	\$000
Total Revenue	2,909	2,568
Total Costs	2,709	3,521
Surplus/deficit before tax	200	(953)
Provision for tax	0	0
Surplus/deficit after tax	200	(953)
Total Assets (Net of liabilities)	1,727	568
Total shareholders funds	1,727	568
Net profit after tax to average shareholders funds	12%	(167%)

# Local Authority Shared Services Ltd

The Local Authority Shared Services Ltd (LASS) was incorporated in December 2005. The LASS was established as a Control Controlled Organisation under the Local Government Act for the 13 Waikato/Rotorua councils. Rotorua District Council has an approximately 7% shareholding in the company.

Lass objective is to provide Waikato/Rotorua councils with a vehicle to develop shared services that demonstrate a benefit to the ratepayers and provide those services to authorities.

In the year to June 2011, 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 2010/11 financial year.

Performance Measure	Actual Outcome
The company will carry out an annual survey of shareholders to assist Directors in developing improvements on behalf of the shareholders, and to receive a majority of shareholder approval on the services provided.	Annual survey of shareholders was completed in June with all but one of the shareholder Councils replying. 6 Councils replied that LASS was fulfilling the expectations of shareholders and 5 replied "only partially". Those who responded partially were generally satisfied with the existing services but considered more could be achieved through other shared service opportunities.
Expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the Directors.	Achieved, actual expenditure was \$5,220 favourable to budget.
The Board 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 have been sent to shareholders.
There will be an annual report to directors that all statutory requirements of the LASS are being adhered to.	Reported to the August Board meeting.
That SVDS is available to users at least 99% of normal working hours.	Achieved 99.92%
That at least 98% of agreed timelines are met for sale and property files that have been delivered to the FTP server for access to customers.	Achieved 100%
That over 50% of the Internal support hours are spent on major development work.	Achieved 62.5%
That all required modelling reports are actioned within the required timeframe.	Achieved
That a full report on progress of the model be provided to the LASS Board twice each year.	Achieved

# 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). BOP LASS was incorporated during 2007/08 and the following performance indicators were included in its Statement of Intent for 2010/11.

## Performance Targets for 2010-2011

Outcome	Measure	Result
Initiate at least one shared service each year and no less than two shared services successfully implemented within three years.	Number of shared services.	Council Registered Network Platform (CRNP) initiated 2010 Rates initiated 2010/11 Information Services Strategic Plan Plan completed 2011 Implementation commenced 2011 GIS Initiated 2009/10 Inception report completed 2010 Significant progress on implementation
Implement Shared Services demonstrating best practice and added value to participating councils and stakeholders.	Implementation. Programme incorporates best practice.	Geographic Information Systems (GIS) Inception plan developed with external support and peer review. Information Services Strategic Plan (ISSP) developed with external support and internal review.
Facilitate Joint Procurement of goods and services from sources offering best value, service, and or continuity of supply.	Number of procurement initiatives investigated and or completed.	Office supplies, electronic procurement, vehicle purchase, vehicles services, printing, courier services, fuel, postage, P cards, advertising, accommodation.
Communicate with each shareholding council at appropriate levels.	At least one meeting with each council at Council and/or management team level.	Meetings with all councils.
Partner with other non shareholding Councils and /or organisations to add benefit to the company.	Meet with other organisation for joint initiatives.	Joint LASS group meetings, Hamilton City, Waikato Regional Council, South Waikato.
Ensure sufficient income is available from activities to sustain a viable company.	Income received from contributing councils and funding from activities to meet operational budget.	Council contributions levied, activity groups levied, activities producing savings contribute.

# Financial Statements

## FINANCIAL STATEMENTS

- 119 STATEMENT OF COMPLIANCE
- 120 STATEMENT OF FINANCIAL INVOLVEMENT IN CCTOs
- 121 STATEMENT OF COMPREHENSIVE INCOME
- 122 STATEMENT OF CHANGES IN EQUITY
- 123 STATEMENT OF FINANCIAL POSITION
- 124 STATEMENT OF CASH FLOWS

## NOTES TO THE FINANCIAL STATEMENTS

- 125 Note 1: Statement of Accounting Policies
- 136 Note 2: Performance by Council Activity
- 137 Note 3: Income by Category
- 138 Note 4: Expenditure by Category
- 139 Note 5: Taxation
- 139 Note 6: Cash and Cash Equivalents
- 140 Note 7: Trade and Other Receivables
- 141 Note 8: Inventories
- 142 Note 9: Property, Plant and Equipment
- 147 Note 10: Intangible Assets
- 147 Note 11: Biological Assets (Forestry)
- 148 Note 12: Other Financial Assets
- 149 Note 13: Trade and Other Payables
- 149 Note 14: Provisions
- 150 Note 15: Employee Benefit Liabilities
- 151 Note 16A: Borrowings
- 151 Note 16B: Derivative Financial Instruments
- 152 Note 17: Equity
- 156 Note 18: Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities
- 156 Note 19: Capital Commitments and Operating Leases
- 157 Note 20: Contingencies
- 159 Note 21: Related Party Transactions
- 160 Note 22: Agency Relationships
- 160 Note 23: Remuneration
- 161 Note 24: Events After Balance Date
- 161 Note 25: Financial Instruments
- 168 Note 26: Capital Management
- 168 Note 27: Explanations of Major Variances Against Budget



Rotorua City



# Statement of Compliance

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The Council of Rotorua District Council hereby confirm that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.



Kevin Winters  
Mayor  
06 October 2011



P J Guerin  
Chief Executive  
06 October 2011

# Statement of financial involvement in CCTOs

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Rotorua District Council has 100% shareholding in Rotorua Regional Airport Limited. Details of transactions with this entity are detailed on page 115 and in note 12.

Rotorua District Council is also a part shareholder in Local Authority Shared Services Ltd (details on page 116) and Bay of Plenty Local Authority Shared Services Ltd (details are provided on page 117).



Kevin Winters  
Mayor  
06 October 2011



P J Guerin  
Chief Executive  
06 October 2011

# Statement of Comprehensive Income

for the year ended 30 June:	Note	Council		2010 Actual \$000	Group	
		2011 Actual \$000	2011 Budget \$000		2011 Actual \$000	2010 Actual \$000
<b>Income</b>						
Rates Revenue	3	68,548	66,611	65,926	68,486	65,867
Other Revenue	3	46,421	55,424	47,853	48,606	49,283
Other Gains / (Losses)	3	5	6	0	5	0
<b>Total Income</b>		<b>114,974</b>	<b>122,041</b>	<b>113,779</b>	<b>117,097</b>	<b>115,150</b>
<b>Expenditure</b>						
Employee Benefit Expenses	4	32,757	32,726	31,044	32,757	31,044
Depreciation and Amortisation	4	28,037	24,288	24,874	28,208	24,874
Other Expenses	4	38,727	39,094	42,153	40,679	43,524
Finance Cost	4	7,797	8,754	7,118	7,797	7,118
<b>Total Expenditure</b>		<b>107,318</b>	<b>104,862</b>	<b>105,189</b>	<b>109,441</b>	<b>106,560</b>
<b>Surplus before Taxation</b>		<b>7,656</b>	<b>17,179</b>	<b>8,590</b>	<b>7,656</b>	<b>8,590</b>
Taxation		0	0	0	0	0
<b>Net Surplus after Taxation</b>		<b>7,656</b>	<b>17,179</b>	<b>8,590</b>	<b>7,656</b>	<b>8,590</b>
<b>Other Comprehensive Income</b>						
Revaluation on Property, Plant & Equipment	17	54,649	24,125	25,166	54,649	25,166
Net Change in Fair Value of Hedges	17	-209	0	180	-209	180
Net Change in Fair Value through Equity Reserve	17	172	0	4	172	4
<b>Total Other Comprehensive Income</b>		<b>54,612</b>	<b>24,125</b>	<b>25,350</b>	<b>54,612</b>	<b>25,350</b>
<b>Total Other Comprehensive Income for the period</b>		<b>62,268</b>	<b>41,304</b>	<b>33,940</b>	<b>62,268</b>	<b>33,940</b>

Explanations of major variances against budget are provided in note 27

The accompanying notes should be read in conjunction with these financial statements.

# Statement of Changes in Equity

for the year ended 30 June	2011 Actual \$000	Council	2010 Actual \$000	Group	
		2011 Budget \$000		2011 Actual \$000	2010 Actual \$000
<b>Balance as at 1 July</b>	835,713	821,743	801,779	835,713	801,773
Total comprehensive income previously reported	62,268	41,304	33,940	62,268	33,940
Total comprehensive income as stated	62,268	41,304	33,940	62,268	33,940
<b>Balance as at 30 June</b>	<b>897,981</b>	<b>863,047</b>	<b>835,719</b>	<b>897,981</b>	<b>835,713</b>
Total comprehensive income attributable to:	62,268	41,304	33,940	62,268	33,940
<b>Total comprehensive income</b>	<b>62,268</b>	<b>41,304</b>	<b>33,940</b>	<b>62,268</b>	<b>33,940</b>

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

# Statement of Financial Position

as at 30 June	Note	2011 Actual \$000	Council 2011 Budget \$000	2010 Actual \$000	Group 2011 Actual \$000	2010 Actual \$000
<b>Assets</b>						
<b>Current Assets</b>						
Cash & Cash Equivalents	6	1,774	2,837	2,002	1,658	3,856
Loans & Receivables	7	18,438	20,308	17,172	18,355	16,811
Inventories	8	1,344	1,388	1,371	1,345	1,373
Provision for Taxation	5	0	0	0	58	0
<b>Total Current Assets</b>		<b>21,555</b>	<b>24,533</b>	<b>20,545</b>	<b>21,414</b>	<b>22,040</b>
<b>Non-Current Assets</b>						
Loans & Receivables	7	17	14	27	17	27
Property, Plant and Equipment	9	1,040,155	1,022,087	957,535	1,041,078	958,492
Intangible Assets	10	3,768	9,245	4,027	3,810	4,080
Biological Assets (Forestry)	11	458	468	316	458	316
Other Financial Assets	12	2,220	2,860	2,063	493	537
<b>Total Non-Current Assets</b>		<b>1,046,639</b>	<b>1,034,674</b>	<b>963,968</b>	<b>1,045,873</b>	<b>963,452</b>
<b>Total Assets</b>		<b>1,068,194</b>	<b>1,059,207</b>	<b>984,513</b>	<b>1,067,286</b>	<b>985,491</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Trade and Other Payables	13	26,848	31,533	25,442	25,880	26,370
Provisions	14	582	413	523	582	523
Employee Benefit Liabilities	15	5,012	6,085	4,687	5,072	4,737
Borrowings	16A	36,066	18,600	28,300	36,066	28,300
Derivative Financial Instruments	16B	566	0	0	566	0
<b>Total Current Liabilities</b>		<b>69,074</b>	<b>56,631</b>	<b>58,952</b>	<b>68,166</b>	<b>59,930</b>
<b>Non-Current Liabilities</b>						
Provisions	14	1,984	1,515	1,865	1,984	1,865
Employee Benefit Liabilities	15	677	800	651	677	651
Borrowings	16A	98,000	137,214	86,500	98,000	86,500
Derivative Financial Instruments	16B	478	0	832	478	832
<b>Total Non-Current Liabilities</b>		<b>101,139</b>	<b>139,529</b>	<b>89,848</b>	<b>101,139</b>	<b>89,848</b>
<b>Total Liabilities</b>		<b>170,213</b>	<b>196,160</b>	<b>148,800</b>	<b>169,305</b>	<b>149,778</b>
<b>Equity</b>						
Retained Earnings	17	848,433	833,918	821,812	848,433	821,812
Self Funding Reserves	17	(58,456)	(69,441)	(49,593)	(58,456)	(49,593)
Council Created Reserves	17	(20,894)	(11,677)	(11,337)	(20,894)	(11,337)
Restricted Reserves	17	1,345	955	1,891	1,345	1,891
Cashflow Hedge Reserve	17	(680)	(120)	(471)	(680)	(471)
Fair Value Through Equity Reserve	17	407	0	235	407	235
Asset Revaluation Reserve	17	127,826	109,412	73,177	127,826	73,177
Transfers from property revaluation reserves on disposal	17	0	0	0	0	0
<b>Total Equity</b>		<b>897,981</b>	<b>863,047</b>	<b>835,713</b>	<b>897,981</b>	<b>835,713</b>

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

*Kevin Weathers*

Mayor

06 October 2011

*P. G. G. G.*

Chief Executive

06 October 2011

# Statement of Cash Flows

for the year ended 30 June 2011	Note	Council		Group		
		2011 Actual \$000	2011 Budget \$000	2010 Actual \$000	2011 Actual \$000	2010 Actual \$000
<b>Cash Flows from Operating Activities</b>						
Receipts from Rates Revenue		68,807	66,621	65,633	68,745	65,574
Interest Received		117	60	144	130	164
Dividends Received		0	0	6	0	12
Receipts from Other Revenue		44,928	54,414	42,338	45,441	44,001
Payments to Suppliers and Employees		(69,431)	(68,061)	(65,560)	(71,363)	(66,074)
Interest Paid		(7,609)	(8,754)	(6,505)	(7,593)	(6,505)
Income Tax Paid/Refund		0	0	0	(5)	28
Goods and Services Tax (net)		(1,728)	0	(2,620)	(2,164)	(2,292)
<b>Net Cash from Operating Activities</b>	18	<b>35,084</b>	<b>44,280</b>	<b>33,436</b>	<b>33,191</b>	<b>34,903</b>
<b>Cash Flows from Investing Activities</b>						
Proceeds from Sale of Property, Plant and Equipment		924	234	401	938	405
Proceeds from Sale of Intangible Assets		99	0	0	99	0
Collection on Advances		15	0	0	15	0
New Community Loans		0	0	(10)	0	0
Purchase of Property, Plant and Equipment		(55,051)	(74,699)	(46,407)	(55,141)	(46,687)
Purchase of Intangible Assets		(738)	0	(1,448)	(738)	(1,448)
Loan Advances Made		0	0	(420)	0	(420)
Other Movements ex Fixed Asset note non cash		173	0	0	173	0
<b>Net Cash from Investing Activities</b>		<b>(54,578)</b>	<b>(74,465)</b>	<b>(47,884)</b>	<b>(54,654)</b>	<b>(48,150)</b>
<b>Cash Flow from Financing Activities</b>						
Proceeds from Borrowings		15,176	35,518	20,000	15,176	20,000
Repayment of Borrowings		(5,000)	(5,000)	(5,300)	(5,000)	(5,300)
Change in Usage of Registered Security Stock Facility		9,090	0	0	9,090	0
Proceeds from Borrowings		0	0	0	0	0
<b>Net Cash from Financing Activities</b>		<b>19,266</b>	<b>30,518</b>	<b>14,700</b>	<b>19,266</b>	<b>14,700</b>
<b>Net (decrease)/increase in Cash, Cash Equivalents and Bank Overdraft</b>		<b>(228)</b>	<b>333</b>	<b>252</b>	<b>(2,197)</b>	<b>1,453</b>
Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year		2,002	2,504	1,750	3,856	2,403
Cash, Cash Equivalents and Bank Overdrafts at the end of the year	6	<b>1,774</b>	<b>2,837</b>	<b>2,002</b>	<b>1,658</b>	<b>3,856</b>

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

The GST (net) component of operating activities reflects the net GST paid and received from 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 and to be consistent with the presentation basis of other primary financial statements

# Notes to the Financial Statements

for the year ended 30 June 2011

## Note 1: Statement of Accounting Policies

### Reporting Entity

Rotorua District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Rotorua District Council group (Group) consists of Rotorua District Council (Council) and its 100% owned subsidiary Rotorua Regional Airport Ltd (RRAL). The RRAL subsidiary is incorporated and domiciled in New Zealand.

The primary objective of the Rotorua District Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the council has designated itself and the Group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Rotorua District Council are for the year ended 30 June 2011. The financial statements were authorised for issue by Council on 6<sup>th</sup> October 2011.

### Basis of preparation

#### Statement of Compliance

The financial statements of the Rotorua District Council and Group have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

#### Measurement Base

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

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Rotorua District Council and Group is New Zealand dollars.

#### Changes in accounting policies

There have been no changes in accounting policies during the financial year.

### Standards and interpretations issued and not yet adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Rotorua District Council include:

- NZ IFRS9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a new financial asset is measured at amortised cost or fair value, replacing many different rules in NZ IAS 39. the approach in NZ IAS 9 is based on how and entity manages its financial instruments (its business model) and the contractual cash flow characteristics of financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Rotorua District Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

### Significant Accounting Policies

#### Basis of Consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, and income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidated.

#### Subsidiaries

Rotorua District Council consolidates as subsidiaries in the group financial statements all entities where Rotorua District Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Rotorua District Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

The cost of a business combination is measured as the aggregate of :

- the consideration transferred, which is generally measured at acquisition date fair value.

- The amount of any non-controlling interest measured at either fair value or the non-controlling interest in the fair value of the net identifiable assets of the acquiree; and
- The acquisition date fair value of the previously held equity interest in the acquiree, if any.

Any excess of the cost of the business combination over Rotorua District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

Investments in subsidiaries are carried at cost in Council's own "parent entity" financial statements.

#### *Associates*

The council accounts for investments in associates using the equity method. An associate is an entity over which the council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in the associate is initially recognised at cost and the carrying amount in the groups financial statements is increased or decreased to recognise the groups share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the groups interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surplus or deficits are eliminated to the extent of the groups interest in the relevant associate.

Dilutions gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investments in the associates is carried at cost in the council's parent entity financial statements.

#### **Revenue**

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

#### *Rates revenue*

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

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

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

#### *Government grants*

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

#### *Provision of services*

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

#### *Vested assets*

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

#### *Sale of goods*

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

#### *Traffic and parking infringements*

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

#### *Agents*

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

#### *Interest and dividends*

Interest income is recognised using the effective interest method.

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

#### *Development contributions*

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

Development contributions are classified as part of "Other Revenue".



## Construction contracts

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

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

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

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

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

## Borrowing costs

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

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

## Grant expenditure

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

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

## Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of comprehensive income.

## Income Tax

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

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

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

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

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

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

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

## Leases

### Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the council will obtain ownership at the end of the lease

term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Currently Council holds no finance leases.

#### *Operating leases*

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

#### **Cash and cash equivalents**

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

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

#### **Trade and other receivables**

Debtors 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.

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

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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

The council and group designates certain derivatives as either:

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

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

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

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

#### *Fair value hedge*

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the statement of other comprehensive income. Fair value hedge accounting is only applied for hedging fixed interest borrowings.

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

#### *Cash flow hedge*

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

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in other comprehensive income will be reclassified into the surplus deficit in the same period or periods during which the asset acquired or liability assumed affects surplus or deficit. However, if it is expected that all or a portion of a loss recognised directly in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus deficit.

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

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

or loss on the hedging instrument that remains recognised directly in other comprehensive income from the period when the hedge was effective is reclassified from other comprehensive income to the surplus or deficit.

### Other Financial assets

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

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

Financial assets are classified into four categories:

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

The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

#### *Financial assets at fair value through surplus or deficit*

Financial Assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term profit taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

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

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

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

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

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

#### *Held to maturity investments*

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

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

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

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

Financial assets at fair value through other comprehensive income are those that are designated as fair value through other comprehensive income or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. The council and group includes in this category:

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

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

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

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

### Impairment of financial assets

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

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

Impairment is established when there is objective evidence that the council and group will not be able to collect amounts due according to the original terms of

the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is not past due). Impairment in term deposits, local authority stock, government stock and community loans, are recognised directly against the instruments carrying amount.

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

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

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

If impairment evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to surplus or deficit.

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

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

## Inventories

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

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

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

When land held for development and future resale is transferred from investment property/property, plant,

and equipment to inventory, the fair value of the land at the date of transfer is its deemed cost.

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

## Non-current assets held for sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

## Property, plant and equipment

Property, plant and equipment consist of;

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

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

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

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

### Revaluations

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

Land and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) 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 assets are carried depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, the off-cycle assets are revalued.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to an asset revaluation reserve in equity for that class of asset. Where this result is a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

*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 council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

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 reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

*Depreciation*

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

- Land is not depreciated.
- Roading, wastewater reticulation, stormwater systems and water reticulation assets are depreciated as noted below. A number of the components of the roading network such as excavation, sub-base materials and compaction are not depreciated as these assets have an infinite life. Signs and markings are not depreciated as these assets are maintained to the same level.
- The useful lives of the Rotorua Museum 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:

<b>General</b>	
Bathhouse building	40 years
Buildings (other)	50 years
Plant and Equipment	10 to 15 years
Office Equipment	5 years
Furniture and Fittings	10 to 20 years
Computer Systems	3 to 5 years
Library Books (excl Reference)	2 to 15 years
Parking	10 to 50 years
Landfill Improvements	3 to 100 years
<b>Wastewater Reticulation</b>	
Man holes	110 years
Treatment Plant	10 to 100 years
Pump Stations	10 to 75 years
Pipes	100 years
<b>Water Reticulation</b>	
Pipes	50 to 90 years
Motors/Pumps	20 to 30 years
Reservoirs and other	
Water-Retaining Structures	50 to 100 years
Meters	15 to 100 years
<b>Parks</b>	
Street and Outdoor Furniture	15 years
Street Signals	15 years
Fencing and Related Structures	15 years
Playgrounds	25 years
Jetties and Related Structures	20 years
Irrigation Pipes and Sprinklers	6 to 50 years
Park roads, paths	20 to 100 years
Kerbs	100 years
Bridges	70 to 100 years
Top surface (seal)	1 to 15 years
Pavement (basecourse)	20 to 100 years
Drainage	100 years
Shoulders/Feathers	20 to 100 years
Culverts	100 years
Footpaths (concrete)	100 years
Footpaths (bitumen)	10 to 15 years
<b>Stormwater systems</b>	
Pipes	70 to 100 years
Manholes, Cesspits	70 to 100 years
Service connections and outlets	70 to 100 years
<b>Airport</b>	
Runway 150mm AC surface	10 to 15 years

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

**Intangible assets**

*Software acquisition and development*

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

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

Staff training costs are recognised in the surplus deficit when incurred.

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

#### *Easements*

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

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

#### *Amortisation*

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

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

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

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

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

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

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset

was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

#### **Forestry assets**

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

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

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

#### **Investment property**

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

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

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Currently Council holds no assets in this class.

#### **Trade and other payables**

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

#### **Borrowings**

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

Borrowings are classified as current liabilities unless Council or the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date or if the borrowings are expected to be settled within 12 months of balance date.

## Employee Entitlements

### *Short-term employee entitlements*

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

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

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

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

### *Long-term employee entitlements*

Entitlements that are payable beyond 12 months, after the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

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

### *Presentation of employee entitlements*

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

## Superannuation schemes

### *Defined contribution schemes*

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

### *Defined benefit schemes*

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

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, to the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in note 20.

## Provisions

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

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

### *Financial guarantee contracts*

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

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability Council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

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

Further information on provisions is disclosed in note 14.

## Equity

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

The components of equity are:

- Retained earnings
- Self-funding reserves
- Council created reserves
- Restricted reserves

- Fair value through equity reserves
- Asset revaluation reserves

#### *Restricted reserves*

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

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

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

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

#### *Property revaluation reserves*

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

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

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

#### *Cash flow hedge reserves*

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

### **Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other payables, which are stated on a GST-inclusive basis. GST 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 approved by the Council in its Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing of the financial statements.

### **Cost allocation**

The Rotorua District Council has derived the cost of service for each significant activity of council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

### **Critical accounting estimates and assumptions**

In preparing these financial statements estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Landfill after care provision*

Note 14 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

#### *Infrastructural assets*

Note 9 provides information about the estimates and assumptions applied in determining the fair value of infrastructural assets.

### **Critical judgements in applying accounting policies**

Management has exercised the following critical judgements in applying the Rotorua District Council's accounting policies for the period ended 30 June 2011:

#### *Classification of property*

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

The council owns land 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.

The council owns land which is classified as property, plant and equipment and currently leased for a motorcamp. This land has been identified by the council as a potential site for the development of the airport extension. The final decision as to the suitability of the site for airport development is still dependent on the airport operation. If the site is not suitable for airport development then the council will reassess the best use of the land, which could include commercial leases or disposal.

## Note 2: Performance by Council Activity

for the year ended 30 June:	Expenditure				Income		Net Cost of Service		
	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000	2011 Actual \$000	2011 Budget \$000	2010 Actual \$000
General Rates	0	0	0	35,714	34,629	35,234	35,714	34,629	35,234
Rates Write Offs	784	874	796	0	0	0	(784)	(874)	(796)
Less Rates Paid By Council	(1,506)	(1,575)	(1,480)	(1,506)	(1,575)	(1,480)	0	0	0
	<b>(722)</b>	<b>(701)</b>	<b>(684)</b>	<b>34,208</b>	<b>33,054</b>	<b>33,754</b>	<b>34,930</b>	<b>33,755</b>	<b>34,438</b>
<b>Corporate &amp; Customer</b>									
Community Engagement & Support	3,344	3,468	3,853	1,053	914	1,166	(2,291)	(2,554)	(2,687)
Emergency Management	512	560	579	8	6	65	(504)	(554)	(514)
Democracy	2,421	2,523	2,243	160	159	60	(2,260)	(2,365)	(2,184)
Kaupapa Maori	317	368	345	1	0	5	(316)	(368)	(340)
Policy & Strategic Direction	1,980	1,571	1,476	460	289	550	(1,521)	(1,282)	(925)
Property Management	730	493	1,918	525	507	1,857	(205)	15	(61)
District Library	3,889	4,098	4,087	368	409	338	(3,521)	(3,689)	(3,749)
	<b>13,195</b>	<b>13,081</b>	<b>14,503</b>	<b>2,577</b>	<b>2,285</b>	<b>4,042</b>	<b>(10,618)</b>	<b>(10,796)</b>	<b>(10,461)</b>
<b>Economic &amp; Regulatory Group</b>									
Animal Control	866	911	863	560	580	524	(306)	(331)	(339)
Building Control	2,105	2,215	2,669	1,790	1,930	1,796	(315)	(285)	(873)
Destination Rotorua Economic Development	2,711	1,263	1,318	1,105	1,062	1,006	(1,606)	(201)	(312)
City Services Operations	2,990	3,175	2,870	1,335	1,545	1,352	(1,655)	(1,630)	(1,518)
Events & Venues	6,638	6,620	6,340	3,847	4,711	4,568	(2,791)	(1,909)	(1,772)
Inspections	1,312	1,480	1,333	342	397	368	(970)	(1,083)	(965)
Parking Enforcement	882	956	913	1,750	1,731	1,772	868	775	859
Planning Implementation	1,942	2,207	2,147	250	235	222	(1,692)	(1,972)	(1,925)
Planning Policy	1,249	1,660	1,664	1	11	1	(1,248)	(1,649)	(1,663)
Rotorua Museum of Art and History	3,334	3,152	2,933	8,557	5,099	3,854	5,223	1,947	921
Tourism	5,373	6,113	5,141	4,698	5,412	3,929	(675)	(701)	(1,212)
	<b>29,399</b>	<b>29,752</b>	<b>28,196</b>	<b>24,237</b>	<b>22,713</b>	<b>19,393</b>	<b>(5,162)</b>	<b>(7,039)</b>	<b>(8,803)</b>
<b>Infrastructural Group</b>									
Aquatic Facilities	3,057	3,189	2,922	1,153	1,326	1,327	(1,904)	(1,863)	(1,595)
Infrastructural Planning & Compliance	354	588	405	1,108	876	897	754	288	492
Land Drainage	6,811	2,969	3,052	306	288	504	(6,505)	(2,681)	(2,548)
Public Gardens & Open Spaces	10,532	11,294	10,501	3,626	2,385	3,579	(6,906)	(8,909)	(6,922)
Rotorua Regional Airport	5,761	4,423	5,529	1,433	4,367	1,031	(4,328)	(56)	(4,498)
Transport	13,555	15,300	13,877	16,154	20,053	16,324	2,599	4,753	2,447
Waste Management	7,891	8,178	6,957	5,726	6,673	4,387	(2,165)	(1,505)	(2,570)
Wastewater Schemes	9,717	10,621	9,766	18,371	19,645	18,593	8,654	9,024	8,827
Water Supplies	9,522	7,117	11,094	7,151	7,480	10,680	(2,371)	363	(414)
	<b>67,195</b>	<b>63,680</b>	<b>64,103</b>	<b>55,029</b>	<b>63,092</b>	<b>57,323</b>	<b>(12,166)</b>	<b>(588)</b>	<b>(6,780)</b>
<b>Castlecorp</b>									
Castlecorp	355	191	281	320	188	303	(36)	(3)	22
	<b>355</b>	<b>191</b>	<b>281</b>	<b>320</b>	<b>188</b>	<b>303</b>	<b>(35)</b>	<b>(3)</b>	<b>22</b>
<b>Other</b>									
Assets Vested in Council	0	0	0	0	1,843	0	0	1,843	0
Other Non Operational Income	1	0	0	33	8	31	32	8	31
Other Non Operational Expenditure	(686)	0	(145)	0	0	0	686	0	145
Reversal Impairment loss of Other Financial Assets	0	0	0	0	0	0	0	0	0
Increase (dec) fair value of forestry assets	17	0	0	0	0	0	0	0	0
Internal charges in Operational Expenditure	(1,436)	(1,142)	(1,061)	(1,436)	(1,142)	(1,061)	0	0	0
	<b>(2,104)</b>	<b>(1,142)</b>	<b>(1,206)</b>	<b>(1,403)</b>	<b>709</b>	<b>(1,030)</b>	<b>701</b>	<b>1,851</b>	<b>176</b>
<b>Total Per Statement Financial Performance</b>	<b>107,318</b>	<b>104,862</b>	<b>105,189</b>	<b>114,974</b>	<b>122,041</b>	<b>113,779</b>	<b>7,656</b>	<b>17,179</b>	<b>8,590</b>

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities. In order to fairly reflect the total external operations for the council in the statement of comprehensive income, these transactions are eliminated as shown above.

**Note 3: Income by Category**

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Rates Revenue</b>				
General Rates	36,120	35,681	36,120	35,681
Refuse Rates	2,042	1,869	2,042	1,869
Sewerage Rates	10,134	10,219	10,134	10,219
Water Rates (including water by meter)	6,661	6,463	6,599	6,404
Lakes Enhancement Rate	423	410	423	410
Eastern Sewerage Capital Rates	1,544	593	1,544	593
Business Development Targeted Rates	4,695	4,188	4,695	4,188
Roading Targeted Rates	8,989	8,565	8,989	8,565
Urban Sewerage Develop. Rate	58	117	58	117
Lakes Community Board Rate	42	46	42	46
Less Rates Paid By Council	(1,506)	(1,480)	(1,506)	(1,480)
Less Water by Meter Paid by Council	(247)	(298)	(247)	(298)
Less Rate Remissions	(406)	(447)	(406)	(447)
<b>Total Rates</b>	<b>68,548</b>	<b>65,926</b>	<b>68,486</b>	<b>65,867</b>
<b>Other Revenue</b>				
Airport	0	0	0	2,269
Assets recognised for first time	2,198	4,757	2,198	4,757
Dividend	0	6	0	6
Interest - Bank & Other	117	144	91	135
Vested Assets	379	3,627	379	3,627
Other Revenue	(89)	251	2,289	251
Subsidies & Grants	20,277	16,828	20,277	16,828
Development Contributions	708	632	708	632
Reserve Contributions	144	813	144	813
Fees & Charges	5,656	5,464	5,656	4,634
Trading Revenue	17,031	15,331	16,864	15,331
<b>Total Other Revenue</b>	<b>46,421</b>	<b>47,853</b>	<b>48,606</b>	<b>49,283</b>
<b>Other Gains</b>				
Gain (loss) on changes in fair value of forestry assets	0	0	0	0
Gain on disposal of Property, Plant and Equipment	5	0	5	0
<b>Total Other Gains</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>
	<b>114,974</b>	<b>113,779</b>	<b>117,097</b>	<b>115,150</b>

**Rates remissions**

Rates revenue is shown net of rates remissions. The Council rates remission policy allow rates to be remitted on condition of a ratepayer's extreme financial hardship, land used for sport and land protected for historical or cultural purposes.

**Non-rateable land**

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect

**Note 4: Expenditure by Category**

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Employee Benefit Expenses</b>				
Salaries and Wages	31,569	30,386	31,569	30,386
Defined Contribution Plan Employer Contributions	862	797	862	797
Increase/(decrease) in Employee Benefit/Liabilities	325	(139)	325	(139)
<b>Total Employee Benefit Expenses</b>	<b>32,757</b>	<b>31,044</b>	<b>32,757</b>	<b>31,044</b>
<b>Depreciation and Amortisation</b>				
Depreciation on Property, Plant and Equipment	25,260	23,260	25,431	23,260
Depreciation on Intangible Assets	837	1,129	837	1,129
Loss on disposal	1,939	485	1,939	485
<b>Total Depreciation and Amortisation</b>	<b>28,037</b>	<b>24,874</b>	<b>28,208</b>	<b>24,874</b>
<b>Other Expenses</b>				
Audit Fees for Annual Audit	111	114	131	147
Audit Fees for LTCCP	0	7	0	7
Audit Fees - Internal Audit	22	9	22	9
Change in Rates Refund Provision	(1)	(317)	(1)	(317)
Councillor Remuneration	572	561	572	561
Donations	152	104	152	104
Grants and Contributions	2,019	1,538	2,019	1,538
Change in impairment of Trade and Other Receivables	(192)	117	(192)	117
Loss on Revaluation Property, Plant and Equipment	2,275	4,658	2,275	4,658
Insurance Premiums	623	842	623	842
Other Expenditure	32,776	34,034	34,653	35,318
Research and Development	66	170	66	170
Rent and Leasing Costs	304	314	360	309
<b>Total Other Expenses</b>	<b>38,727</b>	<b>42,151</b>	<b>40,679</b>	<b>43,524</b>
<b>Finance Costs</b>				
Discount unwinding	108	286	108	286
Interest on borrowings	7,689	6,832	7,689	6,832
<b>Total Finance Costs</b>	<b>7,797</b>	<b>7,118</b>	<b>7,797</b>	<b>7,118</b>
	<b>107,318</b>	<b>105,187</b>	<b>109,441</b>	<b>106,560</b>

**Employee Benefit Expenses**

Employer Contributions to defined contribution plans include contributions to Kiwisaver and the DBP Contributors Scheme

## Note 5: Taxation

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Components of Tax Expense</b>				
Current Tax Expenses	0	0	0	0
Adjustments to current tax in prior year	0	952	0	952
Deferred tax expenses	0	1,686	0	1,686
Tax Loss not previously recognised	0	(2,638)	0	(2,638)
<b>Income Tax Expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Relationship between tax and accounting profit</b>				
Surplus / (deficit) before tax	7,656	8,590	7,656	8,590
Tax @ 30%	2,297	2,577	2,297	2,577
Non-deductible expenditure	(3,601)	(2,577)	(3,601)	(2,577)
Deferred tax on temporary differences	1,065	(952)	1,065	(952)
Deferred tax adjustment on change in tax laws	0	(1,686)	0	(1,686)
Tax loss not previously recognised	239	2,638	239	2,638
Prior year adjustment	0	0	0	0
<b>Tax Expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Deferred tax asset (liability)	Property, plant and equipment \$000	Employee entitlements \$000	Other provisions \$000	Tax losses \$000	Total \$000
Balance at 30 June 2009	0	0	0	0	0
Charged to surplus or deficit	0	0	0	0	0
Charged to other comprehensive income	(2,638)	0	0	2,638	0
Balance at 30 June 2010	(2,638)	0	0	2,638	0
Charged to surplus or deficit	(1,096)	0	0	1,096	0
Charged to other comprehensive income	0	0	0	0	0
<b>Balance at 30 June 2011</b>	<b>(3,734)</b>	<b>0</b>	<b>0</b>	<b>3,734</b>	<b>0</b>

<b>Imputation credit account</b>	
Opening balance	0
Tax paid	0
Credits attached to dividends paid	0
Other adjustments	0
<b>Closing balance</b>	<b>0</b>

A deferred tax asset has not been recognised in relation to unused tax losses of Council: \$798,302 (2010 \$46,000), Group: \$3,574,260 (2010 \$3,020,111).

## Note 6: Cash and Cash Equivalents

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Cash at bank and in hand	977	1,203	861	3,856
Short term deposits maturing three months or less from date of acquisition	796	798	796	0
<b>Total cash and cash equivalents</b>	<b>1,774</b>	<b>2,002</b>	<b>1,658</b>	<b>3,856</b>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

Cash, cash equivalents, and bank overdrafts include the above for the purposes of the statement of cash flows.

**Note 7: Trade and Other Receivables**

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Rates receivables	4,297	4,555	4,297	4,555
Other receivables	11,822	10,342	11,739	9,981
Prepayments	365	455	365	455
Community Loans	17	32	17	32
GST Receivable	2,945	2,998	2,945	2,998
<b>Total cash and cash equivalents</b>	<b>19,445</b>	<b>18,382</b>	<b>19,363</b>	<b>18,021</b>
Less: Provision for Impairment of Receivables	(991)	(1,183)	(991)	(1,183)
	<b>18,455</b>	<b>17,199</b>	<b>18,372</b>	<b>16,838</b>
<b>Less non-current portion:</b>				
Community Loans	17	27	17	27
<b>Total non-current portion</b>	<b>17</b>	<b>27</b>	<b>17</b>	<b>27</b>
<b>Current portion</b>	<b>18,438</b>	<b>17,172</b>	<b>18,355</b>	<b>16,811</b>

*Fair Value*

Trade and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of trade and other receivables approximates their fair value.

*Impairment*

The council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then the council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The carrying amount of receivables that would otherwise be past due or impaired and whose terms have been renegotiated is \$nil (2010 \$nil).

*Community Loans*

The fair value of community loans is \$16,876(2010 \$31,312).

The status of receivables at year end is detailed below:

	2011 Gross \$000	2011 Impairment \$000	2011 Nett \$000	2010 Gross \$000	2010 Impairment \$000	2010 Nett \$000
<b>Council</b>						
Not past due	11,322	(131)	11,191	11,489	(505)	10,984
Past due 1-60 days	2,601	0	2,601	2,276	0	2,276
Past due 61-120 days	1,338	0	1,338	987	0	987
Past due > 121 days	4,184	(860)	3,324	3,628	(677)	2,951
<b>Total</b>	<b>19,445</b>	<b>(991)</b>	<b>18,455</b>	<b>18,380</b>	<b>(1,182)</b>	<b>17,198</b>
<b>Group</b>						
Not past due	11,240	(131)	11,109	11,548	(505)	11,043
Past due 1-60 days	2,601	0	2,601	2,276	0	2,276
Past due 61-120 days	1,338	0	1,338	987	0	987
Past due > 121 days	4,184	(860)	3,324	3,208	(677)	2,531
<b>Total</b>	<b>19,363</b>	<b>(991)</b>	<b>18,372</b>	<b>18,019</b>	<b>(1,182)</b>	<b>16,838</b>

The above table records the majority of Library Debtors as over 120 days overdue, as the systems used are unable to provide more accurate information. Any variance from this recording is of an immaterial value.

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write offs.

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Individual impairment	(860)	(677)	(860)	(677)
Collective impairment	(131)	(505)	(131)	(505)
<b>Total provision for impairment</b>	<b>(991)</b>	<b>(1,182)</b>	<b>(991)</b>	<b>(1,182)</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Past due 1(60 days)	0	0	0	0
Past due 61(120 days)	0	0	0	0
Past due > 121 days	(860)	(677)	(860)	(677)
<b>Total individual impairment</b>	<b>(860)</b>	<b>(677)</b>	<b>(860)</b>	<b>(677)</b>

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

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
At 1 July	(1,183)	(1,066)	(1,183)	(1,066)
Additional provisions made during the year	(192)	117	(192)	117
Receivables written off during the period	384	(234)	384	(234)
<b>At 30 June</b>	<b>(991)</b>	<b>(1,182)</b>	<b>(991)</b>	<b>(1,183)</b>

The council and group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

## Table 8: Inventories

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Inventories held for distribution or consumption in provision of services	1,009	1,056	1,009	1,056
Inventories held for use in production of goods and services on a commercial basis	336	314	336	316
<b>Total Inventories</b>	<b>1,344</b>	<b>1,371</b>	<b>1,344</b>	<b>1,373</b>
Water and Sewerage reticulation spare parts	267	315	267	315
Street Furniture	14	14	14	14
Nursery Store	670	619	670	619
Vehicle workshop & fuel	7	64	7	64
Other Inventories held for distribution	51	45	51	45
Museum retail stock	126	136	126	136
Solid waste refuse bags	174	111	174	111
Other commercial inventory	36	67	36	69
<b>Total Inventories</b>	<b>1,344</b>	<b>1,371</b>	<b>1,345</b>	<b>1,373</b>

*Minor roundings to statement of comprehensive income*

The carrying amount of inventories pledged as security for liabilities is \$nil (2010 \$nil).

### *Held for distribution inventory*

The carrying amount of inventory held for distribution that are measured at current replacement cost as at 30 June 2011 amounted to \$nil (2010 \$nil).

The write down of inventory held for distribution that are measured at current replacement cost as at 30 June 2011 amounted to \$nil (2010 \$nil). There have been no reversals of write-downs (2010 \$nil).

The loss in service potential of inventory held for distribution is determined on the basis of obsolescence.

### *Commercial Inventory*

The write-down of commercial inventory to net realisable value amounted to \$nil (2010 \$nil). There have been no reversals of write downs (2010 \$nil).

## Note 9: Property, Plant and Equipment

2011 Classification	Cost / revaluation 1 July 2010 \$000	Accumulated depreciation and impairment changes 1 July 2010 \$000	Carrying amount 1 July 2010 \$000	Current year additions \$000	Current year disposals \$000	Current year impairment charges \$000	Current year depreciation \$000
Airport	0	0	0	3,775	(1,199)	0	(803)
Art Collections	5,775	(27)	5,748	234	0	0	(4)
Bridges	14,549	(555)	13,994	0	0	0	(276)
Buildings	138,011	(4,763)	133,248	11,402	(70)	0	(4,381)
City Focus	230	(117)	113	0	0	0	0
Computer Equipment	4,561	(3,268)	1,293	757	(1)	0	(752)
Environmental	2	(1)	1	0	0	0	0
Footpaths	24,751	(985)	23,766	181	0	0	(490)
Furniture & Fittings	5,960	(4,341)	1,619	202	0	0	(264)
General Works Assets	1,031	(417)	614	43	0	0	(96)
Land	51,848	0	51,848	1,926	(129)	0	0
Land Restricted*	95,346	0	95,346	0	0	0	0
Landfill	7,935	(3,248)	4,687	1,730	0	0	(1,195)
Library Collection	3,608	(1,112)	2,496	374	0	0	(331)
Motor Vehicles	7,967	(4,277)	3,690	1,238	(312)	0	(795)
Office Equipment	1,748	(1,422)	326	2	(32)	0	(138)
Parking Infrastructural Assets	744	(162)	582	34	0	0	(39)
Parks, Roads, Paths, Playgrounds, Utilities	23,503	(2,952)	20,551	2,265	(161)	0	(1,231)
Plant & Machinery	9,005	(5,324)	3,681	1,117	(18)	0	(600)
Roading assets excluding Land	201,283	(7,233)	194,050	8,450	0	0	(3,590)
Roads & Road Reserves Land	42,449	0	42,449	0	0	0	0
Runway, Taxiway, Apron	24,661	(232)	24,429	0	0	0	0
Stormwater Drainage	64,811	(2,242)	62,569	1,196	(2,372)	0	(2,163)
Street Lighting, Signs, Signals	6,296	(970)	5,326	225	0	0	(313)
Waste Management (Bin Sites)	776	(22)	754	0	(50)	0	(10)
Wastewater Reticulation	137,056	(3,901)	133,155	11,415	(41)	0	(2,120)
Wastewater Treatment Plant	39,718	(3,160)	36,558	6,809	0	0	(1,476)
Waterworks Pipes, Meters	97,599	(2,957)	94,642	4,320	(820)	0	(4,193)
<b>Total Council's Property, Plant &amp; Equipment</b>	<b>1,011,224</b>	<b>(53,688)</b>	<b>957,535</b>	<b>57,695</b>	<b>(5,205)</b>	<b>0</b>	<b>(25,260)</b>
<b>RRAL's Property, Plant &amp; Equipment</b>							
Buildings Chattels	44	(7)	37	12	0	0	(3)
Furniture & Fittings	143	(75)	68	10	0	0	(13)
Plant & Equipment	757	(277)	480	62	(11)	0	(75)
Motor Vehicles	494	(134)	360	0	0	0	(57)
Computer Equipment	42	(30)	12	31	0	0	(7)
<b>Total RRAL's Property, Plant &amp; Equipment</b>	<b>1,480</b>	<b>(523)</b>	<b>957</b>	<b>115</b>	<b>(11)</b>	<b>0</b>	<b>(155)</b>
<b>Total Group Property, Plant &amp; Equipment</b>	<b>1,012,704</b>	<b>1,012,704</b>	<b>958,492</b>	<b>57,810</b>	<b>(5,216)</b>	<b>0</b>	<b>(25,415)</b>



## 2011 Classification

	Revaluation surplus \$000	Other movements \$000	Other cost adjustments \$000	Other Accumulated depreciation \$000	Other adjustment \$000	Cost / revaluation 30 June 2011 \$000	Accumulated depreciation and impairment changes 30 June 2011 \$000	Carrying amount 30 June 2011 \$000
Airport	0	47,401	707	(707)	0	50,684	(1,510)	49,174
Art Collections	0	0	(1)	1	0	6,008	(30)	5,978
Bridges	0	0	0	0	0	14,549	(831)	13,718
Buildings	0	(9,781)	436	397	(833)	139,998	(8,747)	130,418
City Focus	0	(113)	(117)	117	0	0	0	0
Computer Equipment	0	0	(426)	426	0	4,891	(3,594)	1,297
Environmental	0	(1)	(1)	1	0	0	0	0
Footpaths	0	0	0	0	0	24,932	(1,475)	23,457
Furniture & Fittings	0	(1)	(27)	27	0	6,134	(4,578)	1,556
General Works Assets	0	(5)	(17)	17	0	1,052	(496)	556
Land	0	(11,882)	(1)	0	1	41,762	0	41,762
Land Restricted*	0	0	0	0	0	95,346	0	95,346
Landfill	0	5	(1)	2	(1)	9,669	(4,441)	5,228
Library Collection	165	0	(1,110)	1,111	(1)	3,037	(332)	2,705
Motor Vehicles	0	0	(728)	728	0	8,165	(4,344)	3,821
Office Equipment	0	0	(122)	122	0	1,596	(1,438)	158
Parking Infrastructural Assets	(119)	0	(163)	163	0	496	(38)	458
Parks, Roads, Paths, Playgrounds, Utilities	3,174	70	(2,367)	2,367	0	26,484	(1,816)	24,668
Plant & Machinery	0	0	(219)	219	0	9,885	(5,705)	4,180
Roading assets excluding Land	0	(1,188)	(95)	95	0	208,450	(10,728)	197,722
Roads & Road Reserves Land	0	0	0	0	0	42,449	0	42,449
Runway, Taxiway, Apron	0	(24,429)	(232)	232	0	0	0	0
Stormwater Drainage	48,011	(4)	(2,242)	2,242	0	109,400	(2,163)	107,237
Street Lighting, Signs, Signals	0	48	88	(88)	0	6,657	(1,371)	5,286
Waste Management (Bin Sites)	0	0	(1)	1	0	725	(31)	694
Wastewater Reticulation	3,822	340	(3,131)	3,131	(1)	149,461	(2,890)	146,571
Wastewater Treatment Plant	0	(340)	0	1	0	46,187	(4,635)	41,552
Waterworks Pipes, Meters	0	218	(160)	160	0	101,157	(6,990)	94,167
<b>Total Council's Property, Plant &amp; Equipment</b>	<b>55,053</b>	<b>338</b>	<b>(9,931)</b>	<b>(10,765)</b>	<b>(833)</b>	<b>1,109,174</b>	<b>(68,183)</b>	<b>1,040,155</b>
<b>RRAL's Property, Plant &amp; Equipment</b>								
Buildings Chattels	0	0	0	0	0	56	(10)	46
Furniture & Fittings	0	0	0	0	0	153	(88)	65
Plant & Equipment	0	11	0	0	0	819	(352)	467
Motor Vehicles	0	0	0	0	0	494	(191)	303
Computer Equipment	0	0	0	0	0	73	(37)	36
<b>Total RRAL's Property, Plant &amp; Equipment</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,595</b>	<b>(678)</b>	<b>917</b>
<b>Total Group Property, Plant &amp; Equipment</b>	<b>55,053</b>	<b>349</b>	<b>(9,931)</b>	<b>0</b>	<b>(833)</b>	<b>1,110,769</b>	<b>(68,861)</b>	<b>1,041,078</b>

\* Restricted Assets are assets that cannot be disposed of because of legal or other restrictions.

\*\* Fair Value: Council considers the Fair Value of Land & Buildings to be the book value of these assets

## 2010 Classification

	Cost / revaluation 1 July 2009 \$000	Accumulated depreciation and impairment changes 1 July 2009 \$000	Carrying amount 1 July 2009 \$000	Current year additions \$000	Current year disposals \$000	Current year impairment charges \$000
Art Collections	5,774	(24)	5,750	1	0	0
Bridges	14,387	(277)	14,110	221	(59)	0
Buildings	116,056	(6)	116,050	11,603	(585)	0
City Focus	230	(108)	122	0	0	0
Computer Equipment	4,299	(2,370)	1,929	678	(416)	0
Environmental	2	(1)	1	0	0	0
Footpaths	24,595	(490)	24,105	622	(466)	0
Furniture & Fittings	5,862	(4,081)	1,781	98	0	0
General Works Assets	818	(340)	478	213	0	0
Land	47,062	0	47,062	9,716	(5,685)	0
Land Restricted*	95,346	0	95,346	0	0	0
Landfill	6,131	(1,574)	4,557	1,804	0	0
Library Collection	3,174	(598)	2,576	556	(122)	0
Motor Vehicles	6,414	(3,589)	2,825	1,883	(330)	0
Office Equipment	1,703	(1,252)	451	45	0	0
Parking Infrastructural Assets	744	(107)	637	0	0	0
Parks, Roads, Paths, Playgrounds, Utilities	22,484	(1,789)	20,695	1,035	(16)	0
Plant & Machinery	8,469	(4,721)	3,748	548	(12)	0
Roading assets excluding Land	193,732	(3,622)	190,110	8,449	(759)	0
Roads & Road Reserves Land	42,449	0	42,449	0	0	0
Runway, Taxiway, Apron	23,150	0	23,150	7,639	(3,673)	0
Stormwater Drainage	62,770	(1,122)	61,648	2,041	0	0
Street Lighting, Signs, Signals	6,107	(638)	5,469	189	0	0
Waste Management (Bin Sites)	776	(12)	764	0	0	0
Wastewater Reticulation	130,043	(1,960)	128,083	8,909	(1,896)	0
Wastewater Treatment Plant	38,174	(1,677)	36,497	2,227	(683)	0
Waterworks Pipes, Meters	77,916	0	77,916	8,924	(5,353)	0
Capital projects under construction	0	2	2	0	0	0
<b>Total Council's Property, Plant &amp; Equipment</b>	<b>938,667</b>	<b>(30,356)</b>	<b>908,311</b>	<b>67,401</b>	<b>(20,055)</b>	<b>0</b>
<b>RRAL's Property, Plant &amp; Equipment</b>						
Buildings Chattels	30	(5)	25	14	0	0
Furniture & Fittings	137	(63)	74	6	0	0
Plant & Equipment	567	(211)	356	190	0	0
Motor Vehicles	494	(77)	417	0	0	0
Computer Equipment	34	(25)	9	8	0	0
<b>Total RRAL's Property, Plant &amp; Equipment</b>	<b>1,262</b>	<b>(381)</b>	<b>881</b>	<b>218</b>	<b>0</b>	<b>0</b>
<b>Total Group Property, Plant &amp; Equipment</b>	<b>939,929</b>	<b>(30,737)</b>	<b>909,192</b>	<b>67,619</b>	<b>(20,055)</b>	<b>0</b>

**2010 Classification**

	Current year depreciation \$000	Revaluation surplus \$000	Other movements \$000	Cost / revaluation 30 June 2010 \$000	Accumulated depreciation and impairment changes 30 June 2010 \$000	Carrying amount 30 June 2010 \$000
Art Collections	(3)	0	0	5,775	(27)	5,748
Bridges	(278)	0	0	14,549	(555)	13,994
Buildings	(4,757)	10,937	0	138,011	(4,763)	133,248
City Focus	(9)	0	0	230	(117)	113
Computer Equipment	(898)	0	0	4,561	(3,268)	1,293
Environmental	0	0	0	2	(1)	1
Footpaths	(495)	0	0	24,751	(985)	23,766
Furniture & Fittings	(260)	0	0	5,960	(4,341)	1,619
General Works Assets	(77)	0	0	1,031	(417)	614
Land	0	711	44	51,848	0	51,848
Land Restricted*	0	0	0	95,346	0	95,346
Landfill	(1,674)	0	0	7,935	(3,248)	4,687
Library Collection	(514)	0	0	3,608	(1,112)	2,496
Motor Vehicles	(688)	0	0	7,967	(4,277)	3,690
Office Equipment	(170)	0	0	1,748	(1,422)	326
Parking Infrastructural Assets	(55)	0	0	744	(162)	582
Parks, Roads, Paths, Playgrounds, Utilities	(1,163)	0	0	23,503	(2,952)	20,551
Plant & Machinery	(603)	0	0	9,005	(5,324)	3,681
Roading assets excluding Land	(3,611)	(139)	0	201,283	(7,233)	194,050
Roads & Road Reserves Land	0	0	0	42,449	0	42,449
Runway, Taxiway, Apron	(232)	(2,455)	0	24,661	(232)	24,429
Stormwater Drainage	(1,120)	0	0	64,811	(2,242)	62,569
Street Lighting, Signs, Signals	(332)	0	0	6,296	(970)	5,326
Waste Management (Bin Sites)	(10)	0	0	776	(22)	754
Wastewater Reticulation	(1,941)	0	0	137,056	(3,901)	133,155
Wastewater Treatment Plant	(1,483)	0	0	39,718	(3,160)	36,558
Waterworks Pipes, Meters	(2,957)	16,112	0	97,599	(2,957)	94,642
<b>Total Council's Property, Plant &amp; Equipment</b>	<b>(23,330)</b>	<b>25,166</b>	<b>44</b>	<b>1,011,223</b>	<b>(53,688)</b>	<b>957,535</b>
<b>RRAL's Property, Plant &amp; Equipment</b>						
Buildings Chattels	(2)	0	0	44	(7)	37
Furniture & Fittings	(12)	0	0	143	(75)	68
Plant & Equipment	(66)	0	0	757	(277)	480
Motor Vehicles	(57)	0	0	494	(134)	360
Computer Equipment	(5)	0	0	42	(30)	12
<b>Total RRAL's Property, Plant &amp; Equipment</b>	<b>(142)</b>	<b>0</b>	<b>0</b>	<b>1,480</b>	<b>(523)</b>	<b>957</b>
<b>Total Group Property, Plant &amp; Equipment</b>	<b>(23,472)</b>	<b>25,166</b>	<b>44</b>	<b>1,012,703</b>	<b>(54,211)</b>	<b>958,492</b>

\* Restricted Assets are assets that cannot be disposed of because of legal or other restrictions.

\*\* Fair Value: Council considers the Fair Value of Land & Buildings to be the book value of these assets

## Valuation

### *Land (operational, restricted, and infrastructural)*

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the “unencumbered” land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

The fair value of Land is reviewed at three yearly intervals. The most recent valuation was performed by independent valuers Darroch Valuations the valuation is effective as at 1 July 2009.

### *Buildings (operational and restricted)*

Specialised buildings are valued at fair value using depreciated replacement costs because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- the replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- the replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- the remaining useful life of assets is estimated.
- straight line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The fair value of Buildings is reviewed at three yearly intervals. The most recent valuation was performed by independent valuers Darroch Valuations the valuation is effective as at 1 July 2009.

### *Infrastructural assets classes: sewerage, water, drainage and roads*

Sewage, water, drainage and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the assets.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected 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 comprehensive income. To minimise this risk, infrastructural asset 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 asset management planning activities, which provides further assurance over useful life estimates.

The fair value of infrastructural assets will be revised at three yearly ‘rolling’ intervals. The most recent valuations are performed by council engineers and peer reviewed by independent valuers Beca Valuation Services Ltd these are

- Water Reticulation effective 1 July 2009.
- Road Reserves effective 01 July 2008.
- Parking Meters 01 July 2010
- Parks Assets 01 July 2010
- Stormwater Drainage 01 July 2010
- Wastewater 01 July 2010

### *Land under roads*

On transition to NZ IFRS Council elected to use the fair value of land under roads as deemed cost. Land under roads is no longer valued.

### *Library collections*

Library collections are valued at depreciated replacement cost in accordance with the guidelines released in 2002 by the New Zealand Library Association and the National Library. Library valuations are performed by Council’s library staff, and are subject to independent review by Barbara Whitton, an Associate and Registered member of LIANZA. The last valuation was effective as at 1 July 2010.

*Airport Assets*

The airport land, buildings and runway are valued at fair value using market based evidence, depreciated replacement cost, market rents and capitalisation rates where applicable .

The fair value of the airport land, buildings and runway were re-valued as at 1 July 2009 by independent valuers Cleghorn Gillespie Jensen Ltd and the valuation is effective as at 1 July 2009.

*Impairment*

Impairment losses of \$nil (2010 \$nil) have been recognised in the statement of comprehensive income in the line “Other expenses”.

*Work in progress*

The total amount of property, plant and equipment in the course of construction is \$59,366 (2010 \$54,653).

*Leasing*

The net carrying amount of plant and equipment held under finance leasers is \$nil (2010 \$nil).

**Note 10: Intangible Assets**

	Council		Group	
	Computer Software 2011 \$000	Computer Software 2010 \$000	Computer Software 2011 \$000	Computer Software 2010 \$000
Balance at 1 July				
Cost	7,339	8,657	7,410	8,674
Accumulated amortisation and impairment	(3,312)	(5,019)	(3,330)	(5,033)
<b>Opening carrying amount</b>	<b>4,027</b>	<b>3,638</b>	<b>4,080</b>	<b>3,641</b>
Year ended 30 June				
Additions	738	1,448	743	1,506
Disposals	(99)	(2,766)	(99)	(2,766)
Amortisation charges	(837)	(1,059)	(854)	(1,067)
Accumulated amortisation written back	99	2,766	99	2,766
Other movements	(160)	0	(160)	0
<b>Total movements during the year</b>	<b>(259)</b>	<b>389</b>	<b>(271)</b>	<b>439</b>
Balance at 30 June				
Cost	7,977	7,339	8,054	7,410
Accumulated amortisation and impairment	(4,209)	(3,312)	(4,244)	(3,330)
<b>Closing carrying amount</b>	<b>3,768</b>	<b>4,027</b>	<b>3,810</b>	<b>4,080</b>

**Easements**

The Rotorua District Council owns numerous easements which gives the council the right to access private property where infrastructural assets are located. However the cost of providing information about the value of the easements outweighs the benefits and therefore the value has not been calculated nor disclosed.

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

All software is acquired externally.

**Note 11: Biological Assets (Forestry)**

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Balance at 1 July	316	468	316	468
Increases due to purchases	0	0	0	0
Gains/(losses) arising from changes in fair value less estimated point of sale costs	141	(152)	141	(152)
Decreases due to sales	0	0	0	0
Decreases due to harvest	0	0	0	0
<b>Balance at 30 June</b>	<b>458</b>	<b>316</b>	<b>458</b>	<b>316</b>

The Council owns five stands located at;

- Tutukau Road this stand measures 10 hectares of Pinus Radiata forest with a current age of 10 years.
- A stand behind the Rotorua Landfill that measures 14 hectares of Pinus Radiata forest with a current age of 27 years.
- Great West Road Spring Reserve measures 2.5 hectares of Pinus Radiata forest with a current age of approximately 30 years.
- Hill Road Spring Reserve measures 1.6 hectares of Pinus Radiata Forest with a current age of 23 Years.
- Reservoir Road Spring Reserve measures 7.6 hectares Pinus Radiata of forest with a current age of 10 Years.

Independent registered valuers Prime Forest Management Ltd have valued forestry assets as at 30 June 2011. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- a discount rate of 8% (2010 8%) has been used in discounting the present value of expected cash flows;
- notional land rental costs have been included for freehold land;
- the forest has been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis;
- no allowance for inflation has been provided;
- costs are current average costs. No allowance has been made for cost improvements in future operations; and
- log prices are based on three-year historical rolling averages.

#### *Financial risk management strategies*

The 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 and group review 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 (2010: \$Nil).

## **Note 12: Other Financial Assets**

				Council		Group	
				2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Non-current portion</b>	<b>% Holding</b>	<b>Shares Held</b>	<b>Land of incorporation</b>				
<i>Investments carried at fair value through comprehensive income</i>							
Unlisted shares NZ Local Govt Insurance Corporation Ltd	1	87,953	New Zealand	213	268	213	268
Unlisted shares Waikato Local Authority Shared Services Ltd	8	1	New Zealand	252	269	252	269
Unlisted shares BOP Local Authority Shared Services Ltd	11	1	New Zealand	29	0	29	0
<i>Investments carried at cost less impairment losses</i>							
Unlisted shares Rotorua Regional Airport Limited	100	1,000	New Zealand	1,726	1,526	0	0
<b>Total non-current portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,220</b>	<b>2,063</b>	<b>493</b>	<b>537</b>
<b>Total Other Financial Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,220</b>	<b>2,063</b>	<b>493</b>	<b>537</b>

### **Fair Value**

#### *Unlisted shares*

The fair value of the unlisted shares of NZ Local Government Insurance Corporation Ltd and of Local Authority Shared Services Ltd (LASS) has been approximated by using the net asset backing method.

The Waikato LASS share investment comprises:

- 1 ordinary share
- 126,703 SVDS shares
- 7,516 WRAP service shares, which are uncalled as at balance date.

The service shares are non-voting and do not carry the right to share in any distributions of the company.

The BOP LASS share investment comprises 1 ordinary share. The fair value of the BOP LASS, approximated using the net asset backing method, is \$28,501.44 (2010 \$-3,516.00).

The cost price of the share investment in the subsidiary Rotorua Regional Airport Limited amounts to \$2,051,000. The recoverable amount is approximated by using the net asset backing value and amounts to \$1,726,396 as at 30 June 2011 (2010: \$(1,526,000)). The surplus for the 2011 financial year of \$200,031, (2010 \$(380,000) deficit) is recognised in the statement of comprehensive income

### Impairment

There were no impairment expenses or provisions for other financial assets. None of the financial assets are either past due or impaired.

## Note 13: Trade and Other Payables

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Trade payables	19,759	18,359	18,791	19,287
Other payables	112	831	112	831
Deposits and bonds	1,309	1,289	1,309	1,289
Rates, fees and grants received in advance	3,552	2,927	3,552	2,927
Accrued interest	2,116	2,036	2,116	2,036
<b>Total Trade &amp; Other Payables</b>	<b>26,848</b>	<b>25,442</b>	<b>25,880</b>	<b>26,370</b>

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

## Note 14: Provisions

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Current Provisions are represented by:</b>				
Weather-tightness claims	470	490	470	490
Landfill aftercare provisions	20	20	20	20
Provision for Refund of Rates	0	13	0	13
Prov. Grants not yet uplifted	92	0	92	0
<b>Total current provisions</b>	<b>582</b>	<b>523</b>	<b>582</b>	<b>523</b>
<b>Non-current provisions are represented by:</b>				
Landfill aftercare provision	1,892	1,785	1,892	1,785
Provision for Refund of Rates	92	80	92	80
<b>Total non-current provisions</b>	<b>1,984</b>	<b>1,865</b>	<b>1,984</b>	<b>1,865</b>

Movements for each class of provision are as follows:

Council and Group	Weather-tightness claims \$000	Landfill aftercare \$000	Refund of rates \$000	Grants not yet uplifted \$000
<b>2011</b>				
Opening Balance	490	1,805	92	0
Additional provisions made during the year	0	0	0	92
Amounts used during the year	(20)	0	(1)	0
Discount unwinding	0	108	0	0
<b>Balance at 30 June 2011</b>	<b>470</b>	<b>1,913</b>	<b>92</b>	<b>92</b>
<b>2010</b>				
Opening Balance	0	1,519	410	0
Additional provisions made during the year	490	0	0	0
Amounts used during the year	0	0	(318)	0
Discount unwinding	0	286	0	0
<b>Balance at 30 June 2010</b>	<b>490</b>	<b>1,805</b>	<b>92</b>	<b>0</b>

### Weathertightness claims

Five claims have been lodged with the Weathertight Homes Resolutions Service (WHRS) as at 30 June 2011 (2010 five). These claims relate to weathertightness issues of homes in the Rotorua area and name the council as well as other parties. A provision for these claims has been established based on actuarial assessment of claims based on historical average claim levels and other information held. The council has insurance in place to cover the provision recognised and has recognised a related receivable of \$nil (2010 \$100,000) is presented as part of trade and other receivables in note 7.

### 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 47 years.
- Estimates of the life have been made by Rotorua District Council's engineers based on historical and projected volume information.

The cash outflows for landfill post-closure are expected to occur in about fifteen years time. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 7%.

### Refund of rates

This provision primarily relates to a provision for historical errors for rates charged in prior years.

### 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 (2010: \$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 \$177,283 (2010 \$206,807).

## Note 15: Employee Benefit Liabilities

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Payroll payables	720	519	780	569
Accrued pay	632	632	632	632
Annual Leave	3,538	3,415	3,538	3,415
Long Service Leave	236	230	236	230
Retirement Gratuities	440	421	440	421
Sick Leave	123	121	123	121
<b>Total Employee Benefit Liabilities</b>	<b>5,689</b>	<b>5,338</b>	<b>5,749</b>	<b>5,388</b>
Comprising:				
Current	5,012	4,687	5,072	4,737
Non-current	677	651	677	651
<b>Total Employee Benefit Liabilities</b>	<b>5,689</b>	<b>5,338</b>	<b>5,749</b>	<b>5,388</b>



## Note 16: Borrowings including Derivative Financial Instruments

### Note 16A: Borrowings

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Current</b>				
Registered debenture stock	13,500	5,000	13,500	5,000
Registered security stock	22,390	23,300	22,390	23,300
Piano Loan	176	0	176	0
<b>Total Face Value current borrowings</b>	<b>36,066</b>	<b>28,300</b>	<b>36,066</b>	<b>28,300</b>
<b>Non-current</b>				
Registered debenture stock	88,000	86,500	88,000	86,500
Registered security stock	10,000	0	10,000	0
Suspensory Loans	0	0	0	0
Other Secured Loans	0	0	0	0
<b>Total Face value non-current borrowings</b>	<b>98,000</b>	<b>86,500</b>	<b>95,500</b>	<b>86,500</b>
<b>TOTAL FACE VALUE OF BORROWINGS</b>	<b>134,066</b>	<b>114,800</b>	<b>134,066</b>	<b>114,800</b>

#### Borrowing

##### *Registered Debenture Stock*

The debentures of \$71,500,000 (2010 \$66,500,000) are at a fixed interest rate for the term of the stock. Debenture stock of \$30,000,000 (2010 \$25,000,000) are at a floating interest rate. The interest rate is reset quarterly based on the 90 day bank bill rate plus a margin for credit risk.

##### *Registered Security Stock*

The security stock of \$32,390,000 (2010 \$23,300,000) are at a floating interest rate. The interest rate is reset quarterly based on the 90 day bank bill rate plus a margin for credit risk.

##### *Security*

The council's borrowings are secured against its rates revenue.

Council does not have an overdraft facility.

### Note 16B: Derivative Financial Instruments

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Current Asset Portion</b>				
Interest Rate swaps - Cashflow Hedges	0	0	0	0
<b>Total Current asset portion derivatives</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non - Current Asset Portion</b>				
Interest Rate Swaps - Cashflow Hedges	0	0	0	0
<b>Total Non current asset portion derivatives</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Derivative Financial Instruments Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current Liability Portion</b>				
Interest Rate swaps - Cashflow Hedges	566	0	566	0
<b>Total Current liability portion derivatives</b>	<b>566</b>	<b>0</b>	<b>566</b>	<b>0</b>
<b>Non - Current Liability Portion</b>				
Interest Rate Swaps - Cashflow Hedges	478	832	478	832
<b>Total Non current liability portion derivatives</b>	<b>478</b>	<b>832</b>	<b>478</b>	<b>832</b>
<b>Total Derivative Financial Instruments Liabilities</b>	<b>1,044</b>	<b>832</b>	<b>1,044</b>	<b>832</b>
<b>NET DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>1,044</b>	<b>832</b>	<b>1,044</b>	<b>832</b>

**Fair Values of Non Current Borrowings and Derivatives**

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Registered debenture stock	91,460	86,500	91,460	86,500
Registered security stock	10,000	0	10,000	0
Other Loans	176	0	176	0
Derivative valuation	1,044	832	1,044	832
<b>Total Fair value of non-current borrowings</b>	<b>102,680</b>	<b>87,332</b>	<b>102,680</b>	<b>87,332</b>

The fair values are based on cashflows discounted using a rate based on the borrowing rates ranging from 0.00% to 7.25% (2010 3.11% to 8.26%).

The carrying amounts of borrowings repayable within one year approximate their fair value, as the effect of discounting is not significant.

**Derivatives***Interest Rate Swaps*

The fair value of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$40 million (2010 \$35million) and for the group were \$40 million (2010 \$35 million). At 30 June 2011, the fixed interest rates of cashflow hedge interest rate swaps varied from 5.87% to 7.40% (2010 5.95% to 7.40%).

Treasury Policy borrowing limits are:

- a) The gross interest expense of all borrowings will not exceed 15% of total revenue  
6.69% for 2010/11 (6.24% for 2009/10)
- b) Net cashflows from operating activities are to exceed gross annual interest expense by a multiple of at least two:  
4.56 for 2010/11 (4.8 for 2009/10)
- c) Maximum debt not to exceed 20% of assets  
12.88% for 2010/11 (11.8% for 2009/10)
- d) No more than \$60 million or 50% of existing external borrowing (whichever is the greater) is subject to refinancing in any financial year:  
Within limits for 2010/11 (within limits for 2009/10)

The weighted average effective interest rates on borrowings is 5.96% (2010 6.25%).

**Note 17: Equity**

Retained Earnings	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Opening Balance	821,813	805,484	821,813	805,484
Net Surplus	7,656	8,590	7,656	8,590
	<b>829,469</b>	<b>814,074</b>	<b>829,469</b>	<b>814,074</b>
<i>Movements:</i>				
Self Funding Reserves	8,859	5,964	8,859	5,964
Council Created Reserves	9,558	1,894	9,558	1,894
Restricted Reserves	546	(935)	546	(935)
Transfers from property revaluation reserves on disposal	0	816	0	816
	<b>18,963</b>	<b>7,739</b>	<b>19,369</b>	<b>7,739</b>
<b>Closing Balance</b>	<b>848,433</b>	<b>821,812</b>	<b>848,433</b>	<b>821,813</b>

## Self Funding Reserve

Self Funding Reserves are reserves established at Council's will for activities undertaken by Council on the basis that the activities will generate enough revenue over time to cover the cost of their operation. The reserve balance represents accumulated balances to date of such activities.

2011	Opening Balance 01/07/2010 \$000	Movement during Year \$000	Interest Earned/ Charged to 30/06/2011 \$000	Closing Balance 30/06/2011 \$000
Pensioner Housing	1,030	109	0	1,139
Events Centre	(4,322)	(330)	0	(4,652)
Airport	(51,040)	(3,806)	(3,492)	(58,338)
Wastewater	12,033	2,001	781	14,815
Eastern Sewerage Scheme	1,915	(3,297)	72	(1,310)
Rural Waste Water	(1,904)	1,332	(97)	(669)
Landfill	(4,615)	(1,024)	(304)	(5,943)
Water	(2,819)	(906)	(187)	(3,912)
Refuse Collection	128	(218)	5	(85)
Electricity	0	494	8	502
<b>Total Self Funding Reserves</b>	<b>(49,594)</b>	<b>(5,645)</b>	<b>(3,214)</b>	<b>(58,456)</b>

2010	Opening Balance 01/07/2009 \$000	Movement during Year \$000	Interest Earned/ Charged to 30/06/2010 \$000	Closing Balance 30/06/2010 \$000
Pensioner Housing	(1,037)	(7)	0	1,030
Events Centre	4,204	136	(254)	(4,322)
Airport	42,574	(5,550)	(2,916)	(51,040)
Wastewater	(8,748)	2,710	576	12,033
Eastern Sewerage Scheme	2,040	4,013	(58)	1,915
Rural Waste Water	(233)	(2,118)	(18)	(1,904)
Landfill	3,202	(1,199)	(214)	(4,615)
Water	1,923	(766)	(131)	(2,819)
Refuse Collection	(295)	(183)	15	128
Electricity	0	0	0	0
<b>Total Self Funding Reserves</b>	<b>43,630</b>	<b>(2,964)</b>	<b>(3,000)</b>	<b>(49,594)</b>

## 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.

2011	Opening Balance 01/07/2010 \$000	Movement during Year \$000	Interest Earned/ Charged to 30/06/2011 \$000	Closing Balance 30/06/2011 \$000
Reporoa Domain	27	10	0	38
Waikite Domain	19	(3)	0	17
<b>Development Contributions</b>				
Roading	690	(145)	51	596
Public Amenities	(6,427)	(370)	(394)	(7,191)
Land Drainage and Stormwater	61	(143)	7	(75)
Parks and Reserves	(1,225)	(31)	(74)	(1,330)
Water	(2,276)	(1,658)	(113)	(4,047)
Waste Water	(2,206)	(6,671)	(24)	(8,902)
<b>Total Council Created Reserves</b>	<b>(11,337)</b>	<b>(9,011)</b>	<b>(547)</b>	<b>(20,894)</b>

Development Contribution Reserves have a negative balance due to collections only starting in 2007 and some projects will collect contributions over 25 years or more.

2010	Opening Balance 01/07/2009 \$000	Movement during Year \$000	Interest Earned/ Charged to 30/06/2010 \$000	Closing Balance 30/06/2010 \$000
Reporoa Domain	20	6	1	27
Waikite Domain	17	0	1	19
<b>Development Contributions</b>				
Roading	460	199	32	690
Public Amenities	(6,102)	55	(381)	(6,427)
Land Drainage and Stormwater	54	7	0	61
Parks and Reserves	(1,016)	(142)	(67)	(1,225)
Water	(1,578)	(593)	(105)	(2,276)
Waste Water	(1,292)	(813)	(102)	(2,206)
<b>Total Council Created Reserves</b>	<b>(9,437)</b>	<b>(1,281)</b>	<b>(621)</b>	<b>(11,337)</b>

### Restricted Reserves

Restricted Reserves are subject of specific conditions set either by legislation, trust or bequests and the purpose may not be changed without reference to the courts of a third party.

2011	Opening Balance 01/07/2010 \$000	Movement during Year \$000	Interest Earned/ Charged to 30/06/2011 \$000	Closing Balance 30/06/2011 \$000
Reserves Development	1,868	(654)	107	1,321
Creative NZ Reserve	22	0	1	24
<b>Total Restricted Reserves</b>	<b>1,891</b>	<b>(654)</b>	<b>108</b>	<b>1,345</b>

2010	Opening Balance 01/07/2009 \$000	Movement during Year \$000	Interest Earned/ Charged to 30/06/2010 \$000	Closing Balance 30/06/2010 \$000
Reserves Development	939	846	83	1,868
Creative NZ Reserve	16	5	1	22
<b>Total Restricted Reserves</b>	<b>955</b>	<b>851</b>	<b>84</b>	<b>1,891</b>

### 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

### Cashflow Hedge Reserve

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Opening Balance</b>	(471)	(651)	(471)	(651)
Valuations gains / (losses) taken to equity	(209)	180	(209)	180
Transfers to statement of financial performance on disposal	0	0	0	0
<b>Closing Balance</b>	<b>(680)</b>	<b>(471)</b>	<b>(680)</b>	<b>(471)</b>

## Fair Value Through Equity Reserve

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Opening Balance</b>	235	232	235	232
Valuations gains / (losses) taken to equity	173	3	173	3
Transfers to statement of financial performance on disposal	0	0	0	0
<b>Closing Balance</b>	<b>407</b>	<b>235</b>	<b>407</b>	<b>235</b>

## Asset Revaluation Reserves

	2011 Asset Revaluation Reserve for each asset class consist of				2010 Asset Revaluation Reserve for each asset class consist of			
	Opening Balance 01/07/2010 \$000	Transfer to Accumulated Funds on disposal of Property	Revaluatn gains / (losses) during year \$000	Revaluatn Disposals gains / (losses) during year \$000	Closing Balance 30/06/2011 \$000	Opening Balance 01/07/2009 \$000	Revaluatn gains / (losses) during year \$000	Closing Balance 30/06/2010 \$000
Consists of:								
Airport	1,877	0	0	0	1,877	0	1,877	1,877
Buildings	15,247	0	0	(51)	15,196	7,270	7,977	15,247
Footpaths	587	0	0	0	587	587	0	587
Land	11,276	0	0	0	11,276	12,253	(977)	11,276
Landfill	535	0	0	0	535	535	0	535
Library	108	0	165	0	274	130	(22)	108
Parks and Reserves	2,158	0	3,055	(9)	5,204	2,161	(3)	2,158
Roading	4,899	0	0	0	4,900	4,900	(1)	4,899
Stormwater	4,216	0	48,011	(84)	52,143	4,216	0	4,216
Street Items	1,000	0	0	0	1,000	1,000	0	1,000
Waste Management	24	0	0	0	24	24	0	24
Wastewater Reticulation	0	0	3,822	2	3,824	0	0	0
Plant & Reticulation	10,687	0	0	0	10,687	10,687	0	10,687
Water Works	20,563	0	0	(264)	20,299	5,064	15,499	20,563
<b>Total Asset Revaluation Reserves</b>	<b>73,177</b>	<b>0</b>	<b>55,053</b>	<b>(404)</b>	<b>127,826</b>	<b>48,827</b>	<b>24,350</b>	<b>73,177</b>

**Note 18: Reconciliation of net surplus/(deficit) to after tax to net cash flow from operating activities**

Retained Earnings	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Surplus/(deficit) after tax</b>	7,656	8,590	7,656	8,590
Add/(less) non-cash items:				
Depreciation Property, Plant and Equipment	25,260	23,330	25,431	23,480
Depreciation Intangible Assets	738	1,059	738	1,059
Impairment charges accounts receivable	(193)	117	(193)	117
Vested assets and assets recognised for first time	(2,577)	(8,382)	(2,577)	(8,382)
(Gains)/losses in fair value of biological assets	(142)	152	(142)	152
Change in Revaluation through Profit and Loss	2,275	4,657	2,275	4,657
<b>Add/(less) items classified as investing or financing activities:</b>				
(Gains)/losses on disposal of Property, Plant and Equipment	1,934	485	1,920	485
Reversal impairment loss RRAL	(200)	380	0	0
Fair value decrease(increase) LASS	(11)	(3)	(11)	(3)
Fair value decrease(increase) NZLGI	55	0	55	0
Fair Value decrease (increase) interest swap	212	361	212	361
Movement PPE	(821)	1,852	(821)	1,855
Movement Intangible Assets	0	0	0	0
<b>Add/(less) movements in working capital items:</b>				
Trade & other receivable	(1,064)	(1,397)	(2,832)	(1,236)
Inventories	27	(140)	29	(140)
Trade & other payable	1,406	2,125	917	3,628
Provision for taxation		0	(5)	28
Provisions	178	460	178	460
Employee Benefits	351	(210)	361	(208)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>35,084</b>	<b>33,436</b>	<b>33,191</b>	<b>34,903</b>

**Note 19: Capital Commitments and Operating Leases**

	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>Council is committed to the following Capital Contracts</b>				
Recreation and Community Services	1,859	7,144	1,859	7,144
Works and Engineering Services	17,812	23,440	17,812	23,440
Support Services	184	233	184	233
Airport	813	3,474	813	3,474
<b>Total Capital Contracts</b>	<b>20,668</b>	<b>34,291</b>	<b>20,668</b>	<b>34,291</b>

**Operating leases as lessee**

The council and group leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows.

Non-cancellable operating lease commitments as lessee:	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Not later than one year	309	240	309	240
Later than one year and not later than two years	278	89	278	89
Later than two years and not later than five years	367	240	367	240
Later than five years	1,051	502	1,051	502
<b>Total non-cancellable operating lease commitments as lessee:</b>	<b>2,005</b>	<b>1,071</b>	<b>2,005</b>	<b>1,071</b>
<b>Total Commitments</b>	<b>22,673</b>	<b>35,362</b>	<b>22,673</b>	<b>35,362</b>

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$Nil (2010: \$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.

#### Operating leases as lessor

The council leases buildings, land, various parks, reserve land and commercial premises under operating leases. The majority of these leases that have a non-cancellable term of 72 months. The future aggregate minimum lease payments to be collected under non-cancellable operating lessors are as follows:

Non-cancellable operating lease commitments as lessor:	Council		Group	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Not later than one year	2,032	2,566	1,288	1,679
Later than one year and not later than two years	972	2,262	972	1,375
Later than two years and not later than five years	2,046	6,367	2,046	4,593
Later than five years	4,011	5,126	4,011	5,126
<b>Total non-cancellable operating lease commitments as lessor:</b>	<b>9,061</b>	<b>16,321</b>	<b>8,317</b>	<b>12,773</b>

Council have changed the way in which future lease receivables are measured and disclosed given the level of uncertainty surrounding some of the future lease receivables. Given this change in measurement council cannot quantify the effect this has on prior years' figures.

No contingent rents have been recognised during the period.

## Note 20: Contingencies

Contingent Liabilities	Council 2011 \$000	Council 2010 \$000	Group 2011 \$000	Group 2010 \$000
<b>Guarantees</b>				
Guarantees to community and sporting groups	177	207	177	207
<b>Borrowings</b>				
Performance bond BNZ on behalf of Tourism Rotorua	235	235	235	235
Borrowing - Housing New Zealand Corporation suspensory loan	1,532	1,532	1,532	1,532
<b>Legal proceedings</b>				
The Group's effective exposure to legal claims	190	130	190	130
<b>Total Contingent Liabilities</b>	<b>2,134</b>	<b>2,104</b>	<b>2,134</b>	<b>2,104</b>

#### Financial 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.

#### Borrowings

The Housing New Zealand suspensory loan has been spent on specific social housing projects in accordance with the loan agreement. The council is not required to repay the outstanding principal, including interest and costs, if the council meets the conditions of the loan during a 20 year period commencing December 2005. The loan is secured by first ranking mortgage over the land.

#### Legal proceedings

The council is currently facing fifteen legal claims (2010 five), amounting to \$935,000 (2010 \$240,000). 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. Included in the above,

are situations where no formal claims have been made to date, relating to nine properties in a subdivision and a leaky building claim not yet notified to Weathertight Homes Resolution Services (WHRS).

#### *Unquantified claims*

As disclosed in note 14, a provision of \$470,000 (2010 \$490,000) has been recognised for weathertightness claims whereby the council has received notice of the claim. The council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims are not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services (WHRS) Act 2006, but other statutory limitation periods could also affect claims.

RiskPool provides public liability and professional indemnity for its members, of which Council is no longer a member. The Trust Deed of Risk Pool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the board may make a call on members for that fund year. No notices were received by Council during 2011, however, a notice has been received in July 2012 for a call for additional contributions. This highlights that it is possible that further calls could still be made in the future, and a liability will be recognised for the future calls when there is more certainty over the amount of the calls.

The council is a participating employer in the Defined Benefit Plan Contributors Scheme ("the Scheme"), which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, the council could be responsible for the entire deficit of the Scheme. Similarly, if a number of employers ceased to participate in the Scheme, the council could be responsible for an increased share of the deficit.

As at 31 March 2011 the Scheme had a past service surplus of \$43.601 million (18.2% of the liabilities). This amount is exclusive of Specified Superannuation Contribution Withholding Tax and calculated using a discount rate equal to the expected return on the assets. The Actuary to the Scheme has recommended the employer contribution continues at 1.0 times contributors contributions. The 1.0 is inclusive of Specified Contribution Withholding Tax.

<b>Loan Guarantees</b>	<b>Council 2011 \$000</b>	<b>Council 2010 \$000</b>	<b>Group 2011 \$000</b>	<b>Group 2010 \$000</b>
Rotorua Badminton Club Incorporated	57	63	57	63
Whakarewarewa Rugby Community Sports Incorporated	29	33	29	33
Rotorua Hockey Trust & BOP Hockey Association	207	229	207	229
<b>Total</b>	<b>293</b>	<b>325</b>	<b>293</b>	<b>325</b>

#### *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 2011 there are four facilities which have a book value of \$292,937 (2010: \$325,000).

<b>Suspensory Loans</b>	<b>Council 2011 \$000</b>	<b>Council 2010 \$000</b>	<b>Group 2011 \$000</b>	<b>Group 2010 \$000</b>
Reporoa College	60	70	60	70
Western Heights High School	120	150	120	150
Rotorua Girls High School	90	120	90	120
Rotorua Rail Trust	3	4	3	4
Kaharoa Primary School	50	60	50	60
Lynmore Primary School	12	16	12	16
St Chads	53	66	53	66
John Paul College	175	195	175	195
Rotorua Kartsport Development	150	0	150	0
<b>Total</b>	<b>713</b>	<b>681</b>	<b>713</b>	<b>681</b>
<b>Total Contingent Assets</b>	<b>1,006</b>	<b>1,006</b>	<b>1,006</b>	<b>1,006</b>

#### *Suspensory Loans*

The council operates a scheme whereby community and educational organisations are able to apply for suspensory loans through Council's Community Asset Community Fund (CADF). Criteria for the suspensory loan includes that the facility (to which the loan relates) be made available to the public in measured amounts of time, the project has other funding sources to enable successful completion, and that ongoing monitoring of the fiscal viability of the organisation is maintained throughout the term of the suspensory loan. The community organisation(s) control the use of these facilities, and the council will only make the remaining balance, or the instalment 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 2011 there were eight facilities having a face value of \$563,000 (2009: \$681,000) outstanding.



## Note 21: Related Party Transactions

The Council is the ultimate parent of the group and controls one entity Rotorua Regional Airport Ltd.

### Related Party transactions with subsidiaries, associates or joint ventures

Rotorua Regional Airport	Council 2011 \$000	Council 2010 \$000
Interest Paid to the Council	26	9
Services provided by the Council		
- Land & Water Rates	62	59
- Rent	167	385
- Development Levy	531	445
Loans payable to the council	420	420
Accounts Payable to the Council	1,750	652
Accounts Receivable from the Council	96	243
Directors remuneration including non-monetary benefits paid to RDC Councillors		
- Councillor Martin	3	11
- Councillor McVicker	3	11
- Councillor Kenny	4	0

### Transactions with key management personnel

Key Management Personnel compensation	Council 2011 \$000	Council 2010 \$000
Salaries and other short term employee benefits	1,092	1,099
Post-employment benefits	0	0
Other long-term benefits	47	50
Termination benefits	382	0
Share-based payments	0	0
Councillors Salaries	572	561
<b>Total Group Key management Remuneration</b>	<b>2,093</b>	<b>1,710</b>

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the council (such as payment of rates, permit fees, purchase of rubbish bags etc).

During 2011, the council purchased goods and services from Clean Green City Maintenance 2011:\$1,372,585 (2010:\$1,334,473) and Gardeners Landscape Supplies 2011:\$1733 (2010:\$772), accounts payable outstanding balance as at 30 June 2011 \$44, businesses owned by Councillor Bentley and her husband.

During the year, the Council purchased no goods and services from Putt Putt (Rotorua) Ltd, a business owned by Councillor Mc Vicker. 2011 Nil (2010:\$450). During the year, the council received goods & services from Putt Putt (Rotorua) Ltd of \$563.00.

During the year, the council sold goods to Bob Martin a councillor 2011 \$2000 (2010 Nil).

During the year Council provided a community grant to Rotorua Mountain Bike Club for \$5000, a business in which Councillor Donaldson is a director.

During the year, the council purchased goods and services from D & C Gould Ltd for \$2,482, a business in which Councillor Gould is an owner.

During the year chief executive Peter Guerin was director on the BOP LASS Ltd. in which RDC paid \$479,264 (2010 \$36,687) for services provided, outstanding amount payable 30 June 2011 \$3,482 (2010 \$262,756) and RDC received \$2,944 during the year from Bay of Plenty LASS.

Peter Guerin was also a director on the (Waikato) LASS Ltd. in which payments amounting to \$59,357 (2010:\$59,226) 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 2009/10).

## 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 2011	Council 2011 \$000	Percentage	Council 2010 \$000	Percentage
Kawerau District Council	59	2.00%	61	2.40%
Opotiki District Council	63	3.00%	66	2.60%
Rotorua District Council	567	23.00%	596	23.50%
Taupo District Council	366	15.00%	372	14.70%
Tauranga City Council	814	33.00%	790	31.20%
Western BOP District Council	382	15.00%	383	15.10%
Whakatane District Council	253	10.00%	264	10.40%
<b>Total Tax Distributable to Councils</b>	<b>2,504</b>	<b>100.00%</b>	<b>2,532</b>	<b>100.00%</b>

### State Highways Administration

	Council 2011 \$000	Council 2010 \$000
<b>Expenditure on State Highways Roading Network</b> (Reimbursed from Land Transport New Zealand and Whakatane District Council)	<b>13,422</b>	<b>13,461</b>

### Regional Council Rates

	Council 2011 \$000	Council 2010 \$000
Rates were collected on behalf of the following Regional Authorities:		
Bay of Plenty Regional Council	7,172	6,271
	<b>7,172</b>	<b>6,271</b>

## 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 2011 was \$339,717 (\$319,262 2010).

	Council 2011 \$	Council 2010 \$	Group 2011 \$	Group 2010 \$
<i>Chief Executive's Remuneration</i>				
Salary Chief Executive	299,823	290,210	299,823	290,210
Vehicle Chief Executive (incl FBT)	23,852	23,852	23,852	23,852
	<b>323,675</b>	<b>314,062</b>	<b>323,675</b>	<b>314,062</b>
<i>Other Benefits</i>				
Professional Association Fees Chief Executive	1,051	273	1,051	273
Telephone and Sundries Chief Executive	0	0	0	0
Superannuation	14,991	14,510	14,991	14,510
	<b>16,042</b>	<b>14,783</b>	<b>16,042</b>	<b>14,783</b>
<b>Total Remuneration</b>	<b>339,717</b>	<b>319,262</b>	<b>339,717</b>	<b>319,262</b>

### Elected Representatives

The following people comprise the elected members of the council's governing body. The total monetary remuneration received by the twelve councillors and the mayor during the year totalled \$576,323 (2010 \$572,679).

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.

## Severance Payments

For the year ended 30 June 2011, the council made five severance payments to employees totalling \$459,653 (2010 \$24,103).

The value of each of the severance payments was \$176,312, \$206,157, \$41,686, \$33,498 and \$2,000.

	Honoraria 2011 \$	Hearing Fees 2011 \$	TOTAL 2011 \$	TOTAL 2010 \$
<i>Councillors' Remuneration</i>				
Bentley M	36,885	748	37,633	37,200
Calnan J	37,855	0	37,855	36,384
Donaldson D	37,855	0	37,855	36,384
Gould M	25,829	0	25,829	0
Hunt K	37,855	0	37,855	36,384
Kenny G	36,885	680	37,565	38,985
Martin R W *	11,056	204	11,260	37,404
Maxwell T H	43,821	0	43,821	47,352
McVicker M *	40,384	0	40,384	36,384
Searancke G P	42,071	884	42,955	44,114
Sturt C W	38,573	0	38,573	42,142
Waaka M T R	39,542	2,550	42,092	45,916
Wepa J G	40,384	1,156	41,540	38,832
Winters K (Mayor)	101,108	0	101,108	95,198
	<b>570,103</b>	<b>6,222</b>	<b>576,325</b>	<b>572,679</b>

\*Cr Martin, Cr McVicker and Cr Kenny also earned directors' fees as directors of the Rotorua Regional Airport Ltd, of \$2,750 (\$11,000 2010), \$2,750 (\$11,000 2010) and \$3,750 respectively.

## Note 24: Events After Balance Date

No significant events have occurred between balance date and the signing of the financial statements.

## Note 25: Financial Instruments

### Note 25A: Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

	Council 2011 \$000	Council 2010 \$000	Group 2011 \$000	Group 2010 \$000
<b>FINANCIAL ASSETS</b>				
<b>Loans and receivables</b>				
Total cash and cash equivalents (including short term deposits 3mths or less)	1,773	2,002	1,657	3,856
Debtors and other receivables (including community loans & RRAL loan)	18,438	17,199	18,355	16,838
<b>Total loans and receivables</b>	<b>20,211</b>	<b>19,201</b>	<b>20,012</b>	<b>20,694</b>
<b>Fair value through other comprehensive income</b>				
Unlisted shares (note 12)	2,220	2,063	493	537
<b>Derivatives that are hedge accounted</b>				
Derivative financial instrument assets	0	0	0	0
<b>Total Financial Assets</b>	<b>22,431</b>	<b>21,264</b>	<b>20,505</b>	<b>21,231</b>

FINANCIAL LIABILITIES	Council 2011 \$000	Council 2010 \$000	Group 2011 \$000	Group 2010 \$000
<b>Financial liabilities</b>				
Creditors and other payables	26,848	25,442	25,880	26,370
Borrowings:				
Registered debenture stock	101,500	56,500	101,500	56,500
Registered security stock	32,390	23,300	32,390	23,300
<b>Derivatives that are hedge accounted</b>				
Derivative financial instrument liabilities	1,044	832	1,044	832
<b>Total financial liabilities</b>	<b>161,782</b>	<b>106,074</b>	<b>160,814</b>	<b>107,002</b>

### Note 25B: Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

	Total \$000	Quoted market price \$000	Valuation Techniques Observable inputs \$000	Significant non observable inputs \$000
<b>30 June 2011 Council</b>				
<b>Financial Assets</b>				
Shares	2,220	0	0	2,220
<b>Financial Liabilities</b>				
Registered debenture stock	101,500	0	101,500	0
Registered security stock	32,390	0	32,390	0
Derivatives	1,044	0	1,044	0
<b>30 June 2011 Group</b>				
<b>Financial Assets</b>				
Shares	493	0	0	493
<b>Financial Liabilities</b>				
Registered debenture stock	101,500	0	101,500	0
Registered security stock	32,390	0	32,390	0
Derivatives	1,044	0	1,044	0
<b>30 June 2010 Council</b>				
<b>Financial Assets</b>				
Shares	2,063	0	0	2,063
<b>Financial Liabilities</b>				
Registered debenture stock	56,500	0	56,500	0
Registered security stock	23,300	0	23,300	0
Derivatives	832	0	832	0
<b>30 June 2010 Group</b>				
<b>Financial Assets</b>				
Shares	537	0	0	537
<b>Financial Liabilities</b>				
Registered debenture stock	56,500	0	56,500	0
Registered security stock	23,300	0	23,300	0
Derivatives	832	0	832	0

There were no transfers between the different levels of the fair value hierarchy.

*Valuation techniques with significant non-observable inputs (level 3)*

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

**Valuation Techniques with significant non-observable inputs (level 2)**

	2011	2010
Balances 1st July	(466)	(650)
Gains and Losses recognised in other comprehensive income	37	184
Any hedging must be approved by council	<b>(429)</b>	<b>(466)</b>

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

**Note 25C: Financial Instrument Risks**

Council has a series of policies to manage the risk associated with financial instruments and is risk averse and seeks to minimise exposure from its treasury activities. The council has established Council Approved Liability Management and Investment policies. 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 purchases plant and equipment associated with the construction of certain infrastructural assets from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

*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, maturity profile and derivatives.

As at 30 June 2011 the council has five interest rate risk management instruments in place.

## Credit Risk

Credit risk is the risk that a third party will default on its obligation to the council causing the council to incur a loss.

Financial instruments which potentially subject the council to credit risk consist of bank balances, term deposits, rates and other receivables, community loans and financial guarantees.

The council places its cash and short term deposits with high credit quality financial institutions. Accordingly the council does not require any collateral or security to support these financial instruments with institutions or organisations it deals with.

### Maximum exposure to credit risk

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

Maximum exposure to credit risk	Council 2011 \$000	Council 2010 \$000	Group 2011 \$000	Group 2010 \$000
Cash at Bank and term deposits	1,773	2,002	1,657	3,856
Debtors and other receivables (including community loans & RRAL loan)	18,438	17,199	18,355	16,838
Unlisted shares	2,220	2,063	493	537
Financial guarantees	293	325	293	325
<b>Total fair value through other comprehensive income</b>	<b>22,724</b>	<b>21,589</b>	<b>20,798</b>	<b>21,556</b>

### 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 Poors' credit ratings (if available) or to historical information about counterparty default rates:

Credit quality of financial assets	Council 2011 \$000	Council 2010 \$000	Group 2011 \$000	Group 2010 \$000
<b>Counterparties with credit ratings</b>				
Cash at bank and term deposits	1,773	2,002	1,657	3,856
<b>Total Cash at bank and term deposits</b>	<b>1,773</b>	<b>2,002</b>	<b>1,657</b>	<b>3,856</b>
<b>Counterparties without credit ratings</b>				
Unlisted Shares	2,220	2,063	493	537
<b>Total Unlisted Shares</b>	<b>2,220</b>	<b>2,063</b>	<b>493</b>	<b>537</b>
<b>Community and related party loans</b>				
Existing counterparty with no defaults in the past	17	32	17	32
Related Party Loan RRAL	420	420	420	420
<b>Total Community and Related Party Loans</b>	<b>437</b>	<b>452</b>	<b>437</b>	<b>452</b>

Debtors and other receivables mainly arise from 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 debtors 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

### Management of 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.

Rotorua District Council has a maximum amount that can be drawn down against its bank facilities of \$55,000,000 (2010: \$60,000,000). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities, excluding derivatives

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 and include interest payments.

Council 2011	Liability Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More than 5 years \$000
Creditors and payables	26,848	26,848	26,848	0	0	0
Registered Debenture Stock	101,500	121,626	19,325	22,976	36,968	42,357
Registered Security Stock	32,390	32,652	32,576	41	35	0
Derivatives	1,044	1,058	811	284	(37)	0
Piano Loan	176	176	176	0	0	0
Financial guarantees	177	265	35	27	52	151
<b>Total</b>	<b>162,135</b>	<b>182,625</b>	<b>79,771</b>	<b>23,328</b>	<b>37,018</b>	<b>42,508</b>
<b>Group 2011</b>						
Creditors and payables	25,880	25,880	25,880	0	0	0
Registered Debenture Stock	101,500	121,626	19,325	22,976	36,968	42,357
Registered Security Stock	32,390	32,652	32,576	41	35	0
Derivatives	1,044	1,058	811	284	(37)	0
	176	176	176	0	0	0
Financial guarantees	177	265	35	27	52	151
<b>Total</b>	<b>161,167</b>	<b>181,657</b>	<b>78,803</b>	<b>23,328</b>	<b>37,018</b>	<b>42,508</b>
<b>Council 2010</b>						
Creditors and payables	25,442	25,442	25,442	0	0	0
Registered Debenture Stock	91,500	109,449	5,436	18,576	48,119	37,318
Registered Security Stock	23,300	23,451	23,447	4	0	0
Derivatives	832	1,260	676	483	101	0
Financial guarantees	207	311	36	36	88	151
<b>Total</b>	<b>141,281</b>	<b>159,913</b>	<b>55,037</b>	<b>19,099</b>	<b>48,308</b>	<b>37,469</b>
<b>Group 2010</b>						
Creditors and payables	26,370	26,370	26,370	0	0	0
Registered Debenture Stock	91,500	109,449	5,436	18,576	48,119	37,318
Registered Security Stock	23,300	23,451	23,447	4	0	0
Derivatives	832	1,260	676	483	101	0
Financial guarantees	207	311	36	36	88	151
<b>Total</b>	<b>142,209</b>	<b>160,841</b>	<b>55,965</b>	<b>19,099</b>	<b>48,308</b>	<b>37,469</b>

*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.

Council 2011	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More than 5 years \$000
Total Cash and cash equivalents (including short term deposits 3mths or less)	1,773	1,773	1,773	0	0	0
Debtors and other receivables (including community loans & RRAL loan)	18,438	18,438	18,438	0	0	0
Other financial assets	0	0	0	0	0	0
Unlisted shares	2,220	2,220	2,220	0	0	0
<b>Total</b>	<b>22,431</b>	<b>22,431</b>	<b>22,431</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Group 2011</b>						
Total Cash and cash equivalents (including short term deposits 3mths or less)	1,657	1,657	1,657	0	0	0
Debtors and other receivables (including community loans & RRAL loan)	18,355	18,355	18,355	0	0	0
Other financial assets	0	0	0	0	0	0
Unlisted shares	493	493	493	0	0	0
<b>Total</b>	<b>20,505</b>	<b>20,505</b>	<b>20,505</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Council 2010</b>						
Total Cash and cash equivalents (including short term deposits 3mths or less)	2,002	2,002	2,002	0	0	0
Debtors and other receivables (including community loans & RRAL loan)	17,199	17,199	17,199	0	0	0
Other financial assets	0	0	0	0	0	0
Unlisted shares	2,063	2,063	2,063	0	0	0
Derivatives						
<b>Total</b>	<b>21,264</b>	<b>21,264</b>	<b>21,264</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Group 2010</b>						
Total Cash and cash equivalents (including short term deposits 3mths or less)	3,856	3,856	3,856	0	0	0
Debtors and other receivables (including community loans & RRAL loan)	16,838	16,838	16,838	0	0	0
Related Party Loan RRAL	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	0
Unlisted shares	537	537	537	0	0	0
Derivatives	0	0	0	0	0	0
<b>Total</b>	<b>21,231</b>	<b>21,231</b>	<b>21,231</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Sensitivity analysis

The following table illustrates the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Council and Group's financial instrument exposures at the balance date.

COUNCIL	2011 \$000				2010 \$000			
	-100bps Other		+100bps Other		-100bps Other		+100bps Other	
INTEREST RATE RISK	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
<b>Financial Assets</b>								
Cash and Cash Equivalents	(17)	0	17	0	(20)	0	20	0
<b>Financial Liabilities</b>								
Derivatives - hedge accounted	(2)	(323)	31	289	(4)	(650)	275	361
Borrowings:								
- Debenture Stock	0	0	0	0	0	0	0	0
- Security Stock	324	0	(324)	0	233	0	(233)	0
<b>Total sensitivity</b>	<b>305</b>	<b>(323)</b>	<b>(276)</b>	<b>289</b>	<b>209</b>	<b>(650)</b>	<b>62</b>	<b>361</b>

GROUP	2011 \$000				2010 \$000			
	-100bps Other		+100bps Other		-100bps Other		+100bps Other	
INTEREST RATE RISK	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
<b>Financial Assets</b>								
Cash and Cash Equivalents	(16)	0	16	0	(39)	0	39	0
<b>Financial Liabilities</b>								
Derivatives - hedge accounted	(2)	(323)	31	289	(4)	(650)	275	361
Borrowings:								
- Debenture Stock	0	0	0	0	0	0	0	0
- Security Stock	324	0	(324)	0	233	0	(233)	0
<b>Total sensitivity</b>	<b>306</b>	<b>(323)</b>	<b>(277)</b>	<b>289</b>	<b>190</b>	<b>(650)</b>	<b>81</b>	<b>361</b>

### Derivatives Hedge Accounted

#### Financial Liabilities

Derivative financial assets hedge accounted includes five interest rate swaps with a fair value totalling \$41,044,000 (2010 \$35,832,000).

A movement in interest rates of plus 100bps has an effect on realised receipts/(payments) on the cashflow hedge interest swap during the period of \$31,000 effect on profit (2010 \$275,000) and \$289,000 (2010 \$361,000) through equity. A movement in interest rates of minus 100bps has an effect on realised receipts/(payments) on the cashflow hedge interest swap during the period of \$-2,000 (2010 \$-4,000) effect on profit and \$-323,000 (2010 \$-650,000) effect on equity. There is a profit or loss sensitivity of \$-2,603.70 (2010 \$-361,738) on fair value hedges, as the hedges are not 100% effective this is recorded in the statement of comprehensive income.

#### Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis point (bps) movement. For example, a decrease in 50bps is equivalent to a decrease in interest rates of 0.5%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -50b[ps]/+100bps (2009 -100bps/+100bps) provided by Bancorp

#### Explanation of other price risk sensitivity

The sensitivity for listed shares has been calculated based on a -10%/+10% (2009-10%/+10%) movement in the quoted bid share price at year end for the listed shares.

## 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 2009-2019.

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

Explanations for major variances from the council's budget figures are as follows:

Significant variances in actual transactions from the Annual Plan have been detailed in the Cost of Service Statements. Below are the explanations for major variances from the 2010/11 budget that are not included in the Cost of Service Statements.

### Statement of Comprehensive Income

The general rates, which are not included in the Cost of Service Statements, were higher than budget due to a conservative calculation on remissions, bad debts and growth. Remissions and bad debts were expected to increase due to the current economic climate and growth was factored at zero.

Revaluation on Property, Plant and Equipment was significantly higher than budget. This is a very difficult area to forecast and in the 2010/11 year stormwater assets were revalued. The key reason for the higher than planned increase was a correction in the unit rates from the previous revaluation. This caused the unit rate increases for valuing the assets to be much higher than anticipated.

### Statement of Financial Performance

Cash and Cash Equivalents were \$1 million lower than budget. The target is to keep cash as low as possible to in turn have loan facilities as low as possible, however at year end there are usually last minute payment that make it difficult to predict.

Trades and other receivables were \$1.9 millions lower than budget; however \$1.3 million higher than last year. This balance depends on late invoices, the amount of work completed in June and accruals. Key reason for a lower balance is better collections and less last minute invoicing.

Property Plant and Equipment (PPE) is \$18 million higher than budget, this also relates to the higher than planned revaluation, partly offset by lower than planned capital expenditure.

Intangible Assets are \$5 million lower than budget due to an error in the budget split between PPE and Intangible assets.

Trade and Other Payables is \$4.7 million less than budget. This balance depends on how much of the capital expenditure is owing as at the end of the year. The lower balance is due to lower than budgeted capital expenditure as well as less than planned outstanding invoices at year end.

Net Borrowings were \$21.7 million less than budget. The key reason for this is less than planned capital expenditure.

**Independent Auditor's Report**

**To the readers of**  
**Rotorua District Council and group's**  
**annual report**  
**for the year ended 30 June 2011**

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 the audit of the financial statements, service performance information and other information required by schedule 10 of the Local Government Act 2002 (other information) of the District Council and group on her behalf.

We have audited:

- the financial statements of the District Council and group on pages 119 to 168, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies, explanatory information and particular information required by schedule 10 of the Local Government Act 2002; and
- the service performance information of the District Council and group on pages 27 to 113 that includes particular information required by schedule 10 of the Local Government Act 2002.
- the other information that comprises schedule 10 information not contained in the financial statements or the service performance information on pages 114 to 116.

**Opinion on the financial statements, service performance information and other information**

In our opinion:

- The financial statements of the District Council and group on pages 119 to 168:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's financial position as at 30 June 2011; and
    - the results of its operations and cash flows for the year ended on that date.
- The service performance information of the District Council and group on pages 27 to 113:

- complies with generally accepted accounting practice in New Zealand; and
- fairly reflects the District Council and group's levels of service for the year ended 30 June 2011, including:
  - the levels of service as measured against the intended levels of service adopted in the long-term council community plan; and
  - the reasons for any significant variances between the actual service and the expected service.
- The other information of the District Council and group in the financial statements and the service performance information and on pages 114 to 116 under the headings Council Controlled Organisations complies with the requirements of Schedule 10 of the Local Government Act 2002 applicable to the annual report and fairly reflects the required information.

Our audit was completed on 6 October 2011. This 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 our responsibilities, and explain our independence.

### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements, service performance information and other information are free from material misstatement.

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, service performance information and other information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, service performance information and other information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the District Council and group's financial statements, service performance information and other information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements, service performance information and other information;
- determining the appropriateness of the reported service performance information within the Council's framework for reporting performance; and

- the overall presentation of the financial statements, service performance information and other information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, service performance information and other information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and service performance information that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council and group's financial position, financial performance and cash flows;
  - fairly reflect its service performance, including achievements compared to its forecast; and
- other information in accordance with Schedule 10 of the Local Government Act 2002 that fairly reflects the required information.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, service performance information and other information that are free from material misstatement, whether due to fraud or error.

The Council's responsibilities arise from the Local Government Act 2002.

### Responsibilities of the Auditor

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

### Independence

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

In addition to the audit we have carried out assignments such as the audit of the Long Term Council Community Plan and subsequent amendments to this Plan, which are compatible with those independence requirements.

Other than the audit and these assignments, 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

# Partners' support

## Inaugural Foundation Partners



## Foundation Partners



## Corporate Partners



## Project Partners



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**Back Cover: Carved doors, Energy Events Centre, Rotorua**

*A marriage between traditional Maori carving and contemporary indigenous art features in the Grand Hall of the Energy Events Centre. Traditional kowhaiwhai patterns feature on the doors.*

*The pare above the carved doors depicts the six main ancestors of Ngati Whakaue, the progenitors of the tribe whose stronghold was Ohinemutu. They are Taeotu, Pukaki, Rangiiwaho, Hurungaoterangi, Tunohopu and Te Rorooterangi.*

*The whakawae (carvings on the side of the doors) represent Nga waru pumanawa o Te Arawa – the eight hearts of Te Arawa or eight children of Rangitahi.*

*“The work depicts the lifestyle of man – birth, life and death. To walk into this hall is to come back to the people. This is the very heart of Te Arawa.” [Rotorua District Council Kaupapa Maori Director, Mauriora Kingi]*



TE PŪTA  
CULTURE